



SAKTHI FINANCE LIMITED

**KEY INFORMATION DOCUMENT ("KID") AS PER SCHEDULE I TO THE
SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED**

Sakthi Finance Limited ("Our Company"/ "the Issuer") was originally incorporated as "The Pollachi Credit Society Private Limited" on March 30, 1955 under the Indian Companies Act 1913. Our Company was later converted into a public limited company and the name of our Company was changed to "Sakthi Finance Limited" on July 27, 1967 vide a fresh Certificate of Incorporation obtained from Registrar of Companies, Madras. The Corporate Identity Number of our Company is L65910TZ1955PLC000145. The PAN of our Company is AADCS0656G. Our Company is registered as a Non-Banking Financial Company under Section 45-IA of the Reserve Bank of India Act 1934 (2 of 1934) and have been issued a Certificate of Registration Number 07-00252 in pursuance of it. Our Company has been classified as an "NBFC - Investment and Credit Company- Deposit -Taking".

Registered Office: 62, Dr. Nanjappa Road, Post Box No. 3745, Coimbatore - 641 018 Tamil Nadu

Tel No: +91 (422) 4236200; **Website:** www.sakthifinance.com

Company Secretary and Chief Compliance Officer: Shri.S. Venkatesh; **Tel No:** +91 (422) 4236207; **Email:** svenkatesh@sakthifinance.com

Chief Financial Officer: Shri K.Sundaramurthy; **Telephone No.:** +91 (422) 4236301; **Email:** ksundaramurthy@sakthifinance.com

Statutory Auditors: M/s P N Raghavendra Rao & Co., Chartered Accountants (FRN: 003328S)

Address: 23/2, Viswa Paradise Apartments, First and Second Floor, Kalidas Road, Ramnagar, Coimbatore - 641 009

Telephone No.: +91 (422) 2232440 /2236997; **Email:** info@pnrandco.in;

Contact Person: Shri Pon Arul Paraneedharan

ISSUE OF 358 RATED, SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,00,000 EACH ("NCDs") ON PRIVATE PLACEMENT BASIS FOR AN AMOUNT OF ₹ 3.58 CRORES FOR CASH AT PAR UNDER GENERAL INFORMATION DOCUMENT DATED 30 MAY 2024

OUR PROMOTERS

Dr. M. Manickam - Telephone: +91 (422) 2221991; **Email:** mmanickam@sakthisugars.com; **Sri. M. Balasubramaniam - Telephone:** +91 (422) 4236200; **Email:** balumahalingam@sakthifinance.com.

KEY INFORMATION DOCUMENT ("KID") DATED 13 DECEMBER 2024

This Key Information Document dated 13 December 2024, is prepared and has issued in conformity with the Companies Act, 2013, as amended from time to time, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 dated August 09, 2021, as amended from time to time read with the SEBI Master Circular for Issue and Listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated May 22, 2024, as amended from time to time, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated September 02, 2015, as amended from time to time, Section 42 of the Companies Act 2013 and the Companies (Prospectus and Allotment of Securities) Rules 2014.

This Key Information Document shall be read in conjunction with the General Information Document having Reference 1/FY 2024-25 dated 30 May 2024, the Debenture Trust Deed and the other transaction Documents and it is agreed between the Debenture Trustee and the Company that in case of any inconsistency or conflict between this Key Information Document, the General Information Document and the Debenture Trust Deed, the provisions of the Key Information Document shall prevail and override the provisions of the other transaction documents.

GENERAL RISKS

Investment in non-convertible securities is risky and investors should not invest any funds in such securities unless they can afford to take risk attached to such investments. Investors are advised to take an informed decision and to read the Risk Factors carefully before in this offering. For taking an investment decision, investors must reply on their examination of the Issue including the risk involved in it. Specific attention of investors is invited to the Chapter titled "Risk Factors" on Page No. 6. These risks are not and are not intended to be a complete list of all risks and considerations relevant to the non-convertible securities or investors decisions to purchase such securities.

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

For Details relating to Coupon Rate, Coupon Payment frequency, Redemption Date and Redemption amount, and for details relating to Eligible Investors please refer Chapter titled "Terms of the Issue and Issue Procedure" beginning on Page No. 82 of this Key Information Document.

LISTING

The NCDs offered through this Disclosure Documents are proposed to be listed on BSE Limited ("BSE") and BSE shall be the Designated Stock Exchange. Our Company has received an "in-principle" approval from BSE vide their letter no. DCS/COMP/RM/IP-PPDI/039/24-25 dated June 04, 2024 and is valid for one (1) year.

CREDIT RATING

The NCDs proposed to be issued by our Company have been rated by ICRA Limited ("ICRA"). ICRA has vide its Ref. No. ICRA/Sakthi Finance Limited//02022024/1 dated February 02, 2024 assigned a rating of "[ICRA] BBB (Stable)" and ICRA/Sakthi Finance Limited//19112024/2 dated November 19, 2024 reaffirmed a rating of "[ICRA] BBB (Stable)" for an amount not exceeding ₹ 150 crore. The rating of the NCDs by ICRA indicates moderate degree of safety regarding timely servicing of financial obligations and carry moderate credit risk.

CREDIT RATING AGENCY	REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE*
 <p>ICRA A MOODY'S INVESTORS SERVICE COMPANY</p>		
<p>Electric Mansion, 3rd Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Tel: +91 22 61143406; Fax: +91 22 24331390 Email: shivakumar@icraindia.com; Website: www.icra.in Contact person: Mr. L Shivakumar Compliance Officer: Mr. Dharmesh Ved SEBI Registration No: IN/CRA/008/15</p>	<p>LINK INTIME INDIA PRIVATE LIMITED C-101, 247 Park, 1st Floor, L.B.S Marg, Vikhroli West, Mumbai – 400 083 Tel No: 91 022 49186000; Fax No: 91 022 49186060 Email : sakthifin.ncd2_2024@linkintime.co.in Website: www.linkintime.co.in Investor Grievance Email: sakthifin.ncd2_2024@linkintime.co.in Contact person: Ms. Shanti Gopalkrishnan Compliance Officer: Mr. B N Ramakrishnan SEBI Registration No: INR000004058 CIN : U67190MH1999PTC118368</p>	<p>CATALYST TRUSTEESHIP LIMITED "GDA House", Plot No 85, Bhusari Colony (Right) Paud Road, Pune – 411 038 Tel : + 91 022 49220555 Fax : + 91 022 49220505 Email : ComplianceCTL-Mumbai@ctltrustee.com Website : http://catalysttrustee.com Investor Grievance Email: grievance@ctltrustee.com Contact person: Ms. Deesha Trivedi Compliance Officer: Ms. Kalyani Pandey SEBI Registration No: IND000000034 CIN: U74999PN1997PLC110262</p>

* Catalyst Trusteeship Limited has, by its letter dated May 3, 2024, given its consent for its appointment as Debenture Trustee to the Issue, pursuant to Regulation 8 of the SEBI NCS Regulations and for its name to be included in this Issue Document and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

The Issue Schedule

Date of Opening of the Issue	16 December 2024			
Date of Closing of the Issue	16 December 2024			
Date of Earliest Closing of the Issue, if any	Not applicable			
Deemed Date of Allotment	18 December 2024			
Option*	I (36 Months)	II (36 Months)	III (60 Months)	IV (60 Months) [#]
Coupon / Dividend Rate	9.50	9.50	10.25	10.25
Coupon Payment Frequency	Monthly	Cumulative**	Monthly	Cumulative**
Yield	9.50	10.43	10.25	12.58
Redemption Date	18 December 2027	18 December 2027	18 December 2029	18 December 2029
Put Option	Not applicable			
Redemption Amount (₹ crores)	1.18	0.80	1.60	-
Pay in dates	<i>All monies to be paid in on the application date</i>			
Details of Underwriting of the Issue	Not applicable			

* *subject to applicable tax deducted at source, if any. In case of customer who has not initiated action for linking Aadhar with PAN, tax will be deducted at the applicable higher rates.*

** *Further, in case of Cumulative Options for the purpose of deduction of tax interest will be deemed to accrue every year and tax will be deducted on the accrued interest in each financial year, if required.*

Subscription has not been received in this Option.

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SECTION I**DEFINITIONS AND ABBREVIATIONS**

This KID uses certain definitions and abbreviations which, unless the context indicates or implies otherwise, have the meaning as provided below. References to any legislation, act or regulation, rules, guidelines, policies shall be to such term, as amended from time to time.

General Terms

Term	Description
“Issuer”, “SFL”, “our Company”, “the Company” “Our” “Us” or “We”	Sakthi Finance Limited, a public limited company incorporated under the Indian Companies Act 1913, registered as a Non-Banking Financial Company with the Reserve Bank of India under Section 45-IA of the RBI Act 1934 and has been classified as an “Investment and Credit Company - Deposit taking (Middle Layer)”. Our Registered Office is at 62, Dr. Nanjappa Road, Post Box No. 3745, Coimbatore - 641 018, Tamil Nadu.

Company related terms

Articles / Articles of Association / AoA	Articles of Association of Sakthi Finance Limited, as amended
ALM	Asset Liability Management of Sakthi Finance Limited
Board / Board of Directors	The Board of Directors of the Issuer and includes any Committee thereof
I.T. Act	The Income Tax Act, 1961 (as amended from time to time)
Finance, Investment and Securities Issuance Committee (FISIC)	FISIC was constituted on March 27, 2024 by merging Finance and Investment Committee, Allotment Committee, NCD Issuance Committee and Special Investments Committee. Terms of reference of all the above Committees would be adhered to by the FISIC.
Limited Review Report/LRR	Limited Review Report dated November 12, 2024 given by our Statutory Auditors, M/s. P N Raghavendra Rao & Co, Chartered Accountants, on the unaudited financial results for the Six months ended/ as at September 30, 2024.
MOA/ AOA	Memorandum of Association and Articles of Association of the Company
MCA	Ministry of Corporate Affairs, Government of India
Promoter	The promoters of our Company, namely, Dr. M. Manickam and Sri. M. Balasubramaniam.
Promoter Group	Sri. M. Srinivaasan, Smt. Karunambal Vanavaraayar and including ABT Investments (India) Private Limited, ABT Finance Limited, ABT Foundation Limited, ABT Industries Limited, Sakthifinance Financial Services Limited, Sakthi Financial Services (Cochin) Private Limited, Sakthi Finance Holdings Limited, Sakthi Realty Holdings Limited, Sakthi Sugars Limited, Sri Chamundeswari Sugars Limited, Sri Sakthi Textiles Limited and The Gounder and Company Auto Limited.
RBI	The Reserve Bank of India
Rs/INR/Rupees	The lawful currency of the Republic of India
RoC	The Registrar of Companies, Tamil Nadu, Coimbatore
Stage 1 Assets	Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date as defined under Ind AS.
Stage 1 Provision	Stage 1 provision are 12 month ECL resulting from default events that are possible within 12 months after the reporting date as defined under Ind AS.
Stage 2 Assets	Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as defined under Ind AS.
Stage 2 Provision	Stage 2 provision are life-time ECL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS.
Stage 3 Assets	Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS.

Stage 3 Provisions	Stage 3 provision are life time ECL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS.
Statutory Auditors/Auditors	M/s CSK Prabhu & Co, Chartered Accountants, Coimbatore (ICAI Registration No: 002485S) were the Statutory Auditors of our company for the period from September 30, 2021 till September 10, 2024 (the date of Last AGM). M/s P N Raghavendra Rao & Co Chartered Accountants, Coimbatore (ICAI Registration No: 003328S) are appointed as our Statutory Auditors with effect from September 10, 2024.

Issue related terms

Allot/Allotment/Allotted	Means the allotment of any Debentures pursuant to the Debt Disclosure Documents.
Applicable Law	Means all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Applicant	Means, in respect of any options of Debentures issued pursuant to the General Information Document and this Key Information Document for the relevant issuance of Debentures, a person who has submitted a completed application
Application Form	Means, in respect of any Options of Debentures issued pursuant to the General Information Document and this Key Information Document for the relevant issuance of Debentures, the form used by the recipient of the relevant Key Information Document, to apply for subscription to the Debentures offered pursuant to such Key Information Document, which is in the form annexed to the relevant Key Information Document
Application Money	Means, in respect of any options of Debentures issued pursuant to the General Information Document and this Key Information Document for the relevant issuance of Debentures, the subscription amounts paid by the Applicant at the time of submitting the Application Form.
BSE	BSE Limited (Designated Stock exchange)
Business Day	Means any day of the week (excluding non-working Saturdays, Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) (as may be amended/ supplemented from time to time) in Mumbai and any other day on which banks are closed for customer business in Mumbai) on which money market is functioning in Mumbai and "Business Days" shall be construed accordingly
CAGR	Compounded Annual Growth Rate
CRAR	Capital to Risk (weighted) Assets Ratio
CAR	Capital Adequacy Ratio
CDSL	Central Depository Services (India) Limited
Debentures / NCDs	Secured, Redeemable, Non-Convertible Debentures ("NCDs") of face value of ₹ 1,00,000 each
Disclosure Documents	Means the General Information Document ("GID") dated 30 May 2024 and Key Information Document ("KID") dated 13 December 2024 relevant to this issue of NCDs
Debenture holder	The holders of the Debentures
Debenture Trustee Agreement (DTA)	Debenture Trustee Agreement dated 24 May 2024 entered into between the Company and the Debenture Trustee
Debenture Trust Deed (DTD)	Debenture Trust Deed dated 7 June 2024 entered into between the Company and the Debenture Trustee
Depository(ies)	National Securities Depository Limited ("NSDL") and / or Central Depository Services (India) Limited ("CDSL")
DP	Depository Participant
FY	Financial Year
GID	General Information Document dated 30 May 2024

Interest Payment Date / Coupon Payment Date	The dates on which interest/coupon on the NCDs shall fall due for payment which will be specified in the KID. Please refer the Chapter titled “ <i>Terms of the Issue and Issue Procedure</i> ” on page 82
Issue	Present Private Placement Issue of Rated, Secured, Redeemable, Non-Convertible Debentures of Face Value of ₹ 1,00,000 each (“NCDs”) for an amount not exceeding ₹ 3.58 crores
KID	This Key Information Document dated 13 December 2024
NBFC	Non-Banking Financial Company
NEFT	National Electronic Funds Transfer
NPA	Non-Performing Assets
NSDL	National Securities Depository Limited
RTGS	Real Time Gross Settlement System
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time)
SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended by SEBI from time to time.
Term Sheet	Term Sheet to be issued by the Company for any Options containing the issue price, coupon rate and other conditions regarding Debentures
The Act	Shall mean provisions of the Companies Act, 1956 and the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof for the time being in force), which are in effect from time to time
Trustees	Trustees for the Debenture holders

CERTAIN CONVENTIONS AND CURRENCY OF PRESENTATION

Certain conventions

In this KID, unless otherwise specified or the context otherwise indicates or implies the terms, all references to “SFL” “we”, “us”, “our” and “our Company” are to Sakthi Finance Limited. Unless stated otherwise, all references to page numbers in this KID are to the page numbers of this KID.

All references in this KID to “India” are to the Republic of India and its territories and possessions. All references to the “Government” or “State Government” are to Government of India, Central or State, as applicable.

Presentation of Financial Information

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

Our Company publishes its financial statements in Rupees lakhs. Our Company’s audited financial statements for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 have been prepared in accordance with Ind AS financial information including the Accounting Standards notified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, as amended.

Our audited financial statements for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 and have been audited by M/s. CSK Prabhu & Co, Chartered Accountants, Coimbatore who were our Statutory Auditors for the respective periods.

Unaudited but Limited Reviewed Interim Ind AS financial statements of the Company as at and for the six months period ended September 30, 2024 have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind AS) 34 “**Interim Financial Reporting**”, specified under Section 133 of the Act as amended, read with relevant Rules issued thereunder and other accounting principles generally accepted in India and Regulation 33 and 52 of the SEBI LODR (the “**Interim Ind AS Financial Statements**”). The Limited review report on the unaudited financial results for the six months ended September 30, 2024 have been issued by our statutory auditors, M/s. PN Raghavendra Rao & Co, Chartered Accountants on November 12, 2024 and approved by our Board of Directors at their meeting held on November 12, 2024.

For the purpose of disclosures, we have included the following annual Audited Financials along with Independent Auditor’s Report issued by the following auditors for the respective years and the LRR, in this LRR in the Section titled “**Financial Information**” beginning at page 96 of this KID.

Particulars	Date of Auditor’s Report	Name of the Auditor
Unaudited financial statements for the three months ended September 30, 2024 along with LRR	12-11-2024	M/s. P N Raghavendra Rao & Co, Chartered Accountants, Coimbatore
Audited Financial Statements of the Company for Fiscal 2024	25-05-2024	M/s. CSK Prabhu & Co, Chartered Accountants, Coimbatore
Audited Financial Statements of the Company for Fiscal 2023	26-05-2023	M/s. CSK Prabhu & Co, Chartered Accountants, Coimbatore
Audited Financial Statements of the Company for Fiscal 2022	24-05-2022	M/s. CSK Prabhu & Co, Chartered Accountants, Coimbatore

Unless stated otherwise or unless the context requires otherwise, the financial data: (a) as at and for the year ended March 31, 2024, March 31, 2023, and March 31, 2022 and (b) for the six months ended September 30, 2024 and used in this KID are derived from our Audited Financial Statements/ Unaudited Financial Statements (For three months ended September 30, 2024).

The financial data and numbers used in this KID are derived from the Audited Financial Statements prepared under Ind AS, as specifically mentioned in this KID and is not strictly comparable. Further, financial information for the quarter and six months ended September 30, 2024 is not indicative of full year results and are not comparable with annual financial information.

(This Key Information Document is neither a prospectus nor a statement in lieu of Prospectus)

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Currency and Unit of Presentation

In this KID, all references to 'Rupees' / ₹/'INR'/ 'Rs' are to Indian Rupees, the official currency of the Republic of India. Except where stated otherwise in this KID, all figures have been expressed in 'in lakh(s)/ lac(s)'. The word one 'lakhs/lacs/lac' means 'one hundred thousand' and 'Crore' means "One hundred lakh". Certain figures contained in this KID, including financial information, have been subject to rounding off adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

SECTION II

GENERAL DISCLAIMER AND RISK FACTORS

General Disclaimers to the Issue have been set out in Section I of the GID dated 30 May 2024 and the Risk factors are set out in Section II of the GID dated 30 May 2024 and shall be deemed to be incorporated in this Key Information Document and shall apply mutatis mutandis.

Updates with respect to GID dated 30 May 2024.

RISK FACTORS

Risks relating to our Company and its Business

3. Our financial performance is sensitive to interest rate volatility, which could impact our net interest income due to decline and might therefore adversely affect our profitability and return on assets.

Our results of operations are substantially dependent upon the level of our net interest margins. A significant component of our income is derived from hire purchase finance operations, which comprise more than 90% of our total revenue for FY 2024, 2023 and 2022.

We borrow funds on both fixed and floating interest rates. A majority of our liabilities, such as our secured / unsecured redeemable non-convertible debentures, subordinated debt, fixed deposits and term loan from financial institutions carry fixed rates of interest and the remaining borrowings from banks are linked to the respective bank's benchmark Marginal Cost based Lending Rate / Base Rates. As on September 30, 2024 around 93% of our total borrowings were at fixed rates of interest. We are exposed to interest rate risks as a result of lending to customers predominantly at fixed interest rates and in amounts and for periods which may differ from our funding sources. Volatility in interest rates can materially and adversely affect our financial performance and cash flows. In a rising interest rate environment, if the yield on our interest-earning assets does not increase correspondingly with or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely affected.

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

There can be no assurance that we will be able to completely manage our interest rate risk. If we are unable to mitigate the interest rate risk fully, it could have an adverse effect on our net interest margin, thereby affecting our business, financial performance and financial condition.

8. Our financing arrangements contain restrictive covenants that may adversely affect our business and operations, in the case of certain events.

Some of our financing agreements also include various conditions and covenants that require us to obtain lenders consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. Specifically, under some of our financing agreements, we require and may be unable to obtain consents from the relevant lenders for, among others, the following matters: entering into any scheme of merger; spinning-off of a business division; selling or transferring all or a substantial portion of our assets; making any change in ownership or control or constitution of our Company; making amendments in our Memorandum and Articles of Association; creating any further security interest on the assets upon which the existing lenders have a prior charge and raising funds by way of any fresh capital issue etc. For further details on the restrictive covenants under the financing arrangement, refer Chapter titled "**Financial Indebtedness**" on page 77 of the GID.

Financial Indebtedness is updated as on 30 September 2024 in this KID under Section IV.

Risks relating to the NCDs

23. The Issuer, being a listed NBFC company, is not required to maintain debenture redemption reserve (“DRR”).

Our NCDs are listed on BSE Limited. Pursuant to Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 read with Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, a listed company is not required to maintain DRR for debentures issued through a Private Placement. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs. *However, in accordance with section 71 of the Companies Act, 2013, read with Rule 18 of Companies (Share Capital and Debentures) Rules, 2014, as amended, we shall on or before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than and which shall not any time fall below 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 of the 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 amount deposited or invested, as the case may be, shall not be utilized for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the year ending on the 31st day of March of the next year. If we do not generate adequate profits, we may not be able to deposit or invest the prescribed percentage of the amount of the NCDs maturing the subsequent year.*

Risks relating to our Company and its Business

33. Our Company’s promoter directors are promoter directors of a group company, whose liabilities to some of its creditors are in default. Any adverse action taken by these creditors might, therefore, affect the financial condition of our promoter directors.

Any defaults may lead to these creditors initiating fresh legal action or reviving the compromised petitions and any adverse outcome thereof, can impact financial condition of the promoter directors of our Company.

34. Our Company’s promoter directors are promoters of a Group Company in which one of their creditors have filed petitions before the Debt Recovery Tribunal (“DRT”) for recovery of their dues. Any adverse outcome on any of the applications before DRT for recovery of dues may, therefore, have an impact on the financials of our promoter directors and operations/ financial position of our company.

Sakthi Sugars Limited (“SSL”), one of the Group Companies was sanctioned loans for an amount aggregating ₹ 6,216.96 lakh by SDF for meeting the shortfall in the Promoters contribution for setting up of 35 MW and 25 MW bagasse-based cogeneration plant at Sivaganga and Modakurichi respectively with IFCI Limited as Nodal and Monitoring Agency. IFCI Limited has made a claim for ₹ 6,806.80 lakh against SSL before DRT, Chennai in O.A. No. 9 of 2018. The OA is at final stage of hearing.

As per the latest guidelines issued by SDF for OTS, SSL has submitted a proposal for OTS in respect of outstanding amount of ₹ 21.58 crore of the Modakurichi Unit and the OTS has been sanctioned for an amount of ₹ 14.04 crore payable within six months from July 2024. SSL has already made a payment of ₹ 9.52 Crore (till November 29,2024) and is required to pay the balance amount within the prescribed time schedule. Application in respect of Sivaganga unit is still under consideration. If the proposal of Sivaganga unit as and when sanctioned, the outstanding in respect of this unit will be reduced to ₹ 70.02 crores as against ₹ 102.42 crores as at 30th September, 2024.

SSL’s failure to honour the commitments of OTS in respect of Modakurichi unit, if any, and any adverse outcome on the OTS applications before SDF for Sivaganga unit or any applications before the DRT for recovery of dues may have an impact on the financials of our promoter directors and in turn operations/ financial position of our Company (For details, refer Section “*Pending Proceedings and Statutory Defaults*” on page 72).

(This Key Information Document is neither a prospectus nor a statement in lieu of Prospectus)

35. One of our promoter Directors has furnished personal guarantee for loans availed by an associate company, which has defaulted in repayment of the loans. Any adverse action taken by the creditors could, therefore, have an impact on our promoter director.

One of our promoter directors, Dr. M. Manickam, has furnished Personal Guarantees for loans availed by one of our associate companies, namely, Sakthi Global Auto Holdings Ltd, U.K. (SAGH).

Aapico Hitech Public Company Limited, a Company incorporated in Thailand and Aapico Investment Pte Limited, a Company incorporated in Singapore have invoked Personal Guarantees against Dr. M. Manickam before the Arbitration under the Arbitration Rules of The Singapore International Arbitration Centre, in respect of Personal Guarantees issued by Dr. M. Manickam under Deed of Personal guarantee dated October 1, 2018 for loan granted by Aapico Hitech Public Company Limited and Aapico Investment Pte Limited to ABT UK under Loan Agreements of 2017 and 2018 aggregating a sum of US\$ 122.423 Million plus interest. (Application Ref: Arbitration No. 449 of 2019).

In the said Arbitration application, the Arbitration Tribunal has passed an award dated 21.12.2021 that Dr. M. Manickam is liable to pay sums as may remain outstanding under the Personal Guarantee after share charge proceeding before the High Court of England and Wales. The said proceedings were disposed of by the Court. The Arbitration Tribunal is yet to quantify the amount payable by Dr. M. Manickam.

AAPICO has also filed Original Application No. 1100 of 2019 and 1148 of 2019 before the High Court of Madras seeking interim orders against Dr. M. Manickam to prevent Dr. M. Manickam from alienating his personal assets and for providing security. There is an injunction Order restraining Dr. M. Manickam from alienating his shareholding in companies.

AAPICO has secured an award dated 06.10.2021 in SIAC Arb. No. 326 of 2019 from SIAC Arbitration Tribunal against ABT Auto Investments Limited UK and Sakthi Auto Component Limited (“SACL”), *inter-alia*, to the effect that AAPICO is entitled to have control of Board of SACL proportionate to 77.04% shareholding. The Madras High Court has held that the Award is not enforceable. However, AAPICO has preferred an appeal before Division Bench of the High Court and same is pending.

All of the disputes have now been agreed to be settled through a Settlement Agreement dated 27th October 2023 and in terms thereof, it is agreed that a Special Purpose Vehicle namely, ABT Transports Private Limited, would purchase the 77.04% Shareholding held by SAGH in SACL by payment of USD 82 million to AAPICO. Out of the total settlement sum, USD 72 million is to be paid by 20th December 2023 (since paid) and balance USD 10 million is to be paid in 8 installments over next four years.

If the Settlement Agreement is not honoured then, the terms of the SIAC monetary Award for US\$ 10 mn would get devolved on Dr. M. Manickam. This will have an impact on the financial position of Dr. M Manickam, his shareholding in SFL other Group companies and in turn will affect the operations and financial position of the Group companies, including our Company, of which he is a promoter director. (For details, refer section “**Pending Proceedings and Statutory Defaults**” on page 72).

36. One of our Promoter Directors has given a personal guarantee for loans availed by ABT (Madras) Private Limited, which has been admitted into CIRP by NCLT and the enforcement of personal guarantee may have adverse impact on the financials of the Promoter Director.

IBA/873 of 2019 has been filed before the National Company Law Tribunal (“NCLT”), Division Bench, Chennai under Section 7 of the Insolvency and Bankruptcy Code 2016 by Asset Reconstruction Company (India) Limited (“ARCIL”) for initiation of Corporate Insolvency Resolution Process against ABT (Madras) Private Limited on the ground that ABT (Madras) Private Limited has defaulted in repaying an amount of ₹ 507.97 crore. NCLT admitted the application and subsequently has passed an Order dated 3rd September 2021 sanctioning a Resolution Plan under which ABT (Madras) Private Limited was merged with Baashyaam Infrastructure Private Limited (“BIPL”). Dr. M. Manickam, one of the Promoter Directors, had given Personal guarantee for the borrowings initially from DHFL which was assigned to ARCIL. In terms of Clause 4.10 of the Resolution plan sanctioned by NCLT, this personal guarantee was assigned to Baashyaam Infrastructure Private Limited. In the event of the personal guarantee being invoked, it may have adverse impact on the financials of our Promoter Director and in turn operations/ financial position of our company. (For details, refer section “**Pending Proceedings and Statutory Defaults**” on page 72).

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37. ***One of our promoter Group companies has defaulted in payment of interest and principal dues to one of its creditors. Any adverse action taken/to be taken by the creditor could affect the financial position of our promoter and therefore that of the company.***

The promoter directors of our Company are also Promoter Directors in Sri Chamundeswari Sugars Limited, one of the group companies, which has repaid the loan outstanding to the Banks and Financial Institutions. However, as at September 30, 2024 there are defaults to Sugar Development Fund (“SDF”) and Government of Karnataka Interest Free Purchase Tax Loans, the loans are secured, *inter alia*, by personal guarantees of the Promoter Directors of our Company.

The company is in the process of submitting an OTS proposal to SDF (IFCI as nodal agency) as per the revised GOI notification dated February 28, 2024.

In the event of the OTS proposal not being approved and if Sri Chamundeswari Sugars Limited, fails to clear the dues to the above lenders, the lenders might initiate legal course of action for recovery, which could have an impact on the financial position of the promoter directors and the Company. (For details, refer section “**Pending Proceedings and Statutory Defaults**” on page 72).

38. ***We have had negative net cash flows in the past and may have negative cash flows in future.***

The following table sets out our cash flow for the years indicated:

Particulars	September 30, 2024	March 31,		
		2024	2023	2022
Cash Flow				
Net cash generated from / (used in) operating activities	(7,078.98)	(2,798.75)	(162.87)	210.56
Net cash generated from / (used in) Investing activities	747.89	(2,759.97)	2,031.95	(659.94)
Net cash generated from / (used in) from financing activities	1,725.83	10,034.67	(315.80)	534.78
Net Increase in Cash and cash equivalents	2,873.48	7,478.74	3,002.79	1,449.51
Cash and Cash equivalents as per Cash Flow Statement	2,873.48	7,478.74	3,002.79	1,449.51

Source: Annual Reports filed with BSE and the LRR for period ended September 30, 2024)

For further details, please see “**Summary of Our Key Operational and Financial Parameter**” on page 45 of this KID. We are not in a position to assure you that our net cash flows will be positive in future.

39. ***We have contingent liabilities; in the event these contingent liabilities materialize, our financial condition may be adversely affected.***

For the period ended September 30, 2024 contingent liabilities, includes (i) ₹ 184.75 lakh towards Income Tax issues which are pending before the Assessing Officer of Income Tax, Coimbatore and (ii) ₹ 1,939.04 lakh towards Service Tax has been demanded by the Central Excise Authorities. (Above amounts are exclusive of payment made by our Company under protest).

The writ petition filed by our company before the Hon’ble High Court of Madras against the levy pertaining to Central Excise has been disposed of on November 9, 2020 and the Court has remanded the matter back to Customs, Excise and Service Tax Appellate Tribunal (“CESTAT”), Chennai for remedy. The company has deposited with the Department, an amount of ₹ 98.63 lakh against the demand relating to payment under protest. In the event that the stand/representation/legal action initiated by the Company is not favorable, these contingent liabilities will crystallize as actual liabilities. In view of this, our financial condition may be adversely affected.

Further, The Office of the Principal Commissioner of GST & Central Excise vide its order bearing no SI No: 08-09/2022(ST)-PR.COMMR with DIN 20220959XM000924420 dated 28/09/22 passed an order and demanded from the Company an amount of ₹ 595.65 lakh under Section 73(2) of the Act towards the service tax short paid on Banking and Other financial Services during the period from 01/10/2014 to 30/06/2017. The order

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also demanded from the Company appropriate interest on aforesaid amount and imposed a penalty of ₹ 59.77 lakhs. Our Company has deposited an amount of ₹ 44.67 lakh as a pre-deposit of 7.5% of the disputed duty against the order of the Principal Commissioner of GST & Central Excise. The Company has filed an appeal before Customs, Excise and Service Tax Appellate Tribunal (“CESTAT”), Chennai under Section 86(1) of the Finance Act 1994. This appeal is now pending disposal before the CESTAT.

We shall not assure you that such contingent liabilities would not get crystallized in future. If these contingent liabilities crystallize, our financial position may be adversely affected.

40. If we are unable to control or reduce the level of Stage 3 Assets (NPAs) in our loan assets portfolio, our financial position, results of operations and cash flows may suffer.

As a NBFC, we are regulated by the RBI and are required to adhere to the prudential norms on income recognition, asset classification and provisioning (“IRACP”) notified by the RBI from time to time, in addition to the Ind AS accounting and provisioning requirements applicable to our Company in the ordinary course. For instance, on November 12, 2021, the RBI issued a circular titled “Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications” (“November 12 Circular”) with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. The November 12 Circular, *inter-alia*, requires borrower accounts to be flagged as overdue by lending institutions as part of their day-end processes for the due date, irrespective of the time of running such processes. Similarly, classification of borrower accounts as special mention accounts (“SMA”) as well as NPA is required to be undertaken as part of day-end processes for the relevant date, such that the date of SMA/ NPA shall reflect the asset classification status of an account at the day-end of that calendar date. The November 12 Circular clarifies that the SMA classification requirement for borrower accounts is applicable to all loans, including retail loans, irrespective of size of exposure of the lending institution. Further, the November 12 Circular provides that accounts classified as NPAs may be upgraded to ‘standard’ only if the entire arrears of interest and principal are paid by the borrower, as opposed to such upgradation being undertaken upon payment of only interest overdues.

On December 14, 2021, the RBI issued a circular titled “Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs)” (“PCA Framework Circular”) to enable supervisory intervention and implement remedial measures of NBFCs, on the basis of tracking certain indicators such as CRAR, Tier I Capital Ratio and Net Stage 3 Assets (Net NPA) Ratio. Pursuant to the PCA Framework Circular, the PCA framework for NBFCs has come into effect from October 1, 2022, based on the financial position of NBFCs on or after March 31, 2022.

Our Gross Stage 3 assets (*i.e.* Gross NPAs) as a percentage of total loan assets were 5.13%, 5.25%, 5.85%, and 5.18%, as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 respectively, while our net Stage 3 Assets (*i.e.* Net NPAs) as a percentage of loan assets were 2.60%, 2.62%, 2.95% and 2.14%, as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, respectively. (*Source: Annual Reports and RBI returns for September 30, 2024.* For details Refer Section “**Our Business**” on Page 44.

We cannot assure you that in the future, we will be able to maintain the thresholds prescribed by the RBI under the PCA Framework Circular including on account of certain factors beyond our control, which could have an adverse effect on our business, financial condition and results of operations.

Further, we are required to adhere to provisioning requirements and our provision coverage ratio, which comprises ECL provision for Stage 3 Assets was 50.62%, 51.38, 51.10% and 60.37% respectively as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 respectively (*Source: RBI returns for respective periods*). As our loan portfolio grows, our Stage 3 Assets may increase and the current level of our provisions may not adequately cover any such increases. If future regulations require us to increase our provisions for any reason, our profits may be adversely affected.

Further, our ability to raise additional capital and debt financing as well as our results of operations, cash flows and financial condition could be adversely affected as a result thereof. The amount of our reported Stage 3 Assets may increase in the future due to the above factors and other factors beyond our control and we cannot assure you that we will be able to effectively control or reduce the level of the impaired loans in our total AUM.

If we are unable to manage our Stage 3 Assets or adequately recover our loans, our business, financial condition and results of operations will be adversely affected. In addition, our current loan loss provisions may not be adequate to cover an increase in the amount of Stage 3 Assets or any future deterioration in the overall credit

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quality of our total AUM. If the quality of our loan portfolio deteriorates, we may be required to increase our loan loss provisions.

If such provisions are not sufficient to provide adequate cover for loan losses that may occur, this could have an adverse effect on our business, financial condition and results of operations.

Further, various factors that are beyond our control may cause a further increase in the level of Stage 3 Assets and have an adverse impact on the quality of our loan portfolio. These factors include macro-economic factors (including a rise in unemployment, a sharp and sustained rise in interest rates, adverse developments in the Indian economy, movements in global commodity markets and exchange rates) regulatory hurdles and global competition as well as customer specific factors such as wilful default and mismanagement of a customer's operations. If our Stage 3 Assets increase, we will be required to increase our provisions, which would result in our net profit being less than it otherwise would be and would adversely affect our results of operation and financial condition. There can be no assurance that the levels of Stage 3 Assets and losses will not increase in future or will remain at levels that will maintain our profitability, that the credit performance of our customers will be maintained, that our credit and our underwriting analysis, servicing and collection systems and controls will continue to be adequate. We may also not be successful in our efforts to improve collections and/or foreclose on existing Stage 3 Assets. In addition, as our loan portfolio matures, we may experience greater defaults in principal and/ or interest repayments. Thus, if we are unable to control or reduce our level of Stage 3 Assets, the overall quality of our loan portfolio may deteriorate, and our results of operations and cash flows may be adversely affected. Moreover, there can be no assurance that there will be no deterioration in our provisioning coverage as a percentage of Stage 3 Assets or otherwise, or that the percentage of Stage 3 Assets that we will be able to recover will be similar to our past experience of recoveries of Stage 3 Assets. In the event of any further deterioration in our Stage 3 Asset portfolio, or if our provisions are insufficient to cover our existing or future levels of Stage 3 Assets, our ability to raise additional capital and debt funds as well as our results of operations, cash flows and financial condition could be adversely affected.

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

As at September 30,2024 we had a total outstanding debt of ₹ 1,19,376.26 lakh, (including Redeemable Cumulative Preference Shares which are treated as debt as per Ind AS) and we will continue to incur additional indebtedness in future. Most of our borrowings are secured by our immovables, hire purchase receivables and other assets. Our significant indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements; our ability to obtain additional financing in 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;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness are at variable interest rates;
- there could be a material adverse effect on our business, financial condition, results of operations and/or cash flows, 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 down-turn, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Moreover, some of our borrowings may be recalled by our lenders at any time. If any of these lenders recall their loans, our cash position, business and operations may be adversely affected.

42. *This KID includes certain unaudited financial information, which has been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited.*

This Prospectus includes certain unaudited financial information in relation to our Company, for the six months ended September 30, 2024 (as per Ind AS) in respect of which the Statutory Auditors of our Company have issued their Limited Review Report dated November 12, 2024 along with the Independent Auditors Report for financial statements for the last 3 (Three) financial years, forming part of our Annual Reports for respective years.

As this financial information has been subject only to limited review as required by Regulation 33 of the Listing Regulations and as described in Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India, and not to an audit, any reliance by prospective investors on such unaudited financial information should accordingly, be limited. Moreover, our financial results for any given fiscal quarter or period, including the quarter / six months period ended September 30, 2024, may not be directly comparable with our financial results for any full fiscal or for any other fiscal quarter or period. Accordingly, prospective investors to the Issue are advised to read such unaudited financial information in conjunction with the audited financial information provided elsewhere in this Prospectus.

43. Any downgrade of our credit ratings would increase borrowing costs and restrict our access to capital and lending markets and as a result, would adversely 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. Ratings reflect a rating agency’s assessment of our financial strength, operating performance, strategic position and ability to meet our obligations. The following table sets out certain information with respect to our credit ratings:

Rating Agency	Instruments	Rating	Limit (₹ lakh)
ICRA Limited	Non-convertible debenture (Proposed)	[ICRA] BBB (Stable)	10,000
ICRA Limited	NCD (Listed and Unlisted)	[ICRA] BBB (Stable)	84,835
ICRA Limited	Fund Based Term Loan	[ICRA] BBB (Stable)	11,476
ICRA Limited	Fund Based Long Term Facilities from Banks - Cash Credit (CC)	[ICRA] BBB (Stable)	10,000
ICRA Limited	Fund Based Interchangeable (as a sub limit of Cash Credit)	[ICRA] BBB (Stable) / [ICRA] A2	(4,788)
ICRA Limited	Short Term Facilities from Banks – WCDL	[ICRA] A2	10,000
ICRA Limited	Fixed Deposits	[ICRA] BBB (Stable)	-

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

We have demonstrated stable growth in our business and in our profitability. Our assets under management have increased from ₹ 1,14,822.46 lakh as at March 31, 2022 to ₹ 1,30,944.81 lakh (Gross AUM) as at September 30, 2024. Pursuant to the Mater Direction of RBI on Scale Based Regulation, NBFCs in the ML category have to maintain a minimum capital adequacy ratio, consisting of Tier I and Tier II Capital, which shall not be less than 15% of its aggregate risk weighted assets of on-balance sheet and risk adjusted value of off-balance sheet items. Further, all NBFCs-ML, shall maintain a minimum Tier I Capital of 10%. Our capital adequacy ratio computed on the basis of applicable RBI requirements was 17.12 %, 18.48%,19.68%, and 21.66% as at September 30, 2024, March 31,2024 March 31, 2023 and March 31, 2022 with Tier I Capital at 13.66%, 14.16%, 13.99% and 13.74% respectively.

If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II Capital in order to continue to meet applicable capital adequacy ratios with respect to our business.

There can be no assurance that we will be able to raise adequate additional capital in future on terms favorable to us or at all, and this may adversely affect the growth of our business.

45. Our business processes a large amount of data, including personal data, and the improper collection, hosting, use or disclosure of data could harm our reputation and have an adverse effect on our business, financial condition, results of operations and cash flows.

Our business processes a large quantity of personal data (with our users’ consent) and analyses this data to generate user and user group profiles. We face risks inherent in handling and protecting a large volume of data, especially user data. In particular, we may face several challenges relating to data security and privacy, including but not limited to:

- protecting the data in and hosted on our system, including against attacks on our system by outside parties, data leakage, fraudulent behaviour or improper use by our employees;
- addressing concerns, challenges, negative publicity and litigation related to data security and privacy, collection, use and actual or perceived data sharing and other factors that may arise from our existing businesses

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- or new businesses and new technology; and
- complying with applicable laws and regulations relating to the collection, use, storage, transfer, disclosure and security of personal data, including requests from data subjects.

The improper collection, use or disclosure of our user data could result in a loss of customers, business, partner financial institutions and other potential participants, loss of confidence or trust, litigation, regulatory investigations, penalties or actions against us, significant damage to our reputation and have an adverse effect on our business, financial condition, results of operations and cash flows.

Moreover, we share a limited amount of user data with third-party service providers/regulatory and statutory authorities in accordance with applicable laws and regulations and subject to stringent data security and privacy requirements. We also rely on certain third-party service providers/ regulatory and statutory authorities in relation to the sourcing of data for potential customers. During the course of providing such services, customer data may be accessed. If such third-party service providers/ regulatory and statutory authorities engage in activities that are negligent, fraudulent, illegal or otherwise harm the trustworthiness and security of our systems, including by improper disclosure or use of user data, or if our business partners otherwise fail to meet their data security and privacy obligations, we may be subject to user complaints and suffer reputational harm, even if the actions or activities are not related to, attributable to or caused by us, or within our control. While no regulatory or legal action has been taken against us in relation to such instances in the past, we cannot assure you that we will not be subject to any regulatory or legal action for such instances in the future.

Our internal environment is well protected against the third parties to peep-in and access the personal data of our customers and employees. We provide the relevant personal data to only authorized external agencies like RBI, Credit Bureaus as per statutory norms. Masking of some vital data are being done in the system even to avoid access by the related internal/external stake holders. Suitable security measures are taken for protecting our environment against the outsourced vendors and they are also bound to adhere the norms as per the service agreements formalized with them. We have initiated taking suitable measures as prescribed by the Digital Personal Data Protection (“DPDP”).

46. Our previous statutory auditors have included an emphasis of matter in their audit report relating to the Audited Financial Statements of our Company.

Our previous statutory auditors have included an emphasis of matter in their audit report in relation to the Audited Financial Statements for the fiscal 2022. However, the auditor’s opinion was unmodified.

For the Fiscal 2022, our statutory auditors have included the following emphasis of matter in their Auditor’s Report.

Emphasis of Matter

We draw attention to note 2(d) to the accompanying Financial Statements, which explains the estimation uncertainty relating to Covid-19 pandemic and management assessment of the probable material impact on the Company’s operations and financial metrics, including the non-fulfilment of the obligations by the customers due to lockdown, extended moratorium allowed by Government and other restrictions related to Covid-19 situation. Our opinion is not modified in respect of this matter.

For further details, refer to “**Financial Statement**” on page 96. There can be no assurance that our statutory auditors will not include further emphasis of matters or other similar remarks in the audit reports to our Audited Financial Statements in the future, or that such remarks or matters of emphasis will not affect our financial results in future fiscal periods. Investors should consider the emphasis of matters and other observation in evaluating our financial condition, results of operations and cash flows. Any such matter of emphasis of matters or any other observations in the auditors’ report on our Audited Financial Statements in future may also adversely affect the trading price of the NCDs.

47. We may face asset-liability mismatch which could affect our liquidity and consequently may affect our operations, profitability and/or cash flows.

We face potential liquidity risks due to varying periods over which our assets and liabilities mature. As, it is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as bank loans, working capital demand loans, cash credit and short-term loans. However, a large portion of our loan

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assets mature over a medium term. Consequently, our inability to obtain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn, may adversely affect our operations, financial performance and/or cash flows. Further mismatches between our assets and liabilities are compounded in case of pre-payments of the financing facilities we grant to our customers.

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

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

49. *We may not be able to appropriately or fully assess the credit worthiness of our customers before extending credit facilities to them. Unavailability of adequate information or inaccurate and/or incomplete information provided by our customers may adversely affect our operations and profitability.*

In deciding whether to extend credit or enter into other transaction with customers, we rely on the information furnished to us by or on behalf of our customers. We may not, in certain instances, receive information regarding any change in the financial condition of our customers, or in certain cases our customers may provide inaccurate or incomplete information to us for whatever reason on their part. The lack of availability of information in connection with our customers may make it difficult for us to take an informed decision with regard to providing financial facilities to such persons and the attendant risk exposure in this regard. This may enhance the likelihood of an increase in the level of NPAs, which would adversely affect our operations and profitability.

50. *We are dependent on the expertise of our senior management team and our key technical and managerial personnel.*

We are dependent on our senior management team for setting our strategic direction and managing our business, both of which are crucial to our success. Given the substantial experience of our senior management team, if any or all of them leave or are unable to continue to work with us, it may be difficult to find suitable replacements in a timely manner or at all. Our ability to retain experienced personnel as well as senior management will also, in part, depend on us maintaining appropriate staff remuneration and associated benefits. We cannot be sure that the remuneration and benefits we have in place will be sufficient to retain the services of our senior management and skilled people. The loss of any of the members of our senior management or other key personnel may adversely affect our business, financial condition and results of operations.

51. *Our promoters and promoter group own 67.02% of our equity share capital and accordingly has the ability to exercise significant influence over the outcome of matters submitted to shareholders for approval and their interests may differ from those of other holders of Equity Shares.*

As at September 30, 2024 our promoters and promoter group own in aggregate 67.02% of our equity share capital. So long as the promoters and promoter group hold a majority of our Company's Equity Shares, they will be able to control most of the matters affecting our Company, including the appointment and removal of directors, business strategy and policies, any determinations with respect to mergers, business combinations and acquisitions, dividend payout and financing. Further, the extent of promoters and promoter group shareholding may result in delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to the Company.

52. Some of our Directors and Key Management Personnel may have business interests in our Company other than reimbursement of expenses incurred and normal remuneration or benefits.

Some of our Directors and Key Management Personnel may be regarded as having business interests in our Company other than reimbursement of expenses incurred, normal remuneration or benefits. Some of our Directors may be deemed to be interested to the extent of Equity Shares/ NCDs held by them, as well as to the extent of any dividends, interest, bonuses or other distributions on such investments. We cannot assure you that our Directors and our Key Management Personnel will exercise their rights as shareholders to the benefit and best interests of our Company. For further details, please refer Chapters titled “*Capital Structure*” and “*Our Management*” on pages 28 and 54 respectively of this KID.

53. Our Company has entered into related party transactions. Any transaction with related parties may involve conflict of interest.

Our Company has entered into certain transactions with promoters, promoter group companies / entities and directors. While we believe that all our related party transactions are on arm’s length basis only, we cannot assure that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. Furthermore, it is likely that our Company may enter into related party transactions in future. Any future transactions with our related parties could potentially involve conflict of interest.

Our Company has entered into an agreement with Sakthi Sugars Limited, a related party for acquisition of a property owned by Sakthi Sugars Limited and has paid ₹ 15 crore, in March 2022, being the entire consideration for the transaction. As the said property is mortgaged to the lenders of SSL, the property registration is delayed and Our Company agreed to extend the time frame till March 31, 2024 failing which Sakthi Sugars Limited was to pay interest @18% p.a. from the date of entering into agreement. However, due to non- release of mortgage by the lenders, Sakthi Sugars could not complete the registration process and transfer the property to Our Company by March 31, 2024. Accordingly, Sakthi Sugars Limited has, through letter dated April 01, 2024 sought time till September 30, 2024 for completing the registration of the said property. The Board of Directors of our Company at the meeting held on May 25, 2024 and the Board accorded approval for acceding to the request of Sakthi Sugars Limited, on same terms and conditions as approved for the last extension of time. As on date of this KID, the status remains same and the sale deed is yet to be executed and the property is yet to be transferred in our Company’s favour.

For details regarding the related party transactions, for the 6 months ended / as at September 30, 2024, please refer to **page 52** of this KID.

54. One of our Group Companies has incurred losses in the recent past.

One of our major Group Companies has incurred losses in two of the last three fiscals as indicated below:

(₹ lakh)

Name of Group Company	Details of Profit / (Loss)		
	FY 2024	FY 2023	FY2022
Sakthi Sugars Limited	12,876.43	41,729.85	(15,032.48)

(Source: Annual reports of respective fiscals filed with the Stock Exchanges by Sakthi Sugars Limited).

There can be no assurance that this or any of our other Group Companies will not incur losses in future years or that there will not be an adverse effect on our Company’s reputation or business as a result of such losses.

55. 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.

We require certain statutory and/or regulatory permits and approvals for our business. From time to time, 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, if any, in a timely manner or at all, and/or on favorable terms and conditions. Failure by us to comply with the terms and conditions to which such permits or approvals are subject, and/or 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.

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- 56. *We may have to comply with strict regulations and guidelines issued by regulatory authorities in India particularly rules and regulations prescribed by the RBI as a deposit-taking NBFC and any changes in rules and regulations governing us could adversely affect our business.***

We are principally governed by the RBI's rules and regulations on financial sector. We are also subject to corporate, taxation and other laws in India. The RBI's guidelines on financial regulation of NBFCs regulate, *inter alia*, capital adequacy, exposure and other prudential norms, KYC guidelines and client data confidentiality. 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 laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, securitization, investments, ethical issues, money laundering and privacy. In some cases, there are overlapping regulations and enforcement agencies. Further, the RBI, from time to time, amends the regulatory framework governing NBFCs to address, *inter alia*, concerns arising from certain divergent regulatory requirements for banks and NBFCs.

Further, compliance with many of the regulations applicable to our operations in India including any restrictions on investments, lending and other activities currently being carried out by our Company, involves a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected.

We are also subject to changes in Indian laws, regulations and accounting principles and practices. There can be no assurance that the laws governing the Indian financial services sector will not change in future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

- 57. *Our ability to borrow from various banks may be restricted on account of guidelines issued by the RBI in relation to 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.***

This limits the exposure that banks may have on NBFCs such as ours, 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. As per the circular issued by RBI on Scale Based Regulation, the exposure (both lending and investment, including off-balance sheet exposures) of the NBFC exposure to an individual should not exceed 25% of the Tier I Capital as per its last audited balance sheet and for Group, it shall not exceed 40% of the Tier I Capital funds. This limits the exposure that banks may have on NBFCs such as ours, 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. In the event of any adverse impact on our Tier 1 capital, we may not be able to meet the above norms which might have an impact on our performance and operations.

- 58. *Our insurance coverage may not adequately protect us against all potential losses to which we may be subject. Any liability in excess of our insurance claim could have a material adverse effect on our results of operations and financial position.***

We maintain such insurance coverage that we believe is adequate for our operations. We maintain insurance cover for our tangible properties and infrastructure at all owned and leased premises, which provide insurance cover against loss or damage by fire, earthquake, electrical and machinery break-down. Further, we maintain insurance cover for cash in safe and cash in transit policy which provides insurance cover against loss or damage by theft, burglary, house breaking etc.

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

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition and results of operations.

59. *The land on which our registered office is built is on lease basis and not owned by us.*

The land on which our registered office is built was acquired by our Company on lease basis from Sri M. Srinivaasan, Director of our Company in terms of a lease agreement executed on March 30, 2024 and is valid till February 28, 2025.

If the owner of the land, in future, does not renew the above lease agreement on terms and conditions acceptable to us, we may suffer a disruption in administration, till we identify and shift to another location, which could adversely affect our business, financial condition and results of operations.

60. *We do not own majority of our branch premises. Any termination of arrangements for lease of our branches or our failure to renew them in a favorable, timely manner, or at all, could adversely affect our business and results of operations.*

Except for 2 branch offices (out of total of 54 branches), which are located in owned premises, all our branches and customer service points are located on leased premises that we occupy pursuant to lease agreements/ premise sharing agreements. If any of the owners of these premises do not renew the agreement under which we occupy the premises or if any of the owners seek to renew an agreement on terms and conditions unfavorable to us, we may suffer disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations.

Further, some of our lease agreements with our Lessors may not be adequately stamped or duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered as inadmissible as evidence in a Court in India, may not be authenticated by any public officer, or attract penalty as prescribed under applicable law, which impact our ability to enforce these agreements effectively, which may result in a material adverse effect on the continuance of the operations and business of our Company.

61. *Non-obtaining of certain renewals/ licenses for operation of our owned/ leased offices.*

While we have obtained significant number of approvals/ licenses, registrations and permits from the relevant authorities, we are yet to receive or apply for few approvals/ licenses/ registrations and permits. We cannot assure you that we will receive these approvals and clearances in time. There can be no assurance that the relevant authority will issue an approval or renew expired approvals within the applicable time period. Any delay/non-receipt would adversely affect our related operations. Furthermore, under such circumstances the relevant authorities may restrain our operations, impose penalty/ fine or initiate legal actions for our inability to comply with such renewals and/ or approvals.

62. *Our results of operations could be adversely affected by any disputes with our employees.*

As on September 30, 2024 we have 690 employees on our rolls. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

63. *Our ability to pay dividends in future will depend on our earnings, financial condition, cash flows, capital adequacy requirements, capital expenditures and restrictive covenants of our financing arrangements.*

Our ability to pay dividends in future will depend on our earnings, financial condition, cash flows, capital adequacy requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and subsequent approval of shareholders and will depend on factors that our Board of Directors and shareholders deem relevant, including among others, our future earnings, financial condition, cash flows, capital adequacy requirements, capital expenditures, business prospects and restrictive covenants under our financing arrangements. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares.

Further, the Guidelines on Declaration of Dividend issued by the RBI in June 2021, is considered as a regulatory requirement, which stipulate certain covenants for declaration of dividend by NBFCs such as minimum CRAR, maximum Net NPA level, maximum leverage ratio etc. which we may not be able to comply with.

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We cannot assure that we will be able to pay dividends at any point in future. For details of dividend paid by our Company in the past, please see Chapter titled **“Other Statutory Disclosures”** on page 68 of this KID.

64. Our Company, our Promoters and some of our Group Companies have availed or may avail certain loans that are callable by lenders, at any time, which may affect our Company’s reputation.

Our Company, our Promoters and some of our Group Companies have availed or may avail loans that are repayable on demand at any time by the relevant lenders. Any such unexpected demand for immediate repayment may have a material adverse effect on the business, cash flows and financial condition of the entity from which repayment is sought.

65. The Insolvency and Bankruptcy Code, 2016 (“Bankruptcy Code”) in India may affect our rights to recover loans from borrowers.

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

In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us either in the resolution process or in liquidation process. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it.

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

As per the latest amendments to the IBC, the creditors to NBFCs can refer, any NBFC under the code, to initiate insolvency proceedings. In case provisions of the Bankruptcy Code are invoked against us by our creditors, it may affect our Company’s operations and functions.

66. Our Company may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose it to additional liability and harm its business or reputation or both.

Our Company is required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India. Our Company, in the course of its operations, runs the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls customary in India to prevent the occurrence of these risks. Although our Company believes that it has adequate internal policies, processes and controls in place to prevent and detect any AML activity and ensure KYC compliance, there can be no assurance that our Company will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties. Our Company, in certain of its activities and in pursuit of its business, runs the risk of inadvertently offering its financial products and services ignoring customer suitability and appropriateness despite having a KYC and Anti-Money Laundering measures and associated processes in place. Such incidents may adversely affect our Company’s business and reputation.

67. If we fail to identify, monitor and manage risks and effectively implement our risk mitigation mechanisms, it could have an adverse effect on our business, financial condition, results of operations and cash flows.

The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing.

The effectiveness of our risk management is dependent on formulating the proper policy and compliance to the same. We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. For details, please see **“Our Business”** on page 44.

Despite this, our policies and procedures to identify, monitor and manage risks of fraud, money laundering, any other credit, operational or other risks may not be fully effective. Our Board of Directors and the Risk

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Management Committee review our risk management policies from time to time. Further, some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures.

Our interest rate risk are dependent upon our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the achievement of business targets including maximizing collection and controlling expenditure. If our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses.

If we fail to effectively implement our risk management policies, we could materially and adversely affect our business, financial condition, results of operations and cash flows.

68. *Negative publicity could damage our reputation and adversely impact our business and financial results. Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business.*

Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business. The reputation of the banking and financial services industry in general has been closely monitored as a result of the global financial crisis and other matters affecting the financial services industry. Negative public opinion about the banking and financial services industry generally or us specifically could materially adversely affect our ability to attract and retain customers and may expose us to litigation and regulatory action. Although we take steps to minimize reputational risk in dealing with customers and other constituencies, we, as a financial services organization, are inherently exposed to this risk. Any damage to our brand or our reputation may affect our operations.

69. *If we are unable to recover the amounts either fully or partly or on time, due from customers to whom we have provided unsecured loans it could adversely affect our operations and profitability.*

Our loan portfolio includes unsecured loans to our customers. Since loans to these customers are unsecured, upon the occurrence of an event of default, our ability to realize the amounts due would be restricted to initiating legal proceedings for recovery. There can be no guarantee as to the length of time it could take to conclude such legal proceedings or for the legal proceedings to result in a favourable decision for us. Any failure to repay such loans could have an adverse effect on our financial condition, results of operations and cash flows.

70. *This KID contains certain Non-GAAP measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry.*

This KID includes certain Non-GAAP measures, including Net Worth and Return on Net Worth, which are in a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with Ind AS. We consider these Non-GAAP measures useful in evaluating our business and financial performances. However, these Non-GAAP measures are not alternatives to any measure of performance or liquidity or as an indicator of our operating performance or liquidity. They should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS.

There are no standard methodologies in the industries for computing such measures and those Non-GAAP measures we included in this KID may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

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71. *Our company is a High Value Debt Listed Entity (“HVDLE”) as per SEBI LODR 2015 and is required to comply with Corporate Governance Norms prescribed from time to time by the Regulators.*

As our Company is an HVDLE, we are mandatorily required to comply with regulatory requirement in respect of corporate governance norms for such entities. Failure to comply with, would entail penalties.

We have complied with the mandatory requirements. We cannot assure you that we would be able to comply with the regulatory requirement in future. Lapse, if any, in compliance by our Company could lead to payment of penalties, which may have an adverse impact on our financial position.

72. *The objects of the issue are not for any specified projects.*

The proceeds of this issue will be used by the Issuer in accordance with applicable laws and not for any specified projects.

73. *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.

74. *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.

75. *Security on our NCDs may rank pari passu with our Company’s secured indebtedness in the future.*

Substantially, all of our Company’s current assets represented by the receivables are being used to secure our Company’s debt. As of September 30, 2024 our Company’s secured borrowings was ₹ 863.05 crore. While the security on our NCDs is exclusive as of the date of this KID, the terms of the NCDs do not prevent our Company from incurring additional debt subject to maintenance of minimum-security cover.

76. *If we fail to integrate our artificial intelligence capabilities in our operations, it could adversely affect our business growth and results of operations.*

We are actively undertaking various initiatives to employ the use of artificial intelligence (“AI”) in our operations, which we believe would help build predictive models across credit, sales, collections and risk functions. Nevertheless, we may face technical challenges that adversely affect our ability to integrate such AI capabilities in our operations. Further, we may face operational difficulties if our AI capabilities malfunction. Failure to develop and integrate AI capabilities into our operations could create operational difficulties and have an adverse effect on our business growth and results of operations.

- 77. *We are dependent on government institutions and agencies to register our collateral/ charges. Our inability to register the collaterals for the loans we disburse or create a charge on the assets we finance could adversely affect our business and results of operations.***

As an NBFC-ML (Investment and Credit Company), creation of charge on assets that we finance is critical for our operations. For vehicles that we finance, the Road Transport Authority (“RTO”) is the institution we rely on. In a number of locations at RTOs across India, the processes are yet to be digitized. If customers whose vehicles and properties are yet to be registered, default on their obligations, we face a risk of loan losses and our business, financial condition, results of operations and cash flows could be adversely affected.

Risks relating to the NCDs

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

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, *inter alia*, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure that, we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs, which shall be free from any encumbrances, the realizable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. Any failure or delay to recover the expected value from a sale or disposal of the assets charged as security in connection with the NCDs could expose Investors to a potential loss.

EXTERNAL RISK FACTORS

- 79. *Civil unrest, terrorist attacks and declaration of war would affect our business.***

Terrorist attacks and other acts of violence, war or conflicts, particularly those involving India, as well as the United States of America, the United Kingdom, Middle East, Singapore and the European Union, may adversely affect Indian and global financial markets. Such acts may negatively impact business sentiment, which could adversely affect our business and profitability. India has from time to time experienced and continues to experience, social and civil unrest, terrorist attacks and hostilities from neighboring countries. Also, some of India’s neighboring countries have experienced, or are currently experiencing internal unrest. This, in turn, could have a material adverse effect on the Indian economy and in turn may adversely affect our operations and profitability and the market for the NCDs.

- 80. *Financial difficulty and other problems in certain financial institutions in India could adversely affect our business.***

As an Indian NBFC, we are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as “systemic risk”, may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis and who may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and hence adversely affect our business. As the Indian financial system operates within an emerging market, it faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme.

- 81. *Companies operating in India are subject to a variety of Central and State Government taxes and levies. Any increase in tax rates could adversely affect our business and results of operations.***

Tax and other levies imposed by the Central and State Governments in India that affect our tax liability include Central and State Taxes and other levies, Income Tax, GST, Stamp Duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the Central and State Tax

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Scheme in India is extensive and subject to change from time to time. The Statutory Corporate Income Tax in India, which includes a tax, an education cess on the tax and the surcharge, is currently 25.17%. The Central or State Government may in future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Any additional tax exposure could adversely affect our business and results of operations.

There can be no assurance that our Company will pay adequate stamp duty as levied in all states where our Company functions or pay any stamp duty altogether, which may result in additional duty being levied on our Company and our Company getting exposed to statutory liabilities, which may have an adverse impact.

SECTION III**Updates on General Information Section III of GID dated 30.5.2024****GENERAL INFORMATION****DISCLOSURES AS PER SEBI DEBT LISTING REGULATIONS:**

For all information required to be placed on the front page of a general information document as per Schedule I of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended by the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended.

Sl. No	Particulars	Relevant Disclosure
10	Details of Compliance Officer of the Issuer	<i>Sri S Venkatesh, Company Secretary and Chief Compliance Officer</i>
11	Details of Company Secretary of the Issuer	<i>Sri S Venkatesh, Company Secretary and Chief Compliance Officer</i>
12	Details of Chief Financial Officer of the Issuer	<i>Sri K Sundaramurthy</i>
15	Details of statutory auditors of the Issuer	<i>M/s P N Raghavendra Rao & Co Chartered Accountants (FRN:003328S) 23/2, Viswa Paradise Apartments Kalidas Road, Ram Nagar Coimbatore - 641 009, Tamil Nadu Tele: +91 (422) 2232440, 2236997 Email: teampab@pnrandco.in Contact Person: Mr Pon Arul Paraneedharan</i>

ISSUER INFORMATION

Sakthi Finance Limited

Our Company was originally incorporated as “The Pollachi Credit Society Private Limited” on March 30, 1955 under the Indian Companies Act 1913. Our Company was later converted into a public limited company and the name of our Company was changed to Sakthi Finance Limited on July 27, 1967 and a fresh Certificate of Incorporation was obtained from Registrar of Companies, Madras. The CIN of our Company is L65910TZ1955PLC000145. The Registered Office of the Company is situated at Dr. Nanjappa Road, Coimbatore – 641018.

Registration Details

Company Registration Number with RoC	000145
Corporate Identity Number	L65910TZ1955PLC000145
NBFC Registration Certificate Number under Section 45 IA of the RBI Act	07-00252
Legal Entity Identifier No (“LEI”)	335800HQZOL79ZZAUE32
PAN	AADCS0656G
TAN	CMBS03160D
GST (TN)	33AADCS0656G1ZM

NBFC Registration

Our Company holds a certificate of registration dated April 17, 2007 (issued in lieu of earlier certificate dated May 08, 1998) bearing registration no. 07-00252 issued by the RBI to carry on the activities of an NBFC under Section 45-IA of the RBI Act as a “NBFC - Investment and Credit Company- Middle Layer”.

Registered and Corporate Office

62, Dr. Nanjappa Road
Post Box No. 3745
Coimbatore – 641018, Tamil Nadu
Tel : +91 422 2231471- 474/4236200
Fax : +91 422 2231915
Email : sakthif_info@sakthifinance.com; investors@sakthifinance.com
Website : www.sakthifinance.com

Registrar of Companies

Our Company is registered with the Registrar of Companies, Tamil Nadu, Coimbatore, which is situated at the following address:

Registrar of Companies, Tamil Nadu at Coimbatore

No.7, AGT Business Park, First Floor, Phase II
Avinashi Road, Civil Aerodrome Post
Coimbatore- 641014, Tamil Nadu

Liability of the members of the Company

Liability of members is limited by shares.

Chief Financial Officer

The details of our Chief Financial Officer (“CFO”) is set out below:

Sri. K Sundaramurthy
62, Dr. Nanjappa Road
Post Box No. 3745
Coimbatore - 641018, Tamil Nadu
Tel : +91 (422) 4236301
Email : ksundaramurthy@sakthifinance.com

Chief Operating Officer

The details of our Chief Operating Officer (“COO”) is set out below:

Sri. K S Venkatasubramanian

Chief Operating Officer

62, Dr. Nanjappa Road

Post Box No. 3745

Coimbatore – 641 018, Tamil Nadu

Tel : +91 (422) 4236210

Email : venkatasubramanian@sakthifinance.com

Company Secretary and Chief Compliance Officer

The details of the person appointed to act as Company Secretary and Chief Compliance Officer for the purpose of this Issue are set out below:

Sri. S Venkatesh

62, Dr. Nanjappa Road

Post Box No. 3745

Coimbatore – 641 018, Tamil Nadu

Tel : +91 (422) 4236207

Email : svenkatesh@sakthifinance.com

Debenture Trustee

Catalyst Trusteeship Limited

“GDA House”,

Plot No 85, Bhusari Colony (Right)

Paud Road, Pune – 411 038

Tel : + 91 (022) 49220555

Fax : + 91 (022) 49220505

Email : ComplianceCTL-Mumbai@ctltrustee.com

Website : <https://catalysttrustee.com>

Investor Grievance Email: grievance@ctltrustee.com

Contact person: Ms. Deesha Trivedi

Compliance Officer: Ms. Kalyani Pandey

SEBI Registration No: IND0000000034

CIN: U74999PN1997PLC110262

Registrar to the Issue

LINK INTIME INDIA PRIVATE LIMITED

C-101, 247 Embassy Park

1st Floor, L.B.S. Marg, Vikhroli West

Mumbai 400 083 Maharashtra, India

Tel No : +91 (022) 4918 6200

Fax No : +91 (022) 4918 6195, +91 (022) 49186060

Email : debtca@linkintime.co.in

Website : www.linkintime.co.in

Investor Grievance Email : debtca@linkintime.co.in

Contact person: Shanti Gopalkrishnan

SEBI Registration No: INR000004058

CIN : U67190MH1999PTC118368

Statutory Auditors

Current:

M/s. P N Raghavendra Rao & Co

Chartered Accountants

23/2, Viswa Paradise Apartments

Kalidas Road, Ram Nagar

Coimbatore - 641 009, Tamil Nadu

Tel : +91 (422) 2232440, 2236997

Website : www.pnrco.in

Peer Review Certificate No: 014475

Contact person: Mr Pon Arul Paraneedharan

Firm Registration No: 003328S

Date of Appointment as Statutory Auditors: September 10, 2024 as approved at the AGM held on September 10, 2024.

Immediate Past (till September 10, 2024):

M/s CSK Prabhu & Co

Chartered Accountants

F4, Fourth Floor, Srivari Kikani Centre

No. 2, Krishnaswamy Mudaliar Road

Coimbatore - 641 002

Tel : +91 (422) 2552437

Website : www.cskprabhu.com

Contact Person: Mr. CSK Prabhu

Email : csk@cskprabhu.com

Peer Review Certificate No: 016219

Firm Registration No: 002485S

Credit Rating Agency

ICRA Limited

Electric Mention, 3rd Floor, Appasaheb Marathe Marg

Prabhadevi, Mumbai 400 025

Tel : +91 022 61143406

Fax : +91 022 24331390

Email : shivakumar@icraindia.com

Website: www.icra.in

Contact Person: Mr. L Shivakumar

Compliance Officer: Mr. Dharmesh Ved

SEBI Registration No: IN/CRA/008/15

Expenses of the Issue

Lead Mangers Fees	NA
Underwriting Commission	NA
Brokerage, selling commission and upload fees	1% of Issue size
Fees payable to the registrar to the Issue	NA
Fees payable to the legal advisor	NA
Advertising and Marketing expenses	NA
Fees payable to the regulators including Stock Exchange	As per prescribed regulations
Expenses incurred on printing and distribution of issue stationery	NA
Any other fees, commission or payments under whatever nomenclature	Debentures Trustee fees as mutually agreed

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

CONSENTS

SI No	Particulars of consent	Remarks
1	Directors	All the necessary consents as required under this section have been obtained by the Company and are in place.
2	Statutory Auditors	
3	Trustees	
4	Registrar to Issue	Not Applicable
5	Bankers to issue	
6	Solicitors or Advocates to the issue	
7	Legal advisors to the issue	
8	Lead managers to the issue	
9	Lenders (if required, as per the terms of the agreement)	

CAPITAL STRUCTURE*(Updates on Section III of GID)***Details of Share Capital**

The share capital of our Company as on September 30, 2024, is set out below:

	Share capital	Amount (₹ lakh)
A	Authorized share capital	
	10,00,00,000 Equity Shares of ₹ 10 each	10,000.00
	30,00,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each	3,000.00
	Total	13,000.00
B	Issued, subscribed and paid-up share capital	
	6,47,05,882 Equity Shares of ₹ 10 each	6,470.59
	21,55,150 9% Redeemable, Cumulative Preference Shares of ₹ 100 each	2,155.15
	Total	8,625.74
C	Securities premium as at September 30, 2024	1,429.80

The Issue will not result in any change in the paid-up Equity share capital of our Company and Securities Premium of our Company. None of the Equity Shares of our Company is either pledged or encumbered.

Notes to capital structure

- Changes in the authorized share capital of our Company for the last three years preceding the date of this KID as on September 30, 2024**

There has been no change for the last three years period preceding the date of this KID.

- Equity Share capital history of our Company for the last three (3) years preceding the date of this KID**

There has been no Change in the Equity Share capital of our Company for the last three years preceding the date of this KID.

Promoter capital build up – No shares have been allotted in the last one year.

Dr. M Manickam

Date of Allotment / Transfer	No of Shares	Face Value (₹)	Issue / Transfer Price (₹)	Consideration (Cash, other than cash etc)	Nature of Allotment/ Transfer	Source of Funding
February 24, 1988	14,625	10	10	Cash	Rights Issue	Own funding
November 4, 1989	2,500	10	10	Cash	Transfer	Own funding
November 4, 1989	1,750	10	10	Cash	Transfer	Own funding
November 4, 1989	25,000	10	10	-	Preference Shares converted into Equity Shares	-
June 4, 1993	43,875	10	30	Cash	Rights Issue	Own funding
August 17, 1993	(43,875)	10	30	-	(Transfer)	-
May 31, 1997	18,000	10	10	Cash	Transfer	Own funding
January 30, 2008	30,938	10	10	Cash	Rights Issue	Own funding
Total	92,813					

Sri M Balasubramaniam

Date of Allotment / Transfer	No of Shares	Face Value (₹)	Issue / Transfer Price (₹)	Consideration (Cash, other than cash etc)	Nature of Allotment/ Transfer	Source of Funding
August 16, 1980	2,500	10	10	Cash	Transfer	Own funding
November 2, 1984	1,500	10	10	Cash	Public Issue	Own funding

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July 13, 1985	1,000	10	10	Cash	Transfer	Own funding
February 24, 1988	15,000	10	10	Cash	Rights Issue	Own funding
November 14, 1989	25,000	10	10	-	Preference Shares converted into Equity Shares	-
June 4, 1993	45,000	10	30	Cash	Rights Issue	Own funding
August 17, 1993	(45,000)	10	30	-	(Transfer)	-
January 30, 2008	22,500	10	10	Cash	Rights Issue	Own funding
January 30, 2008	1,24,500	10	10	Cash	Rights Issue	Own funding
Total	1,92,000					

3. **Preference Share capital history of our Company for the last three (3) years preceding the date of this KID****8.25% Redeemable Cumulative Preference Shares redeemed at par at the end of 3 years**

Date of allotment / Redemption	No. of Preference Shares allotted / (redeemed)	Face value (₹)	Issue / (Redemption) price (₹)	Nature of Consideration	Nature of Allotment	Cumulative Number of Preference Shares	Cumulative Paid-up Preference Shares Capital (₹ lakh)	Cumulative Preference Shares Premium (₹ lakh)
February 13, 2024	3,49,000	100	100	Cash	Private Placement	3,49,000	349.00	-
February 26, 2024	4,86,500	100	100	Cash	Private Placement	8,35,500	835.50	-
March 12, 2024	2,00,500	100	100	Cash	Private Placement	10,36,000	1,036.00	-
March 31, 2024	1,33,000	100	100	Cash	Private Placement	11,69,000	1,169.00	-
April 19, 2024	3,31,000	100	100	Cash	Private Placement	15,00,000	1,500.00	-

9% Redeemable Cumulative Preference Shares allotted at par

Date of allotment / Redemption	No. of Preference Shares allotted / (redeemed)	Face value (₹)	Issue / (Redemption) price (₹)	Nature of Consideration	Nature of Allotment	Cumulative Number of Preference Shares	Cumulative Paid-up Preference Shares Capital (₹ lakh)	Cumulative Preference Shares Premium (₹ lakh)
December 16, 2023	2,86,750	100	100	Cash	Private Placement	2,86,750	286.75	-
December 30, 2023	5,83,400	100	100	Cash	Private Placement	8,70,150	870.15	-
January 23, 2024	2,80,200	100	100	Cash	Private Placement	11,50,350	1,150.35	-
March 20, 2024	2,88,800	100	100	Cash	Private Placement	14,39,150	1,439.15	-
April 17, 2024	60,850	100	100	Cash	Private Placement	15,00,000	1,500.00	-
May 30, 2024	2,34,750	100	100	Cash	Private Placement	17,34,750	1,734.75	-
June 13, 2024	2,63,500	100	100	Cash	Private Placement	19,98,250	1,998.25	-
June 27, 2024	1,09,400	100	100	Cash	Private Placement	21,07,650	2,107.65	-
July 31, 2024	30,500	100	100	Cash	Private Placement	21,38,150	2,138.15	-
September 3, 2024	17,000	100	100	Cash	Private Placement	21,55,150	2,155.15	-

The Cumulative number of Preference Shares as on 30 September, 2024 as at the end of 3 years preceding the date of KID is 21,55,150 (FV - ₹ 100 each).

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The above allotments of Redeemable Cumulative Preference Shares have been made to persons other than promoters of the Company. As per Ind AS, these Preference Share Capital has been treated as debt.

4. Equity Shares / Preference Shares issued by our Company for a consideration other than cash

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

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

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

6. Details of any reorganization / reconstruction in the last one year

Our Company has not made any reorganization/ reconstruction in the last one year.

7. The Company has no subsidiary or associate company and accordingly the shareholding by the directors in these entities do not arise.

8. There is no instance of purchase or selling of any securities of our Company by (a) the member of promoters and promoter group; (b) the directors of company who are promoters of our Company; and (c) the Directors of our Company and their relatives, within six months immediately preceding the date of filing the KID.

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

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

11. Our Company does not have any outstanding warrants as on the date of this KID.

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12. **Summary Statement holding of specified securities as on September 30, 2024**

SI No	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 no of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting rights			Total as a % of (A+B+C)			No.	As a % of total Shares held (b)	No.	As a % of total Shares held (b)	
								Class: Equity	Class: NA	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)= (IV)+(V)+(VI)	(VIII)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
A	Promoter & Promoter Group	18	43363007	0	0	43363007	67.02	43363007	0	43363007	67.02	0	67.02	0	0.00	0	0	43363007
B	Public	10,375	21342875	0	0	21342875	32.98	21342875	0	21342875	32.98	0	32.98	0	0.00	NA	NA	15000754
C	Non Promoter – Non Public															NA	NA	
C1	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
C2	Shares held by Employees Trust	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total (A+B+C)	10,393	64705882	0	0	64705882	100.00	64705882	0.00	64705882	100.00	0	100.00	0	0	0	0	58363761

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13. **Statement showing Shareholding pattern of the Promoter (P) and Promoter Group (PG) as on September 30, 2024**

SI No	Category and name of shareholder	Entity type	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares under lying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Under lying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
									No of Voting rights					Total as a % of (A+B+C)	No.	As a % of total Shares held	No.		As a % of total Shares held
									Class: Equity	Class: NA	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)= (IV)+(V)+(VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)		
1	Indian																		
(a)	Individuals / Hindu Undivided Family																		
	M Manickam	P	1	92813	0	0	92813	0.14	92813	0	92813	0.14	0.00	0.14	0	0.00	0	0.00	92813
	M Balasubramaniam	P	1	192000	0	0	192000	0.30	192000	0	192000	0.30	0.00	0.30	0	0.00	0	0.00	192000
	Mahalingam Srinivaasan	PG	1	251355	0	0	251355	0.39	251355	0	251355	0.39	0.00	0.39	0	0.00	0	0.00	251355
	Karunambal Vanavarayar	PG	1	7500	0	0	7500	0.01	7500	0	7500	0.01	0.00	0.01	0	0.00	0	0.00	7500
(b)	Central Government / State Government(s)																		
(c)	Financial Institutions / Banks																		
(d)	Any Other (Specify)																		

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SI No	Category and name of shareholder	Entity type	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares under lying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Under lying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
									No of Voting rights					Total as a % of (A+B+C)	No.	As a % of total Shares held (b)	No.		As a % of total Shares held (b)
									Class: Equity	Classes: NA	Total								
(I)	(II)	(III)		(IV)	(V)	(VI)	(VII)= (IV)+(V)+(VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)	
	Bodies Corporate																		
	Sakthi Finance Financial Services Limited	PG	1	12420000	0	0	12420000	19.19	12420000	0	12420000	19.19	0	19.19	0	0.00	0	0.00	12420000
	ABT Investments India Private Ltd	PG	1	8727400	0	0	8727400	13.49	8727400	0	8727400	13.49	0	13.49	0	0.00	0	0.00	8727400
	Sakthi Financial Services Cochin P Ltd	PG	1	7157128	0	0	7157128	11.06	7157128	0	7157128	11.06	0	11.06	0	0.00	0	0.00	7157128
	The Gounder And Company Auto Ltd	PG	1	3925000	0	0	3925000	6.07	3925000	0	3925000	6.07	0	6.07	0	0.00	0	0.00	3925000
	ABT Finance Limited	PG	1	3331162	0	0	3331162	5.15	3331162	0	3331162	5.15	0	5.15	0	0.00	0	0.00	3331162
	ABT Foundation Limited	PG	1	2475000	0	0	2475000	3.83	2475000	0	2475000	3.83	0	3.83	0	0.00	0	0.00	2475000
	Sakthi Realty Holdings Limited	PG	1	2475000	0	0	2475000	3.83	2475000	0	2475000	3.83	0	3.83	0	0.00	0	0.00	2475000
	Sakthi Sugars Ltd	PG	1	1040000	0	0	1040000	1.61	1040000	0	1040000	1.61	0	1.61	0	0.00	0	0.00	1040000
	ABT Industries Limited	PG	1	919926	0	0	919926	1.42	919926	0	919926	1.42	0	1.42	0	0.00	0	0.00	919926
	Sri Chamundeswari Sugars Ltd	PG	1	24000	0	0	24000	0.04	24000	0	24000	0.04	0	0.03	0	0.00	0	0.00	24000

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<i>Sri Sakthi Textiles Ltd</i>	<i>PG</i>	<i>1</i>	<i>7000</i>	<i>0</i>	<i>0</i>	<i>7000</i>	<i>0.01</i>	<i>7000</i>	<i>0</i>	<i>7000</i>	<i>0.01</i>	<i>0</i>	<i>0.01</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>7000</i>
<i>Sakthi Logistic Services Ltd</i>	<i>PG</i>	<i>1</i>	<i>5700</i>	<i>0</i>	<i>0</i>	<i>5700</i>	<i>0.01</i>	<i>5700</i>	<i>0</i>	<i>5700</i>	<i>0.01</i>	<i>0</i>	<i>0.01</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>5700</i>
<i>M Mariammal</i>	<i>PG</i>	<i>1</i>	<i>36000</i>	<i>0</i>	<i>0</i>	<i>36000</i>	<i>0.06</i>	<i>36000</i>	<i>0</i>	<i>36000</i>	<i>0.06</i>	<i>0.00</i>	<i>0.06</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>36000</i>
<i>N. Mahalingam</i>	<i>PG</i>	<i>1</i>	<i>276023</i>	<i>0</i>	<i>0</i>	<i>276023</i>	<i>0.43</i>	<i>276023</i>	<i>0</i>	<i>276023</i>	<i>0.43</i>	<i>0.00</i>	<i>0.43</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>276023</i>
<i>Total A (a+b+c+d)</i>		<i>18</i>	<i>42819339</i>	<i>0</i>	<i>0</i>	<i>42819339</i>	<i>66.18</i>	<i>42819339</i>	<i>0</i>	<i>42819339</i>	<i>66.18</i>	<i>0</i>	<i>66.18</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>42819339</i>

(This Key Information Document is neither a prospectus nor a statement in lieu of Prospectus)

14. **Statement showing Shareholding pattern of the Public Shareholders as on September 30, 2024**

Sr No	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) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized 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: Equity	Class: NA	Total									
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)= (IV)+(V)	(VIII)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)	
(I)	Institutions (Indian)																		
(a)	Mutual Funds	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0
(b)	Venture Capital Funds	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0
(c)	Alternate Investment Funds	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0
(d)	Banks	2	900	0	0	900	0.0014	900	0	900	0.0014	0	0.0014	0	0	0	NA	NA	0
(e)	Insurances Companies	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0
(f)	Provident Funds / Pension Funds	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0
(g)	Asset Reconstruction Companies	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0
(h)	Sovereign Wealth Funds	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0
(i)	NBFCs registered with RBI	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0
(j)	Other Financial Institutions	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0
(k)	Any Other (specify)	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0
	Sub-Total(B)(1)	2	900	0	0	900	0.0014	900	0	900	0.0014	0	0.0014	0	0	0	NA	NA	0

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SI No	Category of shareholder	Nos. of share - holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized 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: Equity	Class : NA	Total									
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)=(IV)+(V)	(VIII)	(IX)				(X)	(XI)=(VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)	
(2)	Institutions (Foreign)																		
(a)	Foreign Direct Investment	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0.00
(b)	Foreign Venture Capital Investors	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0.00
(c)	Sovereign Wealth Funds	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0.00
(d)	Foreign Portfolio Investors Category I	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0.00
(e)	Foreign Portfolio Investors Category II	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0.00
(f)	Overseas depositories (holding DRs) (Balancing Figure)	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0.00
(g)	Any Other (Specify)	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0.00
	Sub-Total(B)(2)	0	0	0	0	0	0.00	0	0	0	0.00	NA	0.00	0	0.00	NA	NA	0.00	

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SI No	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 no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
								No of Voting rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		
								Class: Equity	Class: NA	Total									(a)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)=(IV)+(V)+(VI)	(VIII)	(IX)				(X)	(XI)=(VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)	
(3)	Central/ State Govt(s)																		
(a)	Central Govt/ President of India	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0
(b)	State Govt/ Governor	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0
(c)	Shareholding by Cos. Bodies Corporate where Central/ State Govt. is a promoter	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0
	Sub- Total (B)(3)	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0
4)	Non Institutions		0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0
(a)	Associate Companies /Subsidiaries	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0
(b)	Directors and their relatives (excluding Independent Directors / Nominee Directors)	0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0	NA	NA	0

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SI No	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 no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class: Equity	Class: NA	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)=(IV)+(V)+(VI)	(VIII)	(IX)				(X)	(XI)=(VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(c)	Key Managerial Personnel	1	1075	0	0	1075	0.00	1075	0	1075	0.00	0	0.00	0	0.00	NA	NA	0.00
(d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0.00
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0.00
(f)	Investor Education and Protection Fund	1	563187	0	0	563187	0.87	563187	0	563187	0.87	0	0.00	0	00	NA	NA	563187

Key Information Document No 2/ FY 2024-2025

SI No	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 no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form		
								No of Voting rights					Total as a % of (A+B+C)	No.	As a % of total Shares held	No.		As a % of total Shares held	
								Class: Equity	Class: NA	Total									(a)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)= (IV)+(V)+(VI)	(VIII)	(IX)			(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII) (b)		(XIII) (b)		(XIV)		
g)	Resident Individuals holding nominal share capital up to ₹ 2 lakhs	10112	3109944	0	0	3109944	4.81	3109944	0	3109944	4.81	0	4.81	0	0.00	NA	NA	2399610	
h)	Resident Individuals holding nominal share capital in excess of ₹ 2 lakhs	24	1665391	0	0	1665391	2.57	1665391	0	1665391	2.57	0	2.57	0	0.00	NA	NA	1422241	
i)	Non-Resident Indians	47	42239	0	0	42239	0.07	42239	0	42239	0.07	0	0.07	0	0.00	NA	NA	42039	
j)	Foreign Nationals	0	0	0	0	0	0	0	0	0	0.00	0	0.0000	0	0.00	NA	NA	0	
k)	Foreign Companies	1	4450000	0	0	4450000	6.88	4450000	0	4450000	6.88	0	6.88	0	0.00	NA	NA	0	
l)	Bodies Corporates	59	11231676	0	0	11231676	17.36	11231676	0	11231676	17.36	0	17.36	0	0.00	NA	NA	10295214	
	Avadhoot Finance and Investment Private Limited	AAACA 6917D	1	5624208	0	0	5624208	8.69	5624208	0	5624208	8.69	0	8.69	0	0.00	NA	NA	5624208
	Sakthi Management Services (Coimbatore) Limited	AAGCS 7065J	1	4335434	0	0	4335434	6.70	4335434	0	4335434	6.70	0	6.70	0	0.00	NA	NA	4335434
	Grahasakthi Properties Pvt. Ltd	AACCG 1983D	1	927237	0	0	927237	1.43	927237	0	927237	1.43	0	1.43	0	0.00	NA	NA	0
m)	Any Other (Specify)		133	264525	0	0	264525	0.41	264525	0	264525	0.41	0	0.41	0	0.00	NA	NA	264525
	i. Body Corp-Ltd Liability Partnership		3	4551	0	0	4551	0.01	4551	0	4551	0.01	0	0.01	0	0.00	NA	NA	4551
	ii. Other Directors / Relatives		0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	
	iii. HUF		123	260992	0	0	260992	0.40	260992	0	260992	0.40	0	0.40	0	0.00	NA	NA	260992
	iv. Clearing member		1	10095	0	0	10095	0.02	10095	0	10095	0.02	0	0.02	0	0.00	NA	NA	10095
	v. Unclaimed Shares		1	2825	0	0	2825	0.00	2825	0	2825	0.00	0	0.00	0	0.00	NA	NA	2825
	Sub Total (B)(4)		10373	21341975	0	0	21341975	32.98	21341975	0	21341975	32.98	0	32.98	0	0.00	NA	NA	15000754
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)+(B)(4)		10375	21342875	0	0	21342875	32.98	21342875	0	21342875	32.9844	0	32.9844	0	0.00	NA	NA	15000754

15. Top ten equity shareholders of our Company as on September 30, 2024

SI No	Name of shareholder	No. of Equity Shares of face value of ₹ 10 each	No of Equity shares in dematerialized form	Total shareholding as a % of total no of equity shares
1	Sakthifinance Financial Services Limited	1,24,20,000	1,24,20,000	19.19
2	ABT Investments (India) Private Limited	87,27,400	87,27,400	13.49
3	Sakthi Financial Services (Cochin) Private Ltd	71,57,128	71,57,128	11.06
4	Avdhoot Finance and Investment Private Limited	56,24,208	56,24,208	8.69
5	Bridgewater Investment Corporation Ltd	44,50,000	-	6.88
6	Sakthi Management Services (Coimbatore) Ltd	43,35,434	43,35,434	6.70
7	The Gounder and Company Auto Limited	39,25,000	39,25,000	6.07
8	ABT Finance Limited	33,31,162	33,31,162	5.15
9	ABT Foundation Limited	24,75,000	24,75,000	3.83
10	Sakthi Realty Holdings Limited	24,75,000	24,75,000	3.83
	Total	5,49,20,332	5,04,70,332	84.89

16. Top ten preference shareholders of our Company**9% Redeemable, Cumulative, Preference Shares of ₹ 100 each as on September 30, 2024**

SI No	Name of the Preference Shareholder	No. of Preference Shares of face value of ₹ 100 each	Total shareholding as a % of total no of Preference Shares
1	Selvaraj	50,000	2.32
2	Shanmuga Kumarasamy	40,000	1.86
3	Senthamarai Kannan K	25,000	1.16
4	Venkatachalam	21,000	0.97
5	Elango P	20,000	0.93
6	S Krishnan	20,000	0.93
7	Kuppuswamy P	16,000	0.74
8	Arunachalam C	16,000	0.74
9	Raju	16,000	0.74
10	P L Gurusamy	15,000	0.70
	Total	2,39,000	11.09

17. Top ten holders of Secured and Unsecured, Redeemable Non-Convertible Debentures as on September 30, 2024**(a) Unlisted, Secured, Redeemable, Non-Convertible Debentures issued on private placement basis**

SI No	Name of Debenture holder	Category of holder	Number of NCDs	Face Value of holding	Holding as a % total outstanding non-convertible securities
1	Manoharan P	Resident Indians	45,000	1,000	4.83
2	Jansi Rani Ramaswamy	Resident Indians	24,000		2.58
3	Selva Chidambaram S	Resident Indians	16,000		1.72
4	Venkateswaran K R	Resident Indians	15,000		1.61
5	Raghupathy Swaminathan	Resident Indians	14,000		1.50
6	Paramasivan Angala Srinivasan	Resident Indians	13,000		1.39

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<i>Sl No</i>	<i>Name of Debenture holder</i>	<i>Category of holder</i>	<i>Number of NCDs</i>	<i>Face Value of holding</i>	<i>Holding as a % total outstanding non-convertible securities</i>
7	<i>Sakthifinance Financial Services Ltd.</i>	<i>Body Corporate</i>	<i>12,500</i>		<i>1.34</i>
8	<i>Revathi Swaminathan</i>	<i>Resident Indians</i>	<i>11,000</i>		<i>1.18</i>
9	<i>Kasi Hariharan</i>	<i>Resident Indians</i>	<i>10,500</i>		<i>1.13</i>
10	<i>Pavithra. R</i>	<i>Resident Indians</i>	<i>10,500</i>		<i>1.13</i>

(b) Listed, Secured and Unsecured Redeemable Non-Convertible Debentures:

Public Issue 2020

<i>Sl No</i>	<i>Name of Debenture holder</i>	<i>Category of holder</i>	<i>Number of NCDs</i>	<i>Face Value of holding</i>	<i>Holding as a % total outstanding non-convertible securities</i>
1	<i>Vijayalakshmi T</i>	<i>Resident Indians</i>	<i>5,000</i>	<i>1,000</i>	<i>3.12</i>
2	<i>G Ramu</i>		<i>3,000</i>		<i>1.87</i>
3	<i>Muraleedharan</i>		<i>2,800</i>		<i>1.75</i>
4	<i>Subbu P</i>		<i>2,500</i>		<i>1.56</i>
5	<i>V Gopal</i>		<i>2,400</i>		<i>1.50</i>
6	<i>Saraswathi S</i>		<i>2,200</i>		<i>1.37</i>
7	<i>T K Kannan</i>		<i>2,098</i>		<i>1.31</i>
8	<i>S G Gopinath</i>		<i>2,000</i>		<i>1.25</i>
9	<i>Thangaraj P K</i>		<i>2,000</i>		<i>1.25</i>
10	<i>Subramanian K</i>		<i>1,900</i>		<i>1.18</i>
	Total		258.98		16.15

(c) Listed Secured and Unsecured Redeemable Non-Convertible Debentures:

Public Issue 2021

<i>Sl No</i>	<i>Name of Debenture holder</i>	<i>Category of holder</i>	<i>Number of NCD</i>	<i>Face Value of holding</i>	<i>Holding as a % total outstanding non-convertible securities</i>
1	<i>Karunambal Vanavarayar</i>	<i>Resident Indians</i>	<i>30,000</i>	<i>1,000</i>	<i>2.19</i>
2	<i>Jansi Rani Ramaswamy</i>		<i>23,000</i>		<i>1.68</i>
3	<i>Achudan Bhuvana Mohan Soshma Pradeep Kumar</i>		<i>18,000</i>		<i>1.31</i>
4	<i>Saikumar B A</i>		<i>15,000</i>		<i>1.10</i>
5	<i>Anitha Shaikumar</i>		<i>13,300</i>		<i>0.97</i>
6	<i>Samyuktha Vanavarayar</i>		<i>12,000</i>		<i>0.88</i>
7	<i>Samyuktha N</i>		<i>10,000</i>		<i>0.73</i>
8	<i>R Lalitha</i>		<i>10,000</i>		<i>0.73</i>
9	<i>Brinda Magalingam</i>		<i>8,500</i>		<i>0.62</i>
10	<i>Thirugnanasampantham G</i>		<i>7,000</i>		<i>0.51</i>
	Total		1,46,800		10.72

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(d) Listed, Secured, Redeemable Non-Convertible Debentures:

Public Issue 2022

SI No	Name of Debenture holder	Category of holder	Number of NCD	Face Value of holding	Holding as a % total outstanding non-convertible securities
1	Jansi Rani Ramaswamy	Resident	254.00	1,000	3.20
2	Karunambal Vanavarayar	Indians	224.00		2.82
3	Sakthifinance Financial Services Limited	Body Corporate	100.00		1.26
4	Karthikraj Vengiduswamy Loganathan	Resident Indians	100.00		1.26
5	Mahalakshmi Karthikraj		100.00		1.26
6	Dhiren Hiralal Malani		90.00		1.13
7	Savithiri Chandrasekaran		63.00		0.79
8	Karunanithi		60.00		0.76
9	Anitha Shaikumar		50.16		0.63
10	Saikumar B A		50.06		0.63
	Total		1,09,122		13.75

(e) Listed, Secured Redeemable Non-Convertible Debentures:

Public Issue 2023

SI No	Name of Debenture holder	Category of holder	Number of NCD	Face Value of holding	Holding as a % total outstanding non-convertible securities
1	K Karpakavalli	Resident Indians	40,000	1,000	2.72
2	C A Dhanalakshmi		20,000		1.36
3	Jansi Rani Ramaswamy		19,800		1.35
4	S Gomathy		12,000		0.82
5	Vinodhini Balasubramaniam		10,000		0.68
6	Vasundhara Reddy Pelleti		10,000		0.68
7	M Sowbaranya		10,000		0.68
8	Sockalingam Kalidhas		8,000		0.54
9	U Theetharappan		6,000		0.41
10	GangasamyVenkateshan		6,000		0.41
	Total		1,41,800		9.66

(f) Listed, Secured Redeemable Non-Convertible Debentures:

Public Issue February 2024

SI No	Name of Debenture holder	Category of holder	Number of NCD	Face Value of holding	Holding as a % total outstanding non-convertible securities
1	Palanisamy Velusamy	Resident Indians	240.00	1,000	1.62
2	Jansi Rani Ramaswamy		210.00		1.42
3	Balan Ayanikkal		150.00		1.01
4	Ayanikkal Sujith		150.00		1.01
5	Sockalingam Kalidhas		100.00		0.68
6	Vinodhini Balasubramaniam		100.00		0.68
7	Tarla H Malani		100.00		0.68
8	Kalidhas Makhalekshemi		100.00		0.68
9	Radhabai S		100.00		0.68
10	V Raghuraman		60.00		0.41
	Total		1,310.00		8.85

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g) Listed, Secured Redeemable Non-Convertible Debentures:**Public Issue July 2024**

SI No	Name of Debenture Holder	Category of holder	Number of NCD	Face Value of holding	Holding as a % total outstanding non-convertible securities
1	Tarla H Malani	Resident Indian	11,000	1,000	0.89
2	Stephen Arul. J		9,500		0.77
3	Veeraraj K		8,500		0.69
4	V Sasikala		8,500		0.69
5	Mallika Ravi Shankar		7,500		0.61
6	Ganesan Sasikumar		7,000		0.57
7	A Preethi		6,600		0.53
8	Anitha Shaikumar		5,016		0.41
9	Saikumar B A		5,006		0.40
10	Jude Kamil A		5,000		0.40
Total			73,622		5.95

18. Top ten holders of privately placed Subordinated Debt II instrument as on September 30, 2024

SI No	Name of SD holder	Category of holders	Number of Units	Face Value of holding	Holding as a % total outstanding non-convertible securities
1	Muraleedharan A	Resident Indians	450	10,000	0.62
2	Kumar S		320		0.44
3	Varadharaj B		300		0.41
4	Ramadurai N		247		0.34
5	Masilamani A		220		0.30
6	Sujatha V		220		0.30
7	Vasudevan		210		0.29
8	Nagamani K		210		0.29
9	Kiruthiga Preethi S		210		0.29
10	Palaniappan S		205		0.28
Total			2,592		3.15

OUR BUSINESS

(Updates on Section IV of the GID dated 30 May 2024)

This Chapter should be read in conjunction with the Sections “Forward Looking Statements”, “Risk Factors” and “Financial Information” on page 5, 13,77 respectively, of the GID Unless stated otherwise, the financial data used in this chapter, has been taken from Chapter titled “Financial Statements (Annexure-F)” beginning from page no 96 of this KID.

Our Company was incorporated in the year 1955 and has a track record of nearly four decades in commercial vehicle financing segment. We are registered with RBI (Certificate of Registration number 07-00252 dated May 08, 1998) under Section 45-IA of the Reserve Bank of India Act 1934, with Department of Non-Banking Supervision, Chennai, as a NBFC Deposit-taking – Investment and Credit Company (earlier classified as Asset Finance Company). In terms of Reserve bank of India (Non-Banking Financial Company-Scale Based Regulations) Direction 2023, we are categorized under Middle Layer. (“ML”)

We are part of “Sakthi Group” of companies based in Coimbatore, South India and a reputed and well-known Industrial conglomerate having major presence in sugar, industrial alcohol, automobile distribution, auto components, dairy, co-generation, wind energy and transportation.

We are an Investment and Credit Company with primary focus on financing pre-owned commercial vehicles. We also provide finance for purchasing infrastructure construction equipment, multi-utility vehicles, cars, jeeps and other machinery. The finances provided are secured by lien on the assets financed. Our target customers predominantly comprise Small / Medium Road Transport Operators (“SRTOs / MRTOs”) and primarily hail from rural / semi-urban area. The SRTOs / MRTOs looks for speedy disposal of finance at competitive rates. We have identified this opportunity and positioned ourselves between the organized banking sector and local money lenders by offering finance at competitive rate with flexible and speedy lending services to our customers. We operate primarily in the Southern region of the country mainly in the States of Tamil Nadu and Kerala through our branch network and customer service points. We have a network of 54 branches, located in Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, Maharashtra and Union Territory of Puducherry. In addition to finance business, we generate power from windmills and sell it to Tamil Nadu Electricity Board and Gujarat Urja Vikas Nigam Limited. At present, we have 17 windmills with an aggregate capacity of 5,150 kW located in the States of Tamil Nadu and Gujarat.

As on September 30, 2024, we have an Asset Under Management (“AUM”) (i.e. Stock on Hire) of ₹ 1,25,195.24 lakh. Our AUM (net of ECL provisions) has grown from ₹ 1,10,311,20 lakh as at March 31, 2022 to ₹ 1,20,172.39 lakh as at March 31, 2024 at a CAGR of 4.37%. The income from hire purchase business constitutes about 94% of operating income of the Company for the FY ended March 31, 2024. For FY 2024, the income from hire purchase business was ₹ 19,736.88 lakh as against ₹ 17,339.13 lakh for FY 2022, registering a YoY growth of 13.83% and CAGR 6.69%.

As on September 30, 2024 the gross Stage 3 Assets as a percentage of loan assets is 5.13% and Net Stage 3 Assets as a percentage of loan assets is 2.60%. The Gross Stage 3 Assets as a percentage of loan assets was 5.25%, 5.85% and 5.18% as at March 31, 2024, March 31, 2023 and March 31, 2022 respectively, while Net Stage 3 Assets was 2.62%, 2.95% and 2.14% as at March 31, 2024, March 31, 2023 and March 31, 2022 respectively

As at March 31, 2024, March 31, 2023 and March 31, 2022, the ECL as determined under Ind AS 109 was ₹ 5,547.54 lakh, ₹ 5,192.14 lakh, and ₹ 4,511.27 lakh respectively.

The capital adequacy ratio, computed on the basis of applicable RBI requirements, as on September 30, 2024 is 17.12% The capital adequacy ratio as on March 31, 2024, March 31, 2023 and March 31, 2022 were 18.48%, 19.68% and 21.66% respectively (Source: Respective RBI Returns).

(This Key Information Document is neither a prospectus nor a statement in lieu of Prospectus)

SUMMARY OF OUR KEY OPERATIONAL AND FINANCIAL PARAMETERS

A summary of our key operational and financial parameters as at and for the last three completed financial years and three months ended September 30, 2024 (“LRR”) are as follows (For details, please refer Chapter titled “Financial Statements” Annexure F beginning from Page 96):

(₹ lakh)

Particulars	September 30, 2024	March 31,		
		2024	2023	2022
BALANCE SHEET :				
Assets				
Property, Plant and Equipment (including Right of use and Investment Property)	6,795.70	6,877.63	7,174.31	7,315.44
Other Intangible assets including under development	348.41	233.10	156.58	179.46
Financial Assets (Loan Assets + Investments + Cash + Other Financial Assets)	1,32,739.62	1,33,144.49	1,20,423.46	1,17,276.62
Non-Financial Assets (excluding PPE but including deferred tax assets-net)	2,284.17	2240.38	2,303.64	2,171.48
Total Assets	1,42,167.90	1,42,495.60	1,30,057.99	126,943.00
Financial Liabilities - Derivative Financial Instruments	-	-	-	-
Financial Liabilities (Trade Payables and Other Payables)	513.53	416.43	349.41	303.17
Financial Liabilities				
Debt Securities	71,153.31	65,619.57	48,792.43	41,560.04
Borrowings other than debt securities	14,051.90	12,480.27	14,654.08	15,565.69
Sub-ordinated Liabilities	17,967.05	31,166.98	41,512.40	39,530.77
Fixed Deposits	14,151.08	8,281.47	2,444.17	8,540.60
Other Financial Liabilities	1,872.13	2,318.66	1,384.96	1,426.14
Non-Financial Liabilities				
Current Tax Liabilities (net)	76.48	3.46	0.00	0.00
Provisions	214.60	1443.72	135.49	122.65
Deferred Tax Liabilities (net)	-	-	-	-
Other Non-Financial Liabilities	42.62	229.07	97.78	99.55
Equity Share Capital	6,470.59	6470.59	6,470.59	6,470.59
Other Equity	15,795.52	15,366.38	14,216.68	13,323.80
Total Equity and Liabilities	1,42,167.90	1,42,495.60	130,057.99	126,943.00

PROFIT AND LOSS	September 30, 2024	March 31,		
		2024	2023	2022
Revenue				
Revenue from Operations	10,752.47	20,674.11	19,180.60	18,133.71
Other Income	2.73	0.25	13.37	1.40
Total Income	10,752.47	20,674.36	19,193.97	18,135.11
Total Expenses	9,635.04	18,526.57	17,458.00	16,843.07
Profit / Loss Before Tax	1,117.43	2,147.79	1,735.97	1,292.04
Profit / Loss after tax	746.05	1,570.54	1,249.37	951.88
Other Comprehensive Income	32.19	32.08	31.76	33.22
Total Comprehensive Income	778.24	1,602.62	1,281.13	985.10
Earnings per equity share:				
(a) Basic (₹)	1.15	2.43	1.93	1.52
(b) Diluted (₹)	1.15	2.43	1.93	1.52

(This Key Information Document is neither a prospectus nor a statement in lieu of Prospectus)

Particulars	September 30, 2024	March 31,		
		2024	2023	2022
Cash Flow				
Net cash generated from / (used in) Operating activities	(7,078.98)	(2,798.75)	(162.87)	210.56
Net cash generated from / (used in) Investing activities	747.89	(2,759.97)	2,031.95	(659.94)
Net cash generated from / (used in) from Financing activities	1,725.83	10,034.67	(315.80)	534.78
Net Increase in Cash and Cash equivalents	2,873.48	7,478.74	3,002.79	1,449.51
Cash and Cash equivalents as per Cash Flow Statement	2,873.48	7,478.74	3,002.79	1,449.51

Additional Information:

BALANCE SHEET	September 30, 2024	March 31,		
		2024	2023	2022
Net worth*	19,079.40	18,979.48	17,927.28	17,095.14
Cash and Cash Equivalents	2,873.48	7,478.74	3,002.79	1,449.51
Investments	1,800.96	1,390.07	1,344.51	2,487.88
Assets Under Management (AUM)	1,25,195.24	1,20,172.39	1,14,500.10	1,10,311.20
Total Debts to Total assets	0.77	0.76	0.75	0.77
Debt Service Coverage Ratios (times)**	0.06	0.12	0.12	0.12
Debt Service Coverage Ratios (times)** - Annualized	0.24	0.12	0.12	0.12
Interest Income (including fees and commission)	10,561.04	20,337.40	18,936.19	17,888.46
Interest Expense	6,054.32	11,683.63	11,033.57	10,958.87
Impairment on Financial Instruments	369.06	675.04	926.07	1034.37
Interest service coverage ratio (times)**	1.18	1.19	1.17	1.13
Bad debts to Loans Ratio ***	0.28%	0.28%	0.20%	0.14%
Gross Stage 3 Assets/ Loans (% on Principal Amount)	5.13	5.25	5.85	5.18
Net Stage 3 Assets/Loans (% on Principal Amount)	2.60	2.62	2.95	2.14
Tier I Capital Adequacy Ratio (%)	13.66	14.16	13.99	13.74
Tier II Capital Adequacy Ratio (%)	3.46	4.32	5.69	7.92

* Net-worth computed after deducting Revaluation Reserves, Capital Reserves and Miscellaneous Expenses to the extent not written off and not reckoning Intangible Assets and comprehensive income as part of Net worth.

** Not applicable for NBFCs

*** Bad Debts Written off / (Trade Receivables + Loans)

(Source: Audited Financial Statements for the FY ended / as at March 31, 2024, March 31, 2023 and March 31, 2022 and Unaudited Financial Statements for three months ended / as at September 30, 2024 along with Limited Review Report submitted to the Stock Exchange as a part of compliance under SEBI LODR).

The following table sets out, as on the dates indicated, data regarding our Stage 3 and Capital Adequacy Ratios:

(₹ lakh)

Particulars	September 30, 2024	March 31,		
		2024	2023	2022
Gross Stage 3 Assets	6,717.18	6,596.05	6,997.89	5,942.21
Net Stage 3 Assets	3,316.61	3,206.68	3,420.94	2,355.20
Gross Loan Assets/ Gross Credit Exposure	1,30,944.81	1,25,719.93	1,19,692.24	1,14,822.47

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Net Loan Assets/ Net Credit Exposure*	1,27,544.24	1,22,330.57	1,16,115.29	1,11,235.45
Expected Credit Loss (“ECL”)	5,749.57	5,547.54	5,192.14	4,511.27
% of Gross Stage 3 Assets to Total Loan Assets	5.13	5.25	5.85	5.18
% of net Stage 3 Assets to Net Loan Assets	2.60	2.62	2.95	2.14
Capital Adequacy Ratio (%)##	17.12	18.48	19.68	21.66

* Net loan assets/net credit exposure = Total loan assets less provision for non-performing assets. Provision for non-performing assets = Gross Stage 3 Asset minus Net Stage 3 Assets (as per IRACP)

(Source: RBI DNBS 01 Returns filed by SFL for relevant periods and the Annual Reports for 2024, 2023 and 2022)

SELECT FINANCIAL INFORMATION

Disbursals

For FY 2024, we have disbursed loan of ₹ 79,167.00 lakh as against ₹ 82,152 lakh for FY 2023. The break-up of disbursals across our business operations are as under:

(₹ lakh)

Disbursement	September 30, 2024		March 31,					
			2024		2023		2022	
	₹ lakh	%	₹ lakh	%	₹ lakh	%	₹ lakh	%
Commercial Vehicle Finance	36,167.48	94.32	73,386.00	92.70	78,669.00	95.76	57,529.65	96.42
Infrastructure Equipment Finance	1,859.51	4.85	3,340.00	4.22	2,954.00	3.60	1,765.59	2.96
Others	317.91	0.83	2,441.00	3.08	529.00	0.64	371.01	0.62
Total	38,344.90	100.00	79,167.00	100.00	82,152.00	100.00	59,666.25	100.00

Asset Classification and Provisioning Policy

RBI’s SBR Master Directions 2023, provide standards for asset classification, treatment of Gross / Net Stage 3 Assets and provisioning norms for deposit-taking NBFCs in India.

Our Company holds provisions as per the Expected Credit Loss (“ECL”) model provided under Ind AS 109. RBI requires us to simultaneously compute provisions as per extant prudential norms on income recognition, asset classification and provisioning and appropriate from net profit or loss after tax, the difference between the aggregate provisioning at the individual company level using the two approaches to a separate impairment reserve, as applicable. Any withdrawals from this reserve can be done only with prior permission from the RBI.

The impairment loss allowance is provided based on the ECL model. The ECL is based in the credit losses expected to arise over the life of the financial asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months’ expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Company has categorized its loans into Stage 1, Stage 2 and Stage 3, as detailed below:

Stage 1:

Financial assets, where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, are classified under this stage. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 and 3. The Company provides 12-month ECL for Stage 1 assets.

Stage 2:

Financial assets, where there has been a significant increase in credit risk since initial recognition but do not have an objective evidence of impairment, are classified under this stage. The Company provides Lifetime ECL for Stage 2 assets.

Stage 3:

90 Days Past Due (“DPD”) is considered as default for classifying a financial instrument as credit impaired. For exposures that have become credit impaired, a lifetime ECL is recognised and interest income is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. The Details of impairment allowance made under Ind AS 109 for last three financial years and as at September 30, 2024 are furnished below:

(₹ lakh)

Particulars	September 30,2024	March 31					
			2024	2023	2022		
		%	%	%	%	%	%
Gross Carrying Amount of Asset	1,30,944.81		1,25,719.93	119,692.24		114,822.47	
Stage 3 Gross Loan Assets	6,717.18	5.13	6,596.04	6,997.89	5.85	5,942.21	5.17
ECL Allowances (All Stages)	5,749.57		5,547.54	5,192.14		4,511.27	
Net Carrying Amount of Assets	1,25,195.24		1,20,172.39	114,500.10		110,311.20	
Stage 3 Net Loan Assets (% denote as % on net carrying amount of Assets)	3,316.61	2.65	2,655.75	3,122.99	2.73	2,005.26	1.82
Amount Written-off	173.94		336.69	233.77		157.35	

Source: Periodic RBI returns and Financial Information for the quarter ended September 30, 2024 and for FY 2024, 2023 and 2022.

Funding Sources

We source our funds requirement through a combination of equity, preference capital, public deposits and debt, depending upon the prevailing cost of the debt and its forecast of future movement. Our Company has formulated a resource raising policy, with an objective to give direction for raising resources at competitive cost, maintaining adequate liquidity level, maintaining the mismatch level between asset maturity pattern and liability maturity pattern within the tolerance level and maintaining leveraging level to net owned fund.

The total funds deployed and combination of shareholders fund and debt fund for the last three years is as under:

(₹ lakh)

As on	Shareholder Funds*	Total Debt funds #	Debt Equity Ratio ^{\$\$}
30-Sep-2024	19,427.81	1,19,372.26	6.14
31-Mar-2024	19,212.58	1,19,614.09	6.23
31-Mar-2023	18,083.86	1,08,405.70	5.99
31-Mar-2022	17,095.14	1,06,379.94	6.22

* Share capital (Equity) + Reserves and Surplus (excluding revaluation reserve and Capital Reserves) - miscellaneous expenditure (to the extent not written off or adjusted comprising intangible assets) - comprehensive income till year ended/ as at September 30, 2024.

In total debt funds, secured and unsecured loan also include interest accrued but due thereon. (Preference capital has been treated as debt) since April 01, 2019.

\$\$ For computation of DER, the Equity includes share capital+ reserves and surplus (excluding revaluation reserves and capital reserves) less miscellaneous expenditure to the extent not written off. The intangible assets are not deducted.

Debt fund

Our debt funding currently comprises several sources viz. deposits, non-convertible debentures, term loans, working capital demand loan for varying periods. The composition of debt fund of the Company is as under:

Particulars	As at September 30, 2024		March 31,					
			2024		2023		2022	
	₹ lakh	%	₹ lakh	%	₹ lakh	%	₹ lakh	%
SECURED LOANS								
Redeemable Non-Convertible Debentures (Private Placement)	9,853.76	8	11,866.50	10	12,503.79	12	10,948.15	10
Redeemable Non-Convertible Debentures (Public Issue)	62,365.08	52	54,790.95	46	36,779.05	34	31,180.10	29
Term loans from financial institutions, and other lenders	6,360.14	5	7,244.27	6	2,726.93	3	5,103.27	5
Cash credit and demand Loans from Banks	7,726.33	6	5,289.09	4	12,000.29	11	10,541.92	10
TOTAL SECURED LOANS (A)	86,305.31	72	79,190.81	66	64,010.06	59	57,773.44	54
UNSECURED LOANS								
Preference Share Capital	2,239.51	2	1,770.15	1	1,500.00	1	1,500.00	1
Fixed deposits	14,380.20	12	8,554.24	7	2,706.58	2	8,813.07	8
Subordinated debt	8,994.51	8	17,074.53	14	27,814.03	26	26,528.16	25
Redeemable Non-Convertible debentures (Public Issue)	7,452.73	6	13,024.36	11	12,375.03	11	11,765.27	11
TOTAL UNSECURED LOANS (B)	33,066.95	28	40,423.28	34	44,395.64	41	48,606.50	46
TOTAL LOAN FUNDS (A+B)	1,19,372.26	100	1,19,614.09	100	1,08,405.70	100	1,06,379.94	100

The above figure include interest accrued but not due and unclaimed deposits thereon. Excludes unamortised charges. The figures as at March 31, 2024, 2023 and 2022 are based on the Audited Financial Statement. Figures for September 30, 2024 are based on the LRR dated November 12, 2024 and returns submitted to RBI

Our short-term fund requirements are primarily funded by cash credit from banks including working capital demand loans. Cash credit from banks including working capital demand loans outstanding as at September 30, 2024 was ₹ 7,726.33 lakh.

We are registered as a deposit-taking NBFC with the RBI under Section 45-IA of the Reserve Bank of India Act 1934, which authorizes us to accept deposits from the public. As at September 30, 2024, we had fixed deposits outstanding of ₹ 14,380.20 lakh (at amortized cost).

The average cost of debt funds is as under: (As at September 30, 2024 and for Fiscals 2024, 2023 and 2022)

September 30, 2024	2024	2023	2022
10.13%	10.25%	10.27%	10.44%

We believe that we have developed a stable and long-term relationships with our lenders and established a track record of timely servicing of our debts and have been able to secure funds at competitive rate.

Capital Adequacy Ratio

We are subject to the Capital Adequacy Ratio (“CAR”) or Capital to Risk Adjusted Ratio (“CRAR”) requirements prescribed by the RBI. As per RBI Master Directions NBFC-SBR, NBFCs-ML have to maintain a minimum capital ratio, consisting of Tier I and Tier II Capital, which shall not be less than 15.00% of its aggregate risk weighted assets of on-balance sheet and risk adjusted value of off-balance sheet items. Further, all NBFCs-ML, shall maintain a minimum Tier I Capital of 10%. Our Company maintains stipulated Capital Adequacy Ratio.

The following table sets out our CRAR as on the dates indicated:

(₹ lakh)

Particulars	As at March 31			
	September 30, 2024	2024	2023	2022
Eligible Tier I Capital	18,625.59	18,574.56	17,584.59	16,697.54
Eligible Tier II Capital	4,709.00	5,663.03	7,149.11	9,627.79
Total Capital	23,334.59	24,237.59	24,733.70	26,325.33
Risk Weighted Assets				
Adjusted value of funded risk assets	1,35,213.85	1,30,081.46	1,24,603.26	1,20,769.49
Adjusted value of non-funded risk assets	1,071.07	1,071.07	1,071.07	777.64
Total Risk Weighted Assets	1,36,284.92	1,31,152.53	1,25,674.33	1,21,547.13
Capital Adequacy Ratio (%)	17.12	18.48	19.68	21.66
Tier I Capital (%)	13.66	14.16	13.99	13.74
Tier II Capital (%)	3.46	4.32	5.69	7.92

(Source: Annual Report for Years ended March 31 2024, 2023 and 2022. Limited Review Report for September 30, 2024.)

Credit Rating

The cost and availability of capital is also dependent on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position and ability to meet our obligations. The following table sets out our credit ratings for FY 2024-2025:

Rating Agency	Instruments	Rating	Limit (₹ lakh)
ICRA Limited	Non-Convertible Debenture (Private Placement)	[ICRA] BBB (Stable)	15,000
ICRA Limited	Non-Convertible Debenture (Proposed) (Public Issue)	[ICRA] BBB (Stable)	10,000
ICRA Limited	NCD (Listed and Unlisted)	[ICRA] BBB (Stable)	80,741
ICRA Limited	Fund Based Term Loan	[ICRA] BBB (Stable)	11,476
ICRA Limited	Fund Based Long Term Facilities from Banks - Cash Credit (CC)	[ICRA] BBB (Stable)	10,000
ICRA Limited	Fund Based Interchangeable (as a sub limit of Cash Credit)	[ICRA] BBB (Stable) / [ICRA] A2	(4,788)
ICRA Limited	Short Term Facilities from Banks – WCDL	[ICRA] A2	10,000
ICRA Limited	Fixed Deposits	[ICRA] BBB (Stable)	-

The ratings provided by credit rating agency may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions.

INSURANCE

We maintain insurance cover for our free-hold / lease-hold and tangible properties and infrastructure at all owned premises which provide insurance cover against loss or damage by fire, earthquake, electrical and machinery break-down. Further, we maintain insurance cover for cash in safe for the office premises and cash in transit policy which provides insurance cover against loss or damage by employee theft, burglary, house breaking and hold up.

EMPLOYEES

The availability of experienced and quality human resource play significant role in the growth and maintaining the asset quality of the Company. Our human resource policy is to establish and build a strong performance and competency-driven culture with higher sense of accountability and responsibility among employees. We are taking necessary steps to strengthen the organizational competency through training at all levels and installing effective systems. Our total employee strength was 690 as on September 30, 2024.

Our organizational structure, refer Page 58 relies on efficient communication and feedback system. We evaluate the performance of our employees at regular interval in line with target allocated to them. We provide a performance-based monetary as well as non-monetary incentive to the employees along with progressive career path. In the event

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of low or moderate performance, we deliberate it with employee, identify the reason and take appropriate steps in the form of extending training or support from branch office to achieve the desired performance.

CORPORATE SOCIAL RESPONSIBILITY

Recognizing our social responsibility, we undertake various initiatives aimed at contributing to society at large, including supporting various charitable projects and social welfare activities.

For the Fiscals 2024, 2023 and 2022 we incurred ₹ 43.67 lakh, ₹ 40.06 lakh and ₹ 37.04 lakh respectively on CSR initiatives.

RELATED PARTY DISCLOSURES/ TRANSACTIONS

For details of the related party transactions for the Fiscals 2024, 2023 and 2022 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "Financial Statements" on page 96, note no. 43.

(I) Related Party Transactions for Half Year ended September 30, 2024

(₹ lakh)

Sl No	Particulars	Related parties where significant influence is exercised	Key Management Personnel	Close members of Key Management Personnel	Half year Ended 30 September 2024
I	Assets				
	Loans and advances given				
	ABT Industries Ltd	-	-	-	-
	Sakthi Digital Limited	100.83	-	-	100.83
	Loans and advances repaid				
	ABT Industries Ltd	-	-	-	-
	Sakthi Foundation	(1.05)	-	-	(1.05)
	Outstanding as at the end of the period				
	Loans and advances				
	Sakthi Sugars Ltd	1,500.00	-	-	1,500.00
	Sakthi Foundation	-	-	-	-
	Sakthi Digital Limited	100.83	-	-	100.83
	Lease Deposits				
	Sakthi Properties (Coimbatore) Limited	850.00	-	-	850.00
	Rent / Other Receivables				
	Sakthifinance Financial Services Ltd	5.34	-	-	5.34
	ABT Industries Ltd	12.01	-	-	12.01
	Sakthi Pelican Insurance Broking Private Limited	29.03	-	-	29.03

(II) RELATED PARTY TRANSACTIONS FOR THE FISCALS 2024 / 2023 / 2022

(₹ lakhs)

Sl No	Particulars	Related parties where significant influence is exercised	Year ended 31 March 2024	Year Ended 31 March 2023	Year Ended 31 March 2022
I	Assets				
	Loans and advances given				
	Sri S.Venkatesh	-	-	2.00	-
	ABT Industries Ltd	500.00	500.00	350.00	410.00
	Advance for Property, Plant and Equipment	-	-	-	1,500.00
	Sakthi Sugars Ltd	-	-	-	-
	Loans and advances repaid				
	ABT Industries Ltd	(500.00)	(500.00)	(350.00)	(410.00)
	Sri S.Venkatesh	-	-	(4.79)	(5.00)
	Outstanding as at the end of the period				
	Loans and advances				
	Sakthi Sugars Limited	1,500.00	1,500.00	1,500.00	1,500.00
	Sakthi Foundation	1.05	1.05	37.13	81.66

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<i>Suddha Sanmarga Nilayam</i>	-	-	4.59	9.01
<i>Sakthifinance Financial Services Ltd</i>	-	-	14.24	31.49
<i>Sakthi Pelican Insurance Broking Private Limited</i>	36.79	36.79	10.83	10.83
<i>ABT Industries Ltd</i>	-	-	30.97	9.14
<i>Sri S.Venkatesh</i>	-	-	6.38	9.17
Lease Deposits				
<i>Sakthi Properties (Coimbatore) Limited</i>	850.00	850.00	850.00	850.00
Rent / Other Receivables				
<i>Sakthifinance Financial Services Ltd</i>	3.13	3.13	23.62	14.87
<i>ABT Industries Ltd</i>	26.15	26.15	20.00	6.80
<i>Sakthi Pelican Insurance Broking Private Limited</i>	26.32	26.32	0.34	-

OUR MANAGEMENT
(updates on Section IV of GID dated 30 May 2024)

BOARD OF DIRECTORS

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. As on the date of this KID, we have eight (8) Directors on our Board, out of which one is an Executive Director and three Directors are Non-Executive, Non-Independent Directors and four are Non-Executive, Independent Directors, out of which one is a Woman Director.

The following table sets out details regarding the Board of Directors as on the date of this KID.

Name, Designation and DIN	Age (in years)	Address	Date of Appointment	Other Directorships
Dr. M. Manickam Designation: Chairman DIN : 00102233	68	No.25, Rukmani Nagar Ramanathapuram Coimbatore – 641 045	December 11, 1990	1) ABT Business Solutions Private Limited 2) ABT Limited 3) ABT Foods Retailing (India) Limited 4) Anamallais Bus Transport Private Limited 5) ABT Supply Chain Solutions Private Limited 6) Akash Sakthi Dynamic Technologies Private Limited 7) Nachimuthu Industrial Association* (Originally incorporated under Section 25 Company under the Companies Act 1956) 8) Sakthi Auto Component Limited 9) Sakthi Properties (Coimbatore) Limited 10) Sakthi Sugars Limited 11) Sri Chamundeswari Sugars Limited 12) The Gounder and Company Auto Limited 13) ABT Healthcare Private Limited (strike off) 14) Akash Sakthi Aviation Private Limited 15) Sakthi Indian Aviatech Private Limited
Sri. M Balasubramaniam Designation: Vice Chairman and Managing Director DIN: 00377053	66	No. 27 & 28 Rukmani Nagar Ramanathapuram Coimbatore – 641 045	August 21, 1985	1. ABT Limited 2. Anamallais Bus Transport Private Limited 3. Coimbatore Innovation and Business Incubator* 4. Kovai Medical Center and Hospital Limited 5. Magnum Foundations Private Limited 6. Nachimuthu Industrial Association* (Originally incorporated under Section 25 Company under the Companies Act 1956) 7. Sakthi Auto Component Limited 8. Sakthi Sugars Limited

Name, Designation and DIN	Age (in years)	Address	Date of Appointment	Other Directorships
				9. Sakthifinance Financial Services Limited 10. Sakthi Properties (Coimbatore) Limited 11. ABT Supply Chain Solutions Private Limited 12. Sri Chamundeswari Sugars Limited 13. The Gounder and Company Auto Limited
Sri. M. Srinivaasan Designation : Non-Executive and Non-Independent Director DIN: 00102387	58	"Swagatham" 742, Krishna Temple Road, Indira Nagar Bengaluru – 560 038	April 18, 1994	1. ABT Limited 2. Chamundeswari Enterprises Private Limited 3. Nachimuthu Industrial Association* (Originally incorporated under Section 25 Company under the Companies Act 1956) 4. Sakthi Auto Component Limited 5. Sakthi Properties (Coimbatore) Limited 6. Sakthi Sugars Limited 7. Sri Chamundeswari Sugars Limited 8. SCSL Agro Private Limited 9. SCSL Agro Industries Private Limited (strike off) 10. The Gounder and Company Auto Limited 11. ABT Supply Chain Solutions Private Limited 12. Navamalai Holdings Private Limited 13. Nilambe Leisure Holdings Private Limited, Sri Lanka
Smt. Priya Bhansali Designation: Non-Executive and Independent Director DIN : 00195848	58	"Amrit" 24A, Bharathi Park Road 2 Coimbatore – 641 043	March 31, 2015	1. Kaycee Industries Limited 2. Ishita Advisory Services Private Limited 3. Sakthi Sugars Limited 4. Salzer Electronics Limited 5. Bannari Amman Spinning Mills Limited
Sri. K. P. Ramakrishnan Designation: Non-Executive and Independent Director DIN : 07029959	70	K – 402, PNR Tripti Apartments, Nehru Nagar 60 Feet Scheme Road, Ganapathy Coimbatore – 641 006	May 30, 2015	1. Think Capital Private Limited 2. Sri Chamundeswari Sugars Limited 3. Bannari Amman Spinning Mills Limited
Dr. S Veluswamy Designation: Non-Executive and Non-Independent Director DIN : 05314999	65	No.19/20, Bharathiyar Road, Karpagavinayagar Nagar, Ganapathy Coimbatore – 641 006	May 29, 2019	1. ABT Foods Agrovet Limited 2. ABT Foods Limited 3. ABT Finance Limited 4. Sakthi Pelican Insurance Broking Private Limited 5. Sakthifinance Commercial Vehicle and Infrastructure Limited 6. K Payment Gateway India Private Limited

Name, Designation and DIN	Age (in years)	Address	Date of Appointment	Other Directorships
Sri. M. Bhaskar ** Designation: Non-Executive and Independent Director DIN : 02919393	62	B6-21, TVH Ekantha Apartments, G.V Residency, Masakalipayam Road Coimbatore – 641 015	August 08, 2024	1. PNR Prime Reality Limited
Sri. Advait Kurlekar ** Designation: Non-Executive and Independent Director DIN : 00808669	55	“Adhunaiv”, 55 Prashant Society Ex-Serviceman Colony, Paud Road, Kothrud Pune – 411 038	August 08, 2024	1. Pradeep Metals Limited 2. Upohan Management Consultants Private Limited 3. Arthavid Financial Consultants Private Limited 4. SPPU Research Park Foundation * 5. IIT Mumbai Alumni Association *

* Director in Section 8 Company.

** In terms of Section 149 of the Companies Act 2013, the Company has appointed Sri. M. Bhaskar and Sri. Advait Kurlekar as Independent Directors for a consecutive term of five years, not liable to retire by rotation, at the Annual General Meeting held on September 10, 2024.

Brief profile of the Directors of our company

Dr. M Manickam, Chairman of our Company holds a Master’s degree in Statistics from Madras University and a Master’s Degree in Business Administration from the University of Michigan in the United States. He has over 40 years of experience in the business and industrial fields. He serves as an advisor to SFL. He is the Chairman and Managing Director of Sakthi Sugars Limited. In addition, he serves as Chairman and Managing Director of Sakthi Auto Component Limited. In July 2010, he was awarded the "Doctor of Science" (Honoris Causa) Degree by Tamil Nadu Agricultural University, Coimbatore in recognition of his contributions to the management of agro-processing industries and agricultural development. He was also the President of the Indian Sugar Mills Association (“ISMA”), the South Indian Sugar Mills Association (“SISMA”) and the Sugar Technologists Association of India (“STAI”).

Sri. M. Balasubramaniam, Vice Chairman and Managing Director of our Company, holds a Master’s Degree in Commerce from Madras University and a Master’s Degree in Business Administration from Notre Dame University, USA. He joined SFL as a Director in the year 1985 and has been associated with SFL since then. He is also the Managing Director of Sakthi Sugars Limited. He has an experience of 38 years in the field of Finance, Auto and Sugar Industries. He was the Chairman of Coimbatore Zone of Confederation of Indian Industry and was also a member of the Management Committee of Coimbatore Management Association. He was also the Senate Member of Bharathiyar University during 2016-2019. He is a member of Southern Regional Committee of All India Council for Technical Education (“AICTE”).

Sri. M Srinivaasan holds a Bachelor’s degree in Engineering from University of Mysore and a Master’s Degree in Business Administration from Pennsylvania State University, USA. He has been the Managing Director of Sri Chamundeswari Sugars Limited since 1996. He is also the Joint Management Director of Sakthi Sugars Limited. He has experience of about 31 years in the field of sugar industry. He was the President of South India Sugar Mills Association, Karnataka between 1997-1999 and 2005-2008. He was also the President of Indian Sugar Mills Association, New Delhi, during the year 2012-13.

Smt. Priya Bhansali holds a Graduate Degree in Commerce from Madras University. She is a Fellow Member of the Institute of Chartered Accountants of India and also holds a Diploma in Information System Audit (“DISA”). She is a partner in Kumbhat and Co. LLP, Chartered Accountants. She has been a practicing Chartered Accountant for over three decades. She has experience and expertise in Direct Taxes, Audit, Joint Ventures, FDI and International Taxation etc.

Sri. K P Ramakrishnan holds a Graduate Degree in Engineering from Indian Institute of Technology, Chennai. He was former Chief General Manager of IDBI Bank Limited. He has rich and varied experience in banking and finance, gained over a period of more than three decades in banking sector.

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Dr. S. Veluswamy holds a Master's Degree in Commerce from Madras University. He is also an Associate Member of the Institute of Company Secretaries of India. He has also received a Doctorate degree in Commerce from Bharathiyar University, Coimbatore. He has been associated with the Company for more than 30 years with experience in secretarial, business operations and finance, funding of the Company. He had a stint as Chief Financial Officer of our Company (November 2014 - November 2015) as also was the Chief Executive Officer for 3 years till his appointment as Director. He was also Director (Finance and Operations) and Chief Financial Officer of the Company from 29th May 2019 to 24th May 2022. He continues to be a Non-Executive Non- Independent Director of our company. He is presently the President (Finance and Operations) and Chief Financial Officer of Sakthi Sugars Limited.

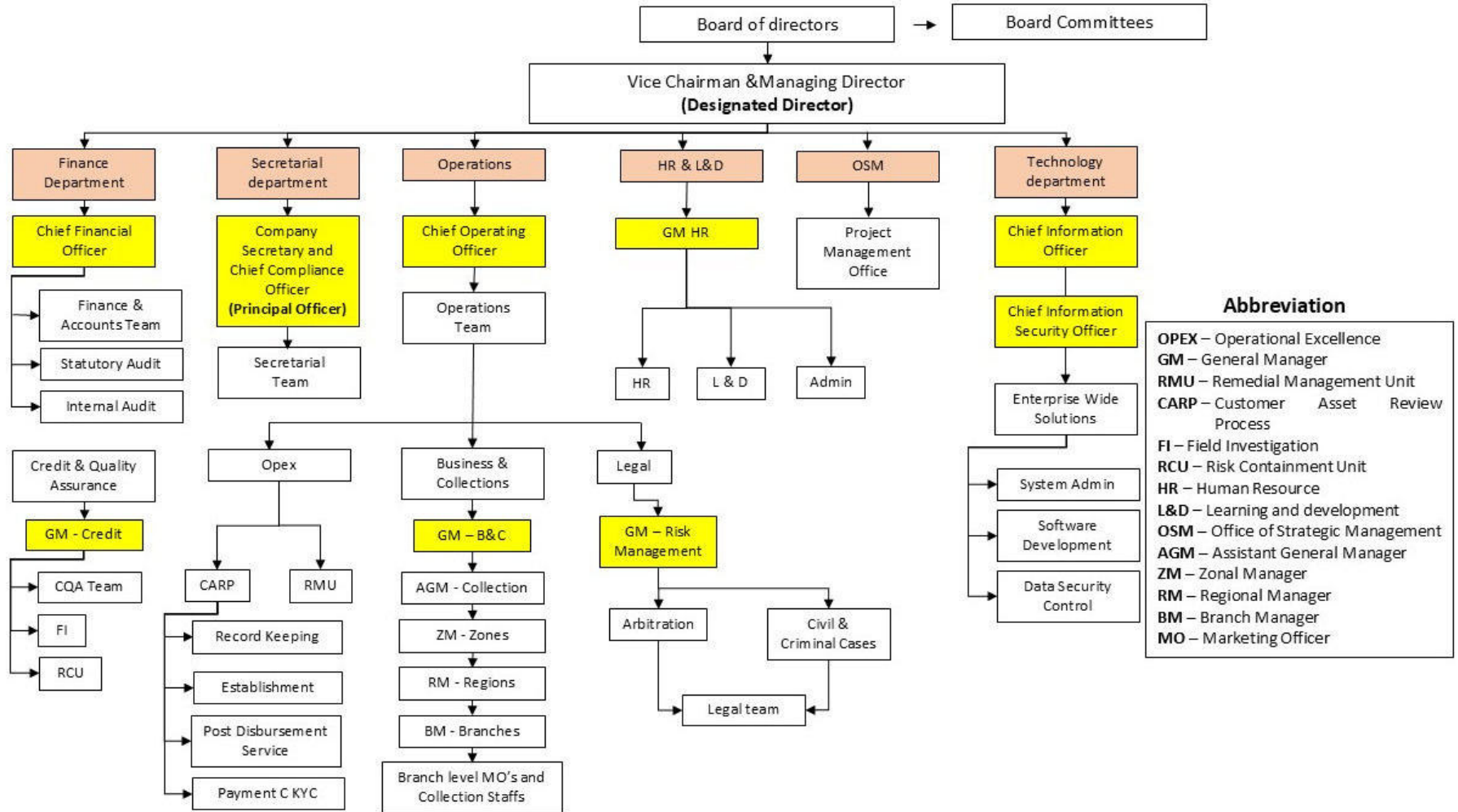
Sri. M. Bhaskar is a commerce graduate and a qualified Chartered Accountant. He is also a Graduate CMA. He has been a practicing Chartered Accountant for more than 3 decades specializing in Managerial and Financial Advisory for Corporates in diversified sectors. He has served as Past President of The Auditors Association of Southern India, Coimbatore for 2 years. He has served as a Honorary Judicial Member in TANGEDCO, Consumer Redressal Forum, Coimbatore Metro for three years. He was a participant as Economist towards consultancy services provided by The Southern India Textile Research Association ("SITRA") for the project funded by World Bank to the country of Lesotho viz' Design of an industry led skill development program to support diversification of the Textile Industry in Lesotho', Government of Lesotho, South Africa. He is active in service to society through Rotary. Presently is District Chair - CSR for Rotary District 3201 and designed many CSR projects and Global Grant Projects of Rotary for service to society.

Sri. Advait Kurlekar holds B. Tech from Indian Institute of Technology, Mumbai and post-graduate degree in management from S.P Jain Management Institute and Research, Mumbai. He has over 30 years of experience in industry, Management Consulting and Coaching, having worked in leading organizations like Tata Motors, A F Ferguson and PwC prior to starting Upohan Management Consultants. He has global experience in the areas of business strategy, balanced scorecard and HR consulting and has led consulting projects across the range of sectors including BFSI, Engineering, Automotive, Retail, Pharma, FMCG, Hospitality, Media and Advertising.

All independent directors of our company (4 nos) have registered with the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs, set up by the Ministry of Corporate Affairs, Gov.

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ORGANIZATION STRUCTURE



Abbreviation

OPEX	Operational Excellence
GM	General Manager
RMU	Remedial Management Unit
CARP	Customer Asset Review Process
FI	Field Investigation
RCU	Risk Containment Unit
HR	Human Resource
L&D	Learning and development
OSM	Office of Strategic Management
AGM	Assistant General Manager
ZM	Zonal Manager
RM	Regional Manager
BM	Branch Manager
MO	Marketing Officer

SECTION IV

FINANCIAL INDEBTEDNESS

(Update of KID dated 7 June 2024)

A brief summary of our Company's outstanding secured and unsecured borrowings as on September 30, 2024 together with a brief description of certain significant terms of such financing arrangement are as under:

Sl No	Types of loan	Amount outstanding as on September 30, 2024 (₹ lakh)
SECURED BORROWINGS AVAILED BY OUR COMPANY		
A	Term loans	6,342.37
B	Cash Credit and Short-Term Working Capital Demand Loan / facilities	7,726.34
C	Secured, Redeemable, Non-Convertible Debentures issued on Private Placement basis	9,332.29
D	Secured, Redeemable, Non-Convertible Debentures (Public Issues)	58,733.03
E	Interest accrued but not due on the above outstanding	4,166.28
F	Unclaimed matured debentures and interest accrued thereon	5.00
(I)	TOTAL SECURED BORROWINGS	86,305.31
UNSECURED BORROWINGS AVAILED BY OUR COMPANY		
A	Fixed deposits	13,977.67
B	Subordinated debt	7,312.51
C	Unsecured, Redeemable, Non-Convertible Debentures (Public Issues)	6,363.17
D	Interest accrued but not due on the above	3,174.09
E	Redeemable Cumulative Preference Shares	2,155.15
F	Interest accrued but not due on the above	84.36
(II)	TOTAL UNSECURED BORROWINGS	33,066.95
(III)	TOTAL (I +II)	1,19,372.26

The liabilities which have been contracted/ discharged post September 30, 2024 have not been considered for this disclosure.

1. SECURED BORROWINGS AVAILED BY OUR COMPANY

A. Term Loans

Set out below is a brief summary of our Secured Term Loans as on September 30, 2024:

Sl No	Name of the lender	Amount sanctioned (₹ lakh)	Amount outstanding (₹ lakh)	Repayment date / Schedule	Rate of Interest (% p.a.)
1	State Bank of India	5,000.00	785.73	58 monthly instalments	13.30% p.a. (compounded on monthly rest)
2		4,500.00	3,599.61	10 half yearly instalments	13.30% p.a.
Security		Exclusive first charge on hypothecation of assets covered under HP/Hypothecation of loans/ lease agreement and the resultant receivables as acceptable to the lender.			
Collateral		Exclusive Mortgage over the land and building (S.F.No.161/2, Total area 14,136 sq. feet) at Block No.7, D. No.62, Dr. Nanjappa Road, Coimbatore, land belonging to a) Sri. M. Srinivaasan, Director and b) Sakthi Finance Limited (leasehold rights).			
Credit Rating		[ICRA] BBB (Stable)			
Asset Classification		Standard			

Revalidated Sanction letter dated December 04, 2023, for above loans and WC facilities.

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<i>Sl No</i>	<i>Name of the lender</i>	<i>Amount sanctioned (₹ lakh)</i>	<i>Amount outstanding (₹ lakh)</i>	<i>Repayment date /Schedule</i>	<i>Rate of Interest (% p.a.)</i>
1	Shriram Finance Limited	1000	738.21	36 months with one month moratorium	13.25% p.a. (compounded on monthly rest)
2		1500	1,218.82	36 months with one month moratorium	13.25% p.a. (compounded on monthly rest)
Security		Exclusive first charge on portfolio of receivables as acceptable to the lender 1.1 times the borrowings			
Credit Rating		[ICRA] BBB (Stable)			
Asset Classification		Standard			

B. Cash credit and Short Term working capital demand loan / facilities

Set out below is a brief summary of our secured Cash Credit and Short Term working capital demand loan / facilities as on September 30, 2024. Our cash credit and working capital demand loan are all repayable upon demand by the respective lenders.

<i>Sl No</i>	<i>Name of lender</i>	<i>Amount sanctioned (₹ lakh)</i>	<i>Amount outstanding (₹ lakh)</i>	<i>Rate of interest p.a.</i>	<i>Security</i>
1	Indian Overseas Bank	CC : 800.00 ----- Total : 800.00 -----	323.84	MCLR + 4.10%	Hypothecation of specific HP receivables and any other security created in favour of the company to secure the relevant loan facilities to be obtained under the relevant obligor.
2	The Karnataka Bank Limited	WC DL 720.00 CC 480.00 ----- Total: 1,200.00 -----	1,107.37	MCLR + 1.15%	Already held exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to lease, Hypothecation loans and hire purchase agreement/loan agreement.
3	Bank of India	CC 300.00 WC DL 300.00 ----- Total 600.00 -----	236.30	CC: MCLR + 4.5% WC DL MCLR + 4.51%	Hypothecation of vehicles / equipment now hired out by the company with all ancillary fittings, additions, tool, accessories and equipment and to be hired out by them from time to time by assigning all their contractual rights in the HP agreements between the borrower and the hirers executed and to be executed from time to time in favour of the bank by way of first charge. WC DL to be repaid in single bullet on September 28, 2024.
4	Central Bank of India	WC DL : 2,000.00 CC 1,000.00 ----- Total : 3,000.00 -----	2,956.20	MCLR + 2.50%	Assignment of HP documents and hypothecation of assets under HP documents.

(This Key Information Document is neither a prospectus nor a statement in lieu of Prospectus)

SI No	Name of lender	Amount sanctioned (₹ lakh)	Amount outstanding (₹ lakh)	Rate of interest p.a.	Security
5	State Bank of India	CC: 1,024.00	645.62	MCLR + 2.50%	Exclusive first charge on hypothecation of assets covered under HP / Hypothecation Loan / Lease agreements and the resultant receivables. Equitable mortgage over the land and building situated at S.F. No 161/2, Dr. Nanjappa Road, Coimbatore, Land belonging to Mr. M. Srinivaasan, Director.
6	The Karur Vysya Bank Limited	WC DL : 1,500.00 CC : 1,000.00 ----- Total : 2,500.00 ----- -	2,457.01	MCLR + 1.35%	Exclusive charge on Hypothecation of Current Assets, Book Debts, Loans and advances and receivable assigned to them (both present & future) with a margin of 25% (1.33 times)
	Total		7,726.34		
	Credit Rating for All Cash Credit				[ICRA] A2
	Asset Classification for all Limits				Standard

WC DL: Working capital demand loan; CC: Cash Credit; HP: Hire purchase

** IOB- Renewal Letter dated 03/09/2024 with a limit of ₹ 375 lakh.
CC limits renewed with reducing DP @ ₹ 25 lakhs per month.

C. Secured Redeemable Non-Convertible Debentures issued on a private placement basis

Our Company has issued secured, redeemable, non-convertible debentures of face value of ₹ 1 and ₹ 1,000 to subscribers on private placement basis (“NCDs on private placement basis”). These NCDs have been allotted on a continuing basis. The terms of conditions of these NCDs including coupon rates, have been decided by the Board of Directors at the time of each issue. Given below is a brief summary of our secured, redeemable, non-convertible debentures as on September 30, 2024.

These NCDs are not rated and is secured by the hypothecation over identified hire-purchase receivables of our Company.

Fixed Income Scheme

(₹ lakh)

Particulars	ISIN	Coupon (%)	Tenor	Date of Redemption	Amount outstanding as on 30 September 2024
₹ 1,000 Debentures					
Secured Unlisted Privately Placed NCDs	-	9.00	15 Months	15.12.2024 to 28.02.2025	322.00
	-	9.25	24 Months	28.11.2024 to 30.12.2025	478.00
	-	9.00 to 9.25	36 Months	19.10.2024 to 29.11.2026	1,668.00
	-	9.75	48 Months	28.11.2026 & 29.12.2026	150.00
	-	10 to 10.25	60 Months	28.11.2027 to 30.12.2028	2,694.00
Total (I)					5,312.00
Interest accrued but not due on the above (II)					-
Unclaimed Matured amount (₹ 1 Debentures) (III)					5.00
Total (I) + (II) + (III)					5,317.00
Security	Hypothecation over identified hire-purchase receivables of our Company				
Credit Rating	[ICRA] BBB (Stable)				

Cumulative Income Scheme

(₹ lakh)

Particulars	ISIN	Coupon (%)	Tenor	Date of Redemption	Amount outstanding as on 30 September 2024
₹ 1,000 Debentures					
Secured Unlisted Privately Placed NCDs	-	9.00	15 Months	29.12.2024 to 30.03.2025	457.00
	-	8.75 to 9.25	24 Months	17.10.2024 to 31.10.2025	569.00
	-	9.00 to 9.25	36 Months	30.12.2024 to 13.10.2026	1,445.00
		9.75	48 Months	28.01.2027	25.00
		10 to 10.25	60 Months	28.11.2027 to 30.12.2028	1,029.29
Total (I)					3,525.29
Interest accrued but not due on the above (II)					513.33
Unclaimed matured amount (₹ 1,000 Debentures) (III)					-
Total (I) + (II) + (III)					4,038.62
Security	Hypothecation over identified hire-purchase receivables of our Company				
Credit Rating	[ICRA] BBB (Stable)				

C. Secured, Redeemable, Non-Convertible Debentures (Private Placement June 2024)

Our Company has made a private placement of 495 Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating ₹ 495.00 lakh on 7 June 2024 which are listed on BSE Limited.

Debenture Options	ISIN	Frequency of Interest payment	Tenor / Period of Maturity (Months)	Coupon p.a. (%)	Effective Yield (%) p.a.	Amount O/s as on September 30, 2024 (₹ lakh)	Date of Allotment	Redemption Date
Secured								
I	INE302E07664	Monthly	36	9.50	9.50	210.00	7th June 2024	07/06/2027
II	INE302E07680	Cumulative	36	N.A.	10.25	50.00		07/06/2027
III	INE302E07672	Monthly	60	10.25	10.25	185.00		07/06/2029
IV	INE302E07698	Cumulative	60	N.A.	12.58	50.00		07/06/2029
			TOTAL			495.00		
Security	Hypothecation over specific hire-purchase receivables of our Company, including book-debts and receivables thereon, both present and future.							
Credit Rating	[ICRA] BBB (Stable)							

D. Secured and Unsecured, Redeemable, Non-Convertible Debentures (Public issue)

i) Public Issue May 2020

Our Company has made a public issue of 20,00,000 Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each aggregating ₹ 20,000.00 lakh and allotted 10,28,631 Non-Convertible Debentures aggregating ₹ 10,286.31 lakhs on May 08, 2020.

The details of outstanding amounts in connection with said public issue are as under:

Debenture Option	ISIN	Frequency of Interest payment	Tenor / Period of Maturity (Months)	Coupon p.a. (%)	Effective Yield (%) p.a.	Amount as on September 30, 2024 (₹ lakh)	Date of Allotment	Redemption Date
Unsecured								
IX	INE302E08050	Monthly	62	10.25	10.25	738.88	08/05 /2020	08/07/2025
X	INE302E08068	Annually	62	10.25	10.65	66.60		08/07/2025
XI	INE302E08076	Cumulative	62	N.A.	13.30	798.22		08/07/2025
			TOTAL			1,603.70		
Credit Rating	[ICRA] BBB (Stable)							

(This Key Information Document is neither a prospectus nor a statement in lieu of Prospectus)

Security	<i>Not applicable as the instrument is Unsecured</i>
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ii) Public Issue July 2021

Our Company has made a public issue of 20,00,000 Secured and Unsecured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each aggregating ₹ 20,000.00 lakh and allotted 19,85,365 Non-Convertible Debentures aggregating ₹ 19,853.65 lakh on July 29, 2021.

The details of outstanding amounts in connection with said public issue are as under:

Debenture Option	ISIN	Frequency of Interest payment	Tenor / Period of Maturity (Months)	Coupon p.a. (%)	Effective Yield (%) p.a.	Amount as on September 30, 2024 (₹ lakh)	Date of Allotment	Redemption Date	
Secured									
III**	INE302E07359	Monthly	39	9.75	9.75	1,663.12	29/07/2021	29/10/2024	
IV**	INE302E07367	Cumulative	39	N.A.	11.32	1,595.15		29/10/2024	
V	INE302E07375	Monthly	49	10.00	10.00	3,566.23		29/08/2025	
VI	INE302E07383	Cumulative	49	N.A.	12.17	2,106.90		29/08/2025	
Unsecured									
VII	INE302E08084	Monthly	61	10.25	10.50	3,088.94		29/08/2026	
VIII	INE302E08092	Cumulative	61	N.A.	13.64	1,670.53	29/08/2026		
TOTAL						13,690.87			
Security for Secured NCDs		Hypothecation over specific hire-purchase receivables of our Company, including book-debts and receivables thereon, both present and future.							
Credit Rating		[ICRA] BBB (Stable)							

** Proceeds stand redeemed as on date of this KID.

ii) Public Issue April 2022

Our Company has made a public issue of 10,00,000 Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each aggregating ₹ 10,000.00 lakh and allotted 10,00,000 Non-Convertible Debentures aggregating ₹ 10,000.00 lakhs on April 29, 2022.

The details of outstanding amounts in connection with said public issue are as under:

Debenture Options	ISIN	Frequency of Interest payment	Tenor / Period of Maturity (Months)	Coupon p.a. (%)	Effective Yield (%) p.a.	Amount as on September 2024 (₹ lakh)	Date of Allotment	Redemption Date	
Secured									
III	INE302E07425	Monthly	36	8.75	8.75	412.01	29/04/2022	29/04/2025	
IV	INE302E07441	Cumulative	36	N.A.	9.88	681.25		29/04/2025	
V	INE302E07433	Monthly	48	9.00	9.00	227.64		29/04/2026	
VI	INE302E07458	Cumulative	48	N.A.	10.69	126.30		29/04/2026	
VII	INE302E07466	Monthly	60	10.00	10.00	4,374.51		29/04/2027	
VIII	INE302E07474	Cumulative	60	N.A.	12.77	2,116.80		29/04/2027	
TOTAL						7,938.51			
Security for Secured NCDs		Hypothecation over specific hire-purchase receivables of our Company, including book-debts and receivables thereon, both present and future.							
Credit Rating		"[ICRA] BBB (Stable)"							

iii) Public Issue May 2023

Our Company has made a public issue of 20,00,000 Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each aggregating ₹ 20,000 lakh and allotted 14,68,604 Non-Convertible Debentures aggregating ₹ 14,686.04 lakh on May 8, 2023.

The details of outstanding amounts in connection with said public issue are as under:

(This Key Information Document is neither a prospectus nor a statement in lieu of Prospectus)

Debenture Options	ISIN	Frequency of Interest payment	Tenor / Period of Maturity (Months)	Coupon p.a. (%)	Effective Yield (%) p.a.	Amount as on September 30, 2024 (₹ lakh)	Date of Allotment	Redemption Date
Secured								
I	INE302E07573	Monthly	24	9.00	9.00	1,348.77	08/05/2023	08/05/2025
II	INE302E07508	Cumulative	24	N.A.	9.74	1,953.26		08/05/2025
III	INE302E07540	Monthly	36	9.25	9.25	656.18		08/05/2026
IV	INE302E07516	Cumulative	36	N.A.	10.52	1,540.08		08/05/2026
V	INE302E07557	Monthly	48	9.50	9.50	210.19		08/05/2027
VI	INE302E07590	Cumulative	48	N.A.	11.40	251.01		08/05/2027
VII	INE302E07565	Monthly	60	10.25	10.25	5,075.37		08/05/2028
VIII	INE302E07524	Cumulative	60	N.A.	13.17	1,615.48		08/05/2028
IX	INE302E07532	Cumulative	85	N.A.	14.30	2,035.70		08/06/2030
TOTAL						14,686.04		
Security		Hypothecation over specific hire-purchase receivables of our Company, including book-debts and receivables thereon, both present and future.						
Credit Rating		[ICRA] BBB (Stable)						

iv) Public Issue February 2024

Our Company has made a public issue of 20,00,000 Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each aggregating ₹ 20,000 lakh and allotted 14,80,964 Non-Convertible Debentures aggregating ₹ 14,809.64 lakh on February 27, 2024. Entire amount of Debentures is outstanding as on date of this KID.

The details of outstanding amounts in connection with said public issue are as under:

Debenture Options	ISIN	Frequency of Interest payment	Tenor / Period of Maturity (Months)	Coupon p.a. (%)	Effective Yield (%) p.a.	Amount as on September 30, 2024 (₹ lakh)	Date of Allotment	Redemption Date
Secured								
I	INE302E07607	Monthly	24	9.00	9.00	1,101.82	27/02/2024	27/02/2026
II	INE302E07615	Cumulative	24	N.A.	9.74	1,412.80		27/02/2026
III	INE302E07656	Monthly	36	9.25	9.25	707.89		27/02/2027
IV	INE302E07599	Cumulative	36	N.A.	10.52	1,787.01		27/02/2027
V	INE302E07649	Monthly	60	10.25	10.25	5,703.14		27/02/2029
VI	INE302E07631	Cumulative	60	N.A.	13.17	2,556.84		27/02/2029
VII	INE302E07623	Cumulative	85	N.A.	14.30	1,540.14		27/02/2031
TOTAL						14,809.64		
Security		Hypothecation over specific hire-purchase receivables of our Company, including book-debts and receivables thereon, both present and future.						
Credit Rating		[ICRA] BBB (Stable)						

v) Public Issue July 2024

Our Company has made a public issue of 15,00,000 Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each aggregating ₹ 15,000 lakh and allotted 12,36,744 Non-Convertible Debentures aggregating ₹ 12,367.44 lakh on July 09, 2024. Entire amount of Debentures is outstanding as on date of this KID.

The details of outstanding amounts in connection with said public issue are as under:

(This Key Information Document is neither a prospectus nor a statement in lieu of Prospectus)

Debenture Options	ISIN	Frequency of Interest payment	Tenor / Period of Maturity (Months)	Coupon p.a. (%)	Effective Yield (%) p.a.	Amount as on September 30, 2024 (₹ lakh)	Date of Allotment	Redemption Date
Secured								
I	INE302E07748	Monthly	24	9.00	9.00	884.28	09/07/24	09/07/2026
II	INE302E07763	Cumulative	24	N.A.	9.31	805.95		09/07/2026
III	INE302E07730	Monthly	36	9.25	9.25	695.93		09/07/2027
IV	INE302E07755	Cumulative	36	N.A.	9.58	966.66		09/07/2027
V	INE302E07706	Monthly	60	10.25	10.25	5,989.48		09/07/2029
VI	INE302E07714	Cumulative	60	N.A.	10.65	1,977.98		09/07/2029
VII	INE302E07722	Cumulative	85	N.A.		1,047.16		09/08/2031
TOTAL						12,367.44		
Security		Hypothecation over specific hire-purchase receivables of our Company, including book-debts and receivables thereon, both present and future.						
Credit Rating		[ICRA] BBB (Stable)						

2. UNSECURED BORROWINGS AVAILED BY OUR COMPANY

A. Fixed deposits

As a deposit taking non-banking financial company, we accept unsecured deposits from the public, both non-cumulative and cumulative basis, which are accepted in multiples of ₹ 1,000 with a minimum deposit amount of ₹ 10,000 which are maturing for a period ranging from 15 months to 60 months from the date of the acceptance of deposit. As on date, the fixed deposit carries rate of interest in the range of 8.00% p.a. to 9.25% p.a.

Given below is the brief summary of the fixed deposit details as on September 30, 2024.

Type of instrument	Amount outstanding as on September 30, 2024 (₹ lakh)*	Repayment date / schedule	Credit rating
Fixed deposits - non cumulative scheme	7,245.41	15-60 months from the date of the deposit / renewal	[ICRA] (BBB) - (Stable)
Fixed deposits - cumulative scheme	6,732.26	15-60 months from the date of the deposit / renewal	
Total	13,977.67		

* The above fixed deposit amount also includes the unclaimed deposits amount of ₹101.36 lakh

B. Unlisted subordinated debt

Our Company has issued unlisted Unsecured, Subordinated, Non-Convertible Bond of face value of ₹ 1,000 (“Retail Subordinated Debt I and II”) to retail subscribers on private placement basis. The Retail Subordinated Debts have been allotted for a tenure of 61 months, at an interest rates of 11.50% p.a., (Retail Subordinated Debt Series I) and 10% p.a. (Retail Subordinated Series II).

Given below is the brief summary of our retail subordinated debts as on September 30, 2024:

Type of instrument	Amount outstanding as on September 30, 2024 (₹ lakh)*	Repayment date / schedule	Date of allotment	Credit rating
Retail subordinated debt I		Tenor of 61 months	August 01 2013 to December 16, 2014	N.A
Fixed Income	10.62			
Cumulative Income	1.89			
Retail subordinated debt II		Tenor of 61 months	October 30, 2018 to May 30, 2020	N.A
Fixed Income	4,481.00			
Cumulative Income	2,819.00			
Total	7,312.51			

* The above subordinated debt amount also includes the unclaimed amount***.

3. Perpetual Debt

Our Company has not issued any Perpetual Debt.

4. Commercial Papers

Our Company has not issued any Commercial Papers.

5. Corporate Guarantees

Our Company has not issued any Corporate Guarantees.

6. Inter-Corporate Deposits

Our Company has not issued any Inter-Corporate Deposits.

7. Inter-Corporate Loans

Our Company has not borrowed any amount by way of demand loans under the same management.

8. Loan from Directors and Relatives of Directors

(₹ lakhs)

Sl No	Name of the Director / Relative	Amount Raised	Amount Outstanding
(A) Subscription in NCDs:			
1	Sri P S Gopalakrishnan	35.00	35.00
2	Smt Vinodhini Balasubramaniam	250.00	250.00
3	Smt Samyuktha Vanavaraayar	135.00	135.00
4	Miss Shruthi Balasubramaniam	50.00	50.00
5	Selvan Amrith Vishnu Balasubramaniam	22.00	22.00
6	Smt. Bhavani Gopal	10.00	10.00
7	Smt Lalitha Ramakrishnan	25.00	25.00
8	Sri Hariharasudhan Manickam	3.00	3.00
9	Smt Karunambal Vanavaraayar	524.00	524.00
(B) Subscription in Deposits:			
1	Smt Bhavani Gopal	5.00	5.00

9. Details of any outstanding borrowings taken / debt securities issued for consideration other than cash. (a) in whole or part (b) at a premium or discount (c) in pursuance of an option as on September 30, 2024.

Our Company has no outstanding borrowings taken / debt securities issued whether taken or issued (a) for consideration other than cash, whether in whole or in part (b) at a premium or discount (c) in pursuance of an option as on September 30, 2024.

10. Details of rest of the borrowings (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on September 30, 2024:

The details of outstanding Redeemable, Cumulative Preference Shares as on September 30, 2024 is given below:

Name of the Instrument	Type of Instrument	Allotted on	Principal Amount Outstanding (₹ lakhs)	Schedule of repayment / redemption
9% Redeemable Cumulative Preference Shares	Preference Shares	December 16, 2023	286.75	December 16, 2026
		December 30, 2023	583.40	December 30, 2026
		January 23, 2024	280.20	January 23, 2027
		March 30, 2024	288.80	March 30, 2027
		April 17, 2024	60.85	April 17, 2027
		May 30, 2024	234.75	May 30, 2026
		June 13, 2024	263.50	June 13, 2026

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		<i>June 27, 2024</i>	<i>109.40</i>	<i>June 27, 2026</i>
		<i>July 31, 2024</i>	<i>30.50</i>	<i>July 31, 2026</i>
		<i>September 03, 2024</i>	<i>17.00</i>	<i>September 3, 2026</i>
			<i>2,155.15</i>	

11. The amount of Corporate Guarantee issued by our Company along with the name of the counterparty on behalf of whom it has been issued.

Our Company has not issued any Corporate Guarantee to any party as on September 30, 2024.

12. Servicing behavior on existing debt securities, payment of due interest on due dates on financing facilities or securities

As on the date of this KID, there has been no default in payment of principal or interest on any existing financing facilities or term loan or debt security issued by the Company in the past.

13. Significant restrictive covenants in our debt facilities

Some of the significant corporate actions for which our Company requires the prior written consent of lenders include the following:

- (i) to declare and/or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year;*
- (ii) to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction;*
- (iii) to create or permit any charges or lien on any mortgaged or hypothecated properties;*
- (iv) to amend its MOA and AOA;*
- (v) to make any major investments by way of deposits, loans, share capital, etc. in any manner.*
- (vi) to effect a change of ownership or control, or management of the Company;*
- (vii) to enter into long term contractual obligations directly affecting the financial position of the Company;*
- (viii) to borrow or obtain credit facilities from any bank or financial institution;*
- (ix) to undertake any guarantee obligations on behalf of any other company;*
- (x) to change its practice with regard to the remuneration of Directors;*
- (xi) to compound or realise any of its book debts and loan receivables or do anything whereby recovery of the same may be impeded, delayed, or prevented;*
- (xii) to alter its capital structure, or buy-back, cancel, purchase, or otherwise acquire any share capital; and*
- (xiii) to enter into any transaction with its affiliates or transfer any funds to any group or associate concern.*

Additionally, certain lenders have the right to nominate a director on the Board on the occurrence of an event of default at any time during the term of the financial facilities.

OTHER STATUTORY DISCLOSURES

(Updates on GID dated 30 May 2024)

Details of the use of proceeds from on-lending from previous public issues of debt securities

A. Types of loans

Detailed break-up of the types of loan given by the Company as on March 31, 2024 is as follows:

SI No	Type of Loans	Amount (₹ lakh)
1	Secured	1,24,285.34
2	Unsecured	1,434.59
Total assets under management (AUM)		1,25,719.93

The finances provided are secured by lien on the assets financed.

B. Denomination of loans outstanding by Loan To Value (“LTV”) as on March 31, 2024

SI No	LTV*	Mar-24 % of AUM
1	Up to 40%	3.94
2	40% to 50%	4.65
3	50%-60%	7.12
4	60%-70%	14.83
5	70%-80%	22.80
6	80%-90%	25.17
7	More than 90%	21.49
Total		100.00

*LTV at the time of origination.

C. Denomination of loans outstanding by ticket size as on March 31, 2024

SI No	Ticket size**	% of AUM
1	Up to ₹ 5 lakh	24.00
2	₹ 5 lakh to ₹ 10 lakh	43.00
3	₹ 10 lakh to ₹ 25 lakh	32.00
4	₹ 25 lakh to ₹ 50 lakh	1.00
5	₹ 50 lakh to ₹ 1 crore	-
6	₹ 1 crore to ₹ 5 crore	-
7	₹ 5 crore to ₹ 25 crore	-
8	₹ 25 crore to ₹ 100 crore	-
9	Above ₹ 100 cores	-
Total		100.00

** Ticket size at the time of origination. The details provided are as per borrower and not as per loan account.

D. Geographical classification of borrowers as on March 31, 2024

SI No	Top Five States	% of AUM
1	Tamil Nadu and Puduchery	79.00
2	Kerala	16.00
3	Karnataka	2.00
4	Andhra Pradesh	3.00
Total		100.00

E. Types of loans according to sectoral exposure, as on March 31, 2024 is as follows:

Segment- wise break up of AUM	% of AUM
Retail	
Mortgages (home loans and loans against property)	-
Gold Loans	-
Vehicle Finance	95.34
MFI	-
M & SME	-
Capital market funding (loans against shares, margin funding)	-
Others	4.66
Wholesale	-
Infrastructure	-
Real estate (including builder loans)	-
Promoter funding	-
Any other sector (as applicable)	-
Others	-
Total	100.00

F. Maturity profile of total retail loan portfolio of the Company as on March 31, 2024 is as follows:

Segment- wise break-up of AUM	Amount (₹ lakh)
Less than 1 month	5,135.39
1-2 month	5,187.50
2-3 month	5,184.95
3-6 month	16,244.81
6 month -1 year	26,240.17
Above 1 year	67,727.11
Total	1,25,719.93

G. Details of top 20 borrowers with respect to concentration of advances as on March, 31 2024

Total Advances to twenty largest borrowers (₹ lakh)	2,116.34
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.70%

H. Details of top 20 borrowers with respect to concentration of exposures as on March, 31 2024

Total Exposures to twenty largest borrowers/Customers (₹ lakh)	1,955.08
Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers / Customers	1.57%

I. Details of loans overdue and classified as non-performing in accordance with the RBI's guidelines

Movement of gross NPAs* as on March 31, 2024	Amount (₹ lakh)
(a) Opening balance April 01, 2023	6,997.89
(b) Additions during the period	3,067.46
(c) Reductions during the Period	3,469.31
(d) Closing balance	6,596.04
Movement of NPAs* as on March 31, 2024	Amount (₹ lakh)
(a) Opening balance April 01, 2023	3,576.95
(b) Additions during the period	526.59
(c) Reductions during the Period	714.18
(d) Closing balance	3,389.36
Movement of provisions for NPAs as on March 31, 2024	Amount (₹ lakh)
Opening balance April 01, 2023:	3,420.94
- Provisions made during the year	526.59
- Write-off/ write-back of excess provisions	714.18

Closing balance	3,389.36
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J. Segment-wise gross NPA as on March 31, 2024

Segment-wise break-up of gross NPAs	(%)
Retail	
Mortgages (home loans and loans against property)	-
Gold Loans	-
Vehicle Finance	96.61
MFI	-
M & SME	-
Capital market funding (loans against shares, margin funding)	-
Others	3.39
Wholesale	
Infrastructure	-
Real estate (including builder loans)	-
Promoter funding	-
Any other sector (as applicable)	-
Others	-
Total	100.00

K. Classification of borrowings as on March 31, 2024

Sl No	Type of Borrowings	Amount (₹ lakh)	(%)
1	Secured	79,190.81	66.21
2	Unsecured	40,423.28	33.79
	Total	1,19,614.09	100.00

*Inclusive of interest.

L. Promoter Shareholding

There is no change in promoter holdings in the Company, during the last financial year, beyond 26% (as prescribed by RBI).

M. Residual maturity profile of assets and liabilities as on March 31, 2024

(₹ lakh)

As at 31.03.2024	Up to - 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	202.26	-	-	-	884.92	4,373.83	3,022.73	-	8,483.74
Advances	5,135.38	5,187.50	5,184.95	16,244.81	26,240.17	54,816.13	7,115.82	247.63	1,20,172.39
Investments	-	341.05	-	-	-	150.27	-	898.75	1,390.07
Borrowings	6,893.57	6,825.32	5,993.21	5,427.63	18,731.04	35,664.32	26,757.86	3,692.43	1,09,985.38
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Current Liabilities	-	-	-	-	-	-	-	-	-

N. Our company has not provided any loans / advances to associates, entities / persons relating to the Board, senior management, Promoter except as provided in the Chapter titled "Financial Statements- Related Party Transactions".

O. On-ward lending to borrowers of the “Group” as defined by RBI: Nil

<i>Name of the Borrower (A)</i>	<i>Amount of advances / exposures to such Borrower (Group) (₹ lakh) (B)</i>	<i>Percentage of exposure (C) = B/Total AUM</i>
<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

P. Issue of securities for consideration other than cash

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

Dividend

Our Company has no stated dividend policy in connection with our Equity Shares. The declaration and payment of dividend on our Equity Shares is recommended by our 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. The dividend payable in connection with the preference shares issued by our Company are subject to the terms and conditions of the issue in connection with such preference shares.

The following table gives the dividend declared / recommended by our Company on the Preference Shares and Equity Shares for the Financial Years ended 2024, 2023 and 2022.

<i>Financial Year ended / Period Ended</i>	<i>Dividend per share (₹)</i>	<i>No. of shares on which dividend is paid</i>	<i>Total dividend (₹ lakh)</i>	<i>Amount of dividend distribution tax (₹ lakh)</i>
Equity Shares of face value of ₹ 10 each				
<i>March 31, 2024</i>	<i>0.80</i>	<i>6,47,05,882</i>	<i>517.65</i>	<i>Nil</i>
<i>March 31, 2023</i>	<i>0.70</i>	<i>6,47,05,882</i>	<i>452.94</i>	<i>Nil</i>
<i>March 31, 2022</i>	<i>0.60</i>	<i>6,47,05,882</i>	<i>388.24</i>	<i>Nil</i>
9% and 8.25% Redeemable Cumulative Preference Shares of face value of ₹ 100 each (Interim Dividend)				
<i>March 31, 2024</i>	<i>8.25 and 9.00</i>	<i>17,70,150</i>	<i>141.01</i>	<i>Nil</i>
<i>March 31, 2023</i>	<i>8.25</i>	<i>15,00,000</i>	<i>123.75</i>	<i>Nil</i>
<i>March 31, 2022</i>	<i>8.25</i>	<i>15,00,000</i>	<i>122.40</i>	<i>Nil</i>

PENDING PROCEEDINGS AND STATUTORY DEFAULTS

Except as described below, there are no pending proceedings and statutory defaults including, suits, criminal or civil prosecutions and taxation related proceedings against our Company and its Board of Directors that may have an adverse effect on our business. As on the date of the KID, there are no defaults in meeting statutory dues, institutional dues, and towards holders of instrument like debentures, fixed deposits and arrears on cumulative preference shares, etc., by our Company. Further, there are no defaults in meeting statutory dues, institutional dues, and towards holders of instrument like debentures, fixed deposits and arrears on cumulative preference shares, etc., by any public companies promoted by the Promoters and listed on the stock exchanges except as under:

Sakthi Sugars Limited (Listed with BSE / NSE)

(₹ lakh)

1. Statutory Defaults as on September 30, 2024	
Electricity Generation Tax	115.41
Interest Payable on Generation Tax	33.40
Total (1)	148.81
2. Dues to Banks / Institutions as on September 30, 2024	
Banks / Asset Reconstruction Companies	12,038.24
Sugar Development Fund * - (Principal ₹ 4,316.77 - Interest ₹ 7,443.56)	11,760.33
Total (2)	23,798.57
Total (1+2)	23,947.38

* SSL had submitted an application to the SDF Authority application for the restructuring of loans availed from SDF under operational guidelines Rule 26 of SDF rules and the same has been approved by Meeting of Committee for Rehabilitation held on 11th September 2023 subject to conditions stipulated as per the minutes of the meeting.

Meanwhile, SDF has now amended the revised Operational Guidelines on 28.02.2024 for restructuring of SDF loans with the provision of the One Time Settlement (OTS) Scheme. We have submitted an application to SDF, the one-time settlement scheme for our cogeneration unit at Modakuruchi Unit, to waive the entire penal interest, and the same has been approved. The OTS amount is Rs. 14.02 crores as against ₹ 22.01 crores as of 30.06.2024. Further, we have paid an amount of ₹ 9.52 crores (up to 29 November 2024) against the OTS sanctioned amount of Rs. 14.02 crores (i.e., 68% of the OTS amount). All the penal interest is to be waived once the settlement of OTS is complete.

Kotak Mahindra Bank Limited has issued an NOC for the restructuring of loans availed for the cogeneration unit at Sivaganga. If restructuring in terms of the guideline is finally sanctioned, the outstanding will be reduced to ₹ 70.02 crores as against ₹ 102.42 crores (as on 30 September 2024). The proposed restructuring loan amount is ₹ 71.09 crores (cutoff date 31 December 2024) and all the penal interest is to be waived once restructuring is approved.

Except as disclosed below, there are no pending proceedings pertaining to:

- a. matters likely to affect operations and finances of our Company, Promoter, Directors, group companies, or any other person, whose outcome could have a material adverse effect on our Company, including disputed tax liabilities and contingent liabilities of any nature;
- b. any default or non-payment of statutory dues by the Company for the preceding three financial years and current financial year;
- c. litigation or legal action pending or taken against the promoter of the company by a Government Department or a statutory body or regulatory body during the last three years immediately preceding the year of the issue of this KID;
- d. the details of acts of material frauds committed against the company in the last three financial years and current financial year, if any, and if so, the action taken by the Company;
- e. there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, fixed deposits and arrears on cumulative preference shares, etc., by our Company;
- f. pending proceedings initiated against our Company for economic offences;
- g. inquiries, inspections or investigations initiated or conducted under the Securities laws or Companies Act 2013, or any previous company law (including where there were any prosecutions filed and whether such prosecutions are pending or not) and
- h. fines imposed on or compounding of offences done by our Company in the last three years immediately preceding the year of this KID and
- i. details of any disciplinary action taken by SEBI or stock exchange against the Promoters/Group Companies in last three financial years including outstanding action, if any.

I. CASES FILED AGAINST THE COMPANY

(i) Civil Litigations:

1. Mr. N. Senthil ("**Hirer**") (HP A/c No 477483) filed an Injunction Suit (O.S.182 of 2013) on 30th August 2013 against the company before Court of District Munsiff of Madurai Taluk ("**Court**") alleging that the Company is attempting to take illegal custody of vehicle financed under Hire Purchase transaction. Further, the Hirer prayed to the Court to pass judgment and decree for granting permanent Injunction restraining the company and their agents, or person claiming through them in any way interfering with the Hirer in the peaceful possession and enjoyment of the vehicle except under the due process of law. In response to the aforesaid suit, on 18th September 2013, the Company has filed an application before the Court to reject the Plaintiff and direct the plaintiff to work out remedies before the Arbitration Tribunal. The Court allowed the application filed by company I.A. 468 of 2013 on 18th November 2016 and the Plaintiff is rejected under Order 7 Rule 11 of CPC. The Company has also initiated an arbitration proceeding (A.C. No 81 of 2013) against the Hirer and Guarantor (collectively referred to as "**Parties**") by referring the matter to Arbitral Tribunal, Coimbatore on 14th September 2013 in terms of Hire Purchase Agreement. The Arbitral Tribunal passed an award on 14th June 2014 ("**Award**") directing the Hirer and Guarantor to pay ₹ 7.08 lakh with additional hire charges at 18% p.a. from the date of claim statement till the date of payment and also cost of ₹ 0.10 lakh, within three months from the date of the order. On account of failure of the parties to pay the award amount within stipulated time, the Company is taking steps to execute the award and filed EP 116 of 2020 on the file of Honourable District Judge Court, Madurai, for the attachment and sale of immovable properties and the Court ordered attachment of immovable property. The property was attached on 17th December 2021 and the Court has passed an order on 22/08/2022 with reference "EP 116 of 2020 in ACP 81 of 2013" - Test batta already paid. Property attached for filing sale papers call on 20th April 2023. The case was posted to 5th July 2024 wherein the Sale papers were resubmitted. Further hearing posted on 18th December 2024.
2. Mr. D.Swaminathan ("**Hirer**") (HP Account No. 472657) filed an Injunction Suit (O.S. 389 of 2013) on December 19, 2013 against our Company before Tirupur Taluka Court ("**Court**") alleging that the Company is attempting to take illegal custody of the vehicle financed under hire purchase transaction. In response to the aforesaid suit, in January 2014, the Company has filed an application before the Court. Further, the Hirer prayed the Court to grant permanent injunction restraining the Company and anybody under them from forcefully and illegally taking custody of the vehicle except under due process of law to reject the plaintiff and direct the plaintiff to work out remedies before the Arbitral Tribunal. The Honorable Principal District Munsiff Court, Tiruppur dismissed the suit O.S. 389 of 2013 and the Plaintiff in the Main suit is rejected. The Company has initiated an arbitration proceeding (A.C No.5 of 2014) against the Hirer and a Guarantor (collectively referred to as "**Parties**") by referring the matter to Arbitral Tribunal, Coimbatore on January 6, 2014 and the Arbitral Tribunal passed an award on August 23, 2014, directing the Parties to pay ₹ 8.46 lakh with an additional hire charges of 18% p.a. from the date of claim settlement till the date of payment within three months from the date of the order. The Execution Petition was filed on the file of Principal District Judge, Tirupur. The case is pending.
3. Mr. A.Reji (HP Account No. 578409), the Hirer filed O.S.No. 388 of 2024 on the file of Third Additional Munsiff Court, Ernakulam, ("**Court**") with prayers for an injunction restraining the Company from repossessing the hired vehicle by due process of Law. The Company has made arrangements to contest the suit. The Court has passed orders to issue notice to the parties and initially posted the case on 5.10.2024 and both Parties entered appearance on that date. The case has been posted to 17th December 2024 for appearance of Parties.
4. Mr. Abin Kumar (HP Account No. 552925) filed O.S. No. 132 of 2023 on the file of DMC, Kulithurai with prayers for an injunction restraining the company from repossessing the hired vehicle unless by due process of Law. The Company has filed Arbitration O P No. 425 of 2023, on the file of High Court of Judicature, Madras under Section 11 of the Arbitration and Conciliation Act. The Honorable Justice Mr. C. Saravanan, vide order dated November 31, 2023, appointed Mr. Kurian Joseph, Advocate, Chennai as Sole Arbitrator. The Company has filed claim for recovery of ₹ 3.55 lakhs (which includes arrears and future receivables of ₹ 2.30 lakhs, Expenses ₹ 0.28 lakhs and AHC – ₹ 0.90 lakhs).

(ii) Consumer Cases

1. HP 454041 - Branch Madurai - Written off account – Hirer: Mr. M. Maharajan ("**Hirer**") filed a complaint (C.C. 152 of 12) before District Consumer Dispute Redressal Forum, Madurai ("**Court**"), on December 3, 2012, alleging that the Company has wrongfully taken custody of vehicle financed to Hirer. Further, the Hirer prayed the Court to direct the Company (i) to hand over the possession of vehicle under custody; (ii) to pay a sum of ₹ 0.10 lakh per month from September 2008 to 2012; (iii) award damages of ₹ 2 lakh for mental agony, ₹ 0.25 lakh for deficiency in service and ₹ 0.10 lakh towards cost and such other relief. The Company submitted a counter statement on January 18, 2013, before the Court to reject the aforesaid complaint and direct the Hirer to work out his remedies

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before the Arbitral Tribunal. The CC 152 of 2012 was transferred to Consumer Dispute Redressal Commission, Dindugal and Honourable Consumer Dispute Redressal Commission, Dindugal has allowed the consumer case on 29th July 2022.

*Our Company has filed First Appeal A 123 of 2022 on the file of State Consumer Redressal Commission, Circuit Bench, Madurai and the same is pending. The Company has initiated an arbitration proceeding (A.C No.42 of 2012) against Hirer and a Guarantor (collectively referred to as "**Parties**") by referring the matter to Arbitral Tribunal, Coimbatore on May 8, 2012. The Arbitral Tribunal has passed an award dated March 23, 2013 ("**Award**") directing the Parties to pay the outstanding amount of ₹ 3.36 lakh together with additional finance charges at 18% p.a. from July 28, 2012 till payment and also cost of ₹ 0.07 lakh, within three months from the date of the Award. On account of failure of Parties to pay the Award amount within stipulated time, the Company has filed an Execution Petition, EP 25 of 2023 on the file of Sub Court, Madurai and next hearing has to be on 17th January 2025.*

- 2. The Company had advanced a hire purchase loan to Mr. Thomas ("**Hirer**") and demanded outstanding amount of ₹ 1.14 lakh comprising ₹ 0.68 lakh as arrears instalment amount and ₹ 0.46 lakh as additional hire charges. The Hirer filed a complaint (CC No 378/12) on June 26, 2012 before District Consumer Dispute Redressal Forum, Ernakulam ("**Forum**") against the Company admitting the claim of ₹ 0.68 lakh only as full and final settlement against the aggregate outstanding of hire charges of ₹ 1.14 lakh and deposited the admitted amount with the Forum. Further, the Hirer prayed the Forum to direct (i) the Company to receive an amount of ₹ 0.68 lakh as full and final settlement amount from the Hirer and issue NoC and to return the cheque leaves collected from the Hirer as security; (ii) to produce ledger extract of hirer before the Forum and (iii) the Company to pay the amount of ₹ 0.10 lakh for deficiency in service and ₹ 0.10 lakh for mental agony. The Forum, vide its interim order (I.A.No.547/2012 in CC No. 378/12) dated November 12, 2012, directed the Hirer to pay a sum of ₹ 0.68 lakh to the Company within 30 days from the date of the order; (ii) deposit ₹ 0.46 lakh with the Forum within 30 days of the receipt of the order and (iii) the Company shall issue NoC within 15 days of the receipt of the evidence on the above payment and deposit. The Forum, vide its order dated May 29, 2015, allowed the complaint and directed the Company to pay compensation of ₹ 1.00 lakh with interest @ 12% p.a. (from date of filing the complaints till the date of realization) and cost of proceeding of ₹ 0.10 lakh to the Hirer. Against the order of the Forum, the Company has preferred an appeal No 661 of 2015 at Kerala State Consumer Dispute Commission. The case was posted for further hearing on 13th September 2022.*

*The Company has initiated an arbitration proceeding (A.C No.78 of 2012) against Hirer and two Guarantors (collectively referred to as "**Parties**") by referring the matter to the Arbitral Tribunal, Coimbatore on July 14, 2012. Arbitral Tribunal has passed an award dated August 31, 2013 ("**Award**") directing the parties to pay the outstanding amount together with subsequent hire purchase charges @ 36% p.a. from the date of claim till payment and deposit of disputed amount of AHC in Consumer Forum. In compliance of orders passed by the District Consumer Dispute Redressal Commission, the customer paid an admitted amount of ₹ 0.60 lakhs to the Company and the Company has released NoC of hired vehicle and the Hirer deposited ₹ 0.46 lakhs with District Commission pertaining to the Additional Hire charges. The Company will take steps to get the same after disposal of first Appeal pending before the State Commission, if the State Commission upholds the Company's claim for additional hire charges. The Appeal is still pending before the State Commission.*

- 3. Mr. Robinson ("**Hirer**") has filed a complaint (CC 1 of 2013) on January 2, 2013 before the State Consumer Disputes Redressal Commission, Circuit Bench, Madurai ("**State Commission**") for alleging deficiency in service viz. non-furnishing of no due certificate as well as no objection certificate for cancelling hypothecation even after clearing the loan amount. Further, the Hirer prayed the Commission for passing an order more particularly directing the Company to issue no due certificate in relation to the loan disbursed in pursuance of hire purchase agreement along with no objection certificate for cancellation of hypothecation endorsement in the certificate of registration of the vehicle forthwith along with compensation to the tune of ₹ 23 lakh along with costs. The Company has filed the statement of objection before the Commission submitting that the hire purchase transaction has already been terminated and the no due certificate sent to Hirer by way of registered post. The Commission vide its order dated November 19, 2015, partially allowed the complaint and directed the Company to pay compensation of ₹ 10.00 lakh and cost of proceeding of ₹ 0.10 lakh to the Hirer. Against the order of State Commission, the Company has preferred an appeal before the National Commission in First Appeal 1022 of 2015 and the case was posted on 29th September 2023. On 29th September 2023, the National Commission has passed the following orders "Learned Proxy Counsel with Authority letter has appeared for the Appellant. None is present for the Respondent. Final opportunity is granted to the Respondent to file short synopsis for arguments which if not filed, the matter shall proceeded ex parte and the matter shall be heard in his absence" The matter was listed on 8th January 2024. Honourable National Commission has heard the arguments, in terms of its Order dated 29th July 2024, upheld the compensation of ₹ 5 lakhs ordered by the State Commission and has*

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ordered a further payment of ₹ 10,000 towards cost. Demand of ₹ 5 lakhs for mental agony and suffering has been set aside. The amount has been paid.

4. *Mr. Palpandi (“Complainant”) filed a complaint (CC No. 79 of 2014) on February 28, 2014 before District Consumer Dispute Redressal Forum, Madurai (“Forum”) against the Company alleging for non-sanctioning of hire purchase advance to the Complainant. Further, the Complainant prayed to the Forum to pass an order directing the Company to (i) release the sanctioned loan amount of ₹ 13.00 lakh; (ii) pay damages of ₹ 5 lakh towards mental agony, monetary loss and for having cost damage to the reputation of the complainant (iii) to pay the cost of the complaint. The Company has filed a counter statement on May 20, 2014 before the Forum submitting that (a) the Complainant is not a consumer as defined under the Consumer Protection Act; (b) the dispute is a commercial transaction which cannot be entertained by the Forum; (c) there is no concluded contract between the parties and (d) there is no deficiency of service in the transaction. Accordingly, the Company prayed the Forum to dismiss the aforesaid complaint with compensatory cost. The matter was transferred to Consumer Dispute Redressal Forum Theni and District Consumer Dispute Redressal forum has allowed the application. The Company has preferred First Appeal A 124 of 2022 on the file of State Consumer Redressal Commission and same is pending (CMP/ 285/2022 IN a/124/2022. Private Notice Postal cover returned with an endorsement as no such addressee. Recorded. Substitute service for respondents 06/03/2023.A/12/2022 substitute service for the respondent and effected. The case is now posted for written arguments on 24.12.2024.*
5. *Mr. Babu (HP Account No. 55372. The Company has repossessed the hired Vehicle AL 3118 and has sold the same after giving sufficient opportunity to the Hirer / Guarantor / Personal Guarantor. The Hirer preferred a compliant CC No. 84 of 2024 on the file of District Consumer Dispute Redressal Commission, Krishnagiri, alleging that the Company has no rights to repossess the Vehicle covered under the Hire Purchase contract. The Company is contesting the matter. After Trial, the Honorable District Consumer Dispute Redressal Commission, Krishnagiri, allowed the Petition and directed the Company to pay ₹ 4.41 lakhs towards deficiency in service and ₹ 5 lakhs towards compensation and ₹ 0.10 lakhs towards cost. The Company preferred first appeal to the Honorable State Consumer Dispute Redressal Commission in F.A. No. 842 of 2024 and obtained stay of the operation of the Orders passed by the District Consumer Redressal Commission, Krishnagiri, in CMP No. 876 of 2024 in F.A. No. 842 of 2024 in CC No. 84 of 2024.*
6. *Baby Mathew (HP Account No.498444). The Hirer availed Hire Purchase arrangement in respect of Mahindra Bolero Pick up van bearing Registration No. KL28 B 6430. During the pendency of the same, Hirer demanded NoC of hired vehicle and stated that he has paid excess amount. The Company has denied such excess payment by the Hirer. Hirer approached Honorable District Consumer Redressal Commission, Pathanamthitta in CC No. 38 of 2019. The matter was duly contested and Honorable District Consumer Redressal Commission vide order dated 13.5.2024, which was served on 21.11.2024, directed the Company to refund a sum of ₹ 6.07 lakhs with subsequent interest and ₹ 0.05 lakhs towards cost of litigation. The Company is taking adequate steps to file necessary Appeal before the State Consumer Redressal Commission, Thiruvananthapuram against the Orders of Honorable District Consumer Dispute Redressal Commission.*

The Company has also initiated recovery action in AC No. 52 E of 2019 on the file of Arbitration Tribunal, Coimbatore and obtained an award for ₹ 2.20 lakhs (which includes arrear of ₹ 0.93 lakh and expenses of ₹ 0.23 lakh and additional charges of ₹ 0.94 lakh) and is taking steps to execute the same.

iii. Criminal Litigations

5. *Mr. Murugan (HP Agreement No. 524341): The Hired vehicle was repossessed and sold after giving due opportunity to the Hirer/ Guarantor / Personal Guarantor. For recovery of outstanding amount of ₹ 3.72 lakhs (which includes arrear of ₹ 2.38 lakh, expenses of ₹ 0.07 lakh, Additional Hire charges of ₹ 1.26 lakhs). Arbitration initiated under AC 476 of 2019 before the Arbitration Tribunal, Coimbatore. The Learned Arbitrator died. The Company is taking steps to appoint a new Arbitrator under Section 11 of the Arbitration and Conciliation Act.*

During the pendency of the Arbitration proceedings, the Hirer preferred a Private Complaint against the officers of our company alleging that the vehicle was not sold properly etc. The Learned Magistrate ordered to take the file on record as C.C No.426 of 2024. The criminal complaint was made against all the Directors (Our Company or any of the Directors have not been served with any notice). However, vide Order dated 1.4.2024, the Court has, on the ground that no prima facie case made out against the Company, Directors and officers, acquitted all the Directors and the present case survives only against 2 officer. The matter is posted for hearing on 24th January 2025.

6. *Esther Jayarani (HP Agreement No.304440): The Hired vehicle AL 2516 Tipper was repossessed and sold. For recovery of an outstanding amount ₹ 7.58 lakhs (arrear of ₹ 6.52 lakh, expenses ₹ 0.08 lakh, AHC ₹ 0.91 lakhs). The Company has initiated Arbitration before the Arbitration Tribunal, Coimbatore in AC 2 of 2013. The Learned*

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Arbitrator had passed an award dated 6.2.2016 for ₹ 7,85,957. The Hirer had raised the same question before the Honorable District Court vide AOP No. 142 of 2016. The Learned Principal District Judge, Coimbatore after full trial, dismissed the application of hirer, under Section 34 of the Arbitration and Conciliation Act, vide order dated 17.9.2019 and confirmed the award passed by the Learned Arbitrator. The Hirer preferred first appeal before the Honorable High Court of Madras in CMA 37096 of 2021 and the same is pending.

During the pendency of the same, Hirer's husband, who is the Guarantor in the case, preferred private complaint against the Company stating that the Company has no right to repossess the vehicle covered under the Hire Purchase Agreement and repossession of the hired vehicle attracts criminal action. The Learned Magistrate dismissed the Application Cri. M.P. 6066 of 2024 dated 15.6.2024 after hearing both parties. Against this, the Hirer has preferred Revision Cri. No. 20 of 2024 before the Additional District Judge, Tuticorin and the same is posted for arguments on maintainability.

II CASES FILED BY OUR COMPANY

(i) Criminal Litigations

The Company filed a criminal complaint on November 29, 2013 against Mr. Suresh Ram ("**Hirer**"), Mrs Vasanthi and Mr. Arumugam before District Crime Branch, Villupuram for fabrication of records under sections 419, 420 and 468 of IPC. The FIR is registered as Crime No. 05 of 2014 by the District Crime Branch, Villupuram. The Police completed their investigation and filed charge sheet before Chief Judicial Magistrate, Villupuram in C.C. 208 of 2018 – arrest warrant pending. A1 to A4 absent. Section 317 Petition being Petition to dispense with personal appearance of accused filed and allowed. A3 not present. A4 present. No representation – Hence warrant issued – A3 and A4 surrendered. Warrant recalled on condition. The matter was posted to 23rd July 2024 for evidence of witnesses and the next hearing date is on 7th December 2024.

The Company has initiated an arbitration proceeding (A.C No.86 of 2013) against the Hirer and two guarantors (collectively referred to as "**Parties**") by referring the matter to Arbitral Tribunal, Coimbatore on September 14, 2013. The Arbitral Tribunal has passed an award dated March 15, 2014 ("**Award**") directing the Parties to pay the outstanding amount of ₹ 11.05 lakh together with additional finance charges at 18% p.a. from the date of claim till payment and also cost of ₹ 0.15 lakh, within 3 months from the date of the Award. On account of failure of Parties to pay the Award amount within stipulated time, the Company has filed an Execution Petition against the Parties, on July 11, 2014, before Principal District Judge, Villupuram under order 21 of rule 22, 54, 66 & 82 of CPC. The company is taking steps to execute the same.

(ii) Civil Cases filed by the Company:

The Company is an Investment and Credit Company and finance is provided to pre-owned commercial vehicles, to purchase infrastructure construction equipment, multi-utility vehicles, cars, jeeps and other machinery. The finances provided are secured by lien on the assets financed. In the event of non-payment dues, the Company initiates arbitration proceedings against hirer / guarantors, who are in default in repaying the dues. As on 30th September 2024, the Company has initiated 1,759 arbitration proceedings for an aggregate amount of ₹ 7,244.84 lakhs for recovery of outstanding dues, which are pending at different stages. The details are as under:

Stages / present status	Number of cases	Amount (₹ lakh)
Arbitration proceedings initiated and pending	428	661.71
Arbitration awards passed but amount yet to be recovered	1123	4,751.00
Execution Petition for enforcement of Award filed and pending	108	1,832.13
Total	1,759	7,244.84

Litigations based on data from E – Register of Principal Sub Court, Coimbatore, Principal District Munsif Court, Coimbatore, Fast Track Court–II Coimbatore, Madras High Court, Madras High Court – II, DRT Coimbatore, Principal Labour Court, Chennai and NCLT Chennai.

III. LITIGATIONS INVOLVING STATUTORY DISPUTES

(i) Service Tax Litigation

The Office of the Commissioner of Customs, Central Excise and Service Tax, Coimbatore ("**CCEC**"), vide its order bearing no CBE/ST/29/2015 - Commr dated December 22, 2015 passed an order ("**Order**") and demanded from the Company an amount of: (a) ₹ 598.53 lakh under Section 73(2) of the Finance Act 1994 ("**the Act**")

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towards short payment of service tax paid by the Company on “Banking and Other Financial Services” during the period from October 10, 2009 to September 30, 2014; and (b) ₹ 114.88 lakh under Rule 14 of Cenvat Credit Rules, 2004 read with Section 73 of the Act towards reversal of Cenvat Credit availed by the Company during the period from October 1, 2009 to September 30, 2014. The Order also demanded from the Company appropriate interest on aforesaid amount and imposed a penalty of ₹ 713.51 lakh. Our Company has deposited an amount of ₹ 98.63 lakh towards reversal of Cenvat Credit under protest with the service tax department. Against the order of CCEC, the Company has filed writ petition (No 10920/2016 dated March 22, 2016) before Hon'ble High Court of Madras and prayed to quash the impugned order of the CCEC. The Writ Petition is admitted by the Hon'ble High Court, Madras and stay has been granted.

At a hearing held on 09.11.2020, the Hon'ble Madras High Court has dismissed the Writ Petition, as withdrawn granting liberty to appeal before CESTAT under Section 129A of the Customs Act 1962. Now, the company has filed an appeal before Customs, Excise and Service Tax Appellate Tribunal, (“CESTAT”), Chennai under Section 86 (1) of the Finance Act 1994. This appeal is now pending disposal before the CESTAT.

2. The Office of the Principal Commissioner of GST & Central Excise, Coimbatore has, in terms of the Order dated 28th September 2022 demanded from the Company.

(a) An amount of ₹ 3,09,35,437 (Rupees three crore nine lakh thirty five thousand four hundred thirty seven only) under Section 73(2) of the Act, towards service tax short paid on “Banking and Other Financial Services” during the period from 1.10.2014 to 31.3.2016, together with appropriate interest in terms of section 75 of the Act plus penalty of ₹ 30,93,544 (Rupees thirty lakhs ninety three thousand five hundred and fifty four under Section 76 of the Act plus penalty of ₹ 10,000 (Rupees ten thousand only) under Section 77(2) of the Act.

(b) An amount of ₹ 2,86,29,878 (Rupees two crores eighty six lakhs twenty nine thousand eight hundred and seventy eight only) under Section 73(2) of the Act, towards service tax short paid on “Banking and Other Financial Services” during the period from 1.4.2016 to 30.6.2017, together with appropriate interest in terms of section 75 of the Act plus penalty of ₹ 28,62,988 (Rupees twenty eight lakhs sixty two thousand nine hundred eighty eight only) under Section 76 of the Act plus penalty of ₹ 10,000 (Rupees ten thousand only) under Section 77(2) of the Act.

The Company has filed an Appeal before the CESTAT, Chennai under Section 86 (1) of the Finance Act 1994. The Appeal is now pending disposal before the CESTAT.

IV. LITIGATIONS INVOLVING PROMOTERS AND PROMOTER DIRECTOR(S)/ DIRECTORS

(i) AGAINST PROMOTERS AND PROMOTER DIRECTORS(S)

1. In SIAC Arbitration No. 449 of 2019, Aapico Hitech Public Company Limited, a Company incorporated in Thailand and Aapico Investment Pvt Limited, a Company incorporated in Singapore (collectively referred to as “AAPICO”) have invoked Personal guarantee against Dr. M Manickam before the Arbitration under the Arbitration Rules of The Singapore International Arbitration Centre, in respect of Personal Guarantee issued by Dr. M Manickam under Deed of Personal guarantee dated October 1, 2018 for loan granted by Aapico Hitech Public Company Limited and Aapico Investment Pte Limited (“AAPICO”) to ABT UK under Loan Agreements in 2017 and 2018 aggregating a sum of US\$ 122.423 Million plus interest. The Arbitration Tribunal has passed an award dated 21.12.2021 that Dr. M. Manickam is liable to pay sums as may remain outstanding under the Personal Guarantee after share charge proceeding viz. Proceedings pending by way of claims filed by ABT Auto Investments Limited (United Kingdom) before the High Court of England and Wales are disposed of finally. UK Court has rejected the claim of ABT UK. AAPICO has approached the Tribunal for passing final award and the said proceedings for passing final award is pending.
2. AAPICO also filed Original Application No. 1100 of 2019 and 1148 of 2019 before the High Court of Madras seeking interim orders against Dr. M. Manickam to prevent Dr.M. Manickam from alienating his personal assets and for providing security. There is an injunction order passed by the High Court of Madras restraining Dr. M. Manickam from alienating his shareholding in companies which is currently in force. Appeals against the orders passed by the High Court have been filed by Dr. M. Manickam and the same is pending before Division Bench of Madras High Court.

All of the Disputes, listed in (1) and (2) above, have now been agreed to be settled through a Settlement Agreement dated 27.12.2023 and in terms thereof, Sakthi Group through its special purpose Vehicle, ABT Transports Private Limited, has agreed to purchase 77.04% shareholding held by SAGH in SACL by payment of US\$ 82 million to AAPICO. Out of the total settlement sum, US\$ 72 Million was to be paid by

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20th December 2023 and the balance US\$ 10 Million is to be paid in instalments over next four years. The sum of US\$ 72 million has since been paid, on 29th December 2023 (after grant of extension of time by AAPICO).

In view of the payment of the first instalment, all litigations between the parties are to be withdrawn and SIAC monetary Award dated 21st December 2021 will alone survive for a reduced sum of US\$ 10 Million pending payment of the Second and subsequent instalments. Pursuant to the settlement reached, it has been agreed to make an application for consent award for an amount of US\$ 10 million, as a security for the payment of US\$ 10 million by ABT Transport Private Limited, for the purchase of 9.4% share as agreed in the settlement agreement and share purchase agreement. Share consideration as and when paid for the 9.4% shares, credit will be given towards the sums due under the aforesaid award from Dr. M. Manickam. The terms of the settlement agreement have been fully complied with as of date.

3. IIBA/873 of 2019 has been filed before the National Company Law Tribunal, Division Bench, Chennai under Section 7 of the Insolvency and Bankruptcy Code 2016 by Asset Reconstruction Company (India) Limited (“ARCIL”) for initiation of Corporate Insolvency Resolution Process against ABT (Madras) Private Limited on the ground that ABT (Madras) Private Limited has defaulted in repaying an amount of ₹ 507,97,10,877. NCLT admitted the application and subsequently has passed an Order dated 03.09.2021 sanctioning a Resolution Plan under which ABT (Madras) Private Limited was merged with Baashyaam Infrastructure Private Limited (“BIPL”). Dr. M. Manickam had given Personal guarantee for the borrowings initially from DHFL which was assigned to ARCIL. In terms of Clause 4.10 of the Resolution plan sanctioned by NCLT, this personal guarantee was assigned to BIPL. BIPL has not taken any steps to invoke or enforce the guarantee. The management contends that the said personal guarantee has become infructuous.

There are no other outstanding litigations towards tax liabilities or any criminal/civil prosecution for any offences (irrespective of whether they are specified under Paragraph (i) of Part I of Schedule XIII to the Companies Act 1956 / Paragraph (a) Schedule V to the Companies Act 2013, disputes, defaults, non-payment of statutory dues, proceedings initiated for economic offences or securities related or other offences against the Directors/ Promoters of the Company.

V. NON-COMPLIANCE UNDER FOREIGN EXCHANGE MANAGEMENT ACT 1999: NIL

VI. NON-COMPLIANCE ON MATTERS RELATING TO CAPITAL MARKET: NIL OTHER THAN THE FOLLOWING:

Fines Levied by the Stock Exchange:

The Company has not defaulted in payment of interest and repayment of Principal to other Companies, Financial Institutions, deposit holders etc. The Company has not defaulted in meeting statutory dues, Institutional dues and dues towards holders like debentures, fixed deposits and other arrears.

In respect of fine levied by SEBI in terms of their circular No. SEBI/ HO / CFD/ CMD/ CIR / P/2020/ 12 dated January 22, 2020 regarding late submission of Annual Report 2022 in terms of Regulation 34 of SEBI (LODR) Regulation, 2015, the Company has paid a fine of ₹ 2,360 on 28th October 2022.

BSE Limited levied fine of (as per SEBI Circular Nos. SEBI/HO/DDHS/SSHS/CIR/P/2020/231 dated November 13, 2020) (a) ₹ 5,900 (inclusive of GST) for delay in furnishing prior intimation with respect to date of payment of interest to NCD holders under Regulation 50(1) of SEBI (LODR) Regulations 2015; (b) ₹ 47,200 (inclusive of GST) and (c) ₹ 4,38,960 (inclusive of GST) for delay in submission of the notice of record date under Regulation 60(2) of SEBI (LODR) Regulations 2015. In response to above claims, our company responded stating that the Company had furnished the information within the stipulated time and contested the above mentioned fine by submitting the requisite documents towards proof of timely compliance of the above matters and requested them to drop the fines imposed. BSE Limited, in terms of their Mail dated 21st March 2023, Mail dated 24th March 2023 and Mail dated 22nd March 2023 respectively, informed that based on revised submission / written representation made by the Company, the levy of above fines were withdrawn.

BSE Limited had imposed fine of ₹ 55,460 including GST amount of ₹ 8,460 for non-compliance of Regulation 54(2) of SEBI (LODR) Regulations 2015 relating to details of Asset Cover in terms of SEBI Circular No. SEBI/HO/DDHS_Div2/P/CIR/2021/699 dated December 29, 2021. Upon representation and revised submissions by our company, BSE, in terms of Mail dated 24th March 2023 informed our company that the fine levied as mentioned above was withdrawn.

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Other than the above, there are no disputes / litigations towards tax liabilities or any criminal or civil prosecutions against the company for offence, economic or otherwise.

VII. LITIGATION INVOLVING OUR GROUP COMPANIES

There is no litigation involving our group companies, whose outcome could have material adverse effect on the position of the Company, except as stated as under:

1. SAKTHI SUGARS LIMITED (“SSL”)

i. Litigations against SSL

a. *IFCI has made a claim of ₹ 6,806.80 lakhs against SSL before DRT, Chennai in O.A. No. 9 of 2018. The Loan was advanced by Government of India through IFCI as nodal agency. Vide daily order dated 28-03-2024 notified also in the on-line portal, the O.A. was allowed in terms of final order stated to be issued separately. The copy of the final order has not yet been issued though certified copy has been applied for by SSL. The contents of the final order are not yet known. Meanwhile, Govt of India has issued guidelines for Restructuring and prescribed specific eligibility criteria (under which SSL could not avail the benefit of restructuring on account of fulfilment of certain conditions precedent. Recently, SDF issued guidelines for OTS and SSL has submitted a proposal for OTS in respect of outstanding of ₹ 21.58 crores of Modakurichi Unit. This OTS settlement was approved as per the Administrative approval (“AA”) dated 4th July 2024 by Director SDF, for settlement of ₹ 14.04 crores within six months from the date of AA with waiver of the Penal interest of ₹ 3.36 crores. SSL, has made payment of ₹ 7.02 crores as at 15th September 2024. SSL is required to meet its commitment before the due date. In respect of Restructuring of SDF Loans of Sivananga Unit, IFCI has now advised SSL to make a new restructuring application as per the revised guidelines, with an updated TEV Report. SSL has initiated for the new TEV study from IFCI, Delhi and on submission of the revised restructuring application with TEV report, SSL’s application will be considered on merits for restructuring.*

c. *ARCIL has filed an application before DRT, Coimbatore in OA 958 of 2021 against SSL, Dr M.Manickam, Mr. M Balasubramaniam, Mr.M Srinivaasan, ABTLimited. The OA is for recovery of ₹ 776.20 crores together with interest. Proposal for OTS submitted by SSL had been sanctioned by the ARCIL for a sum of ₹ 292.80 crores (Principal amount). Out of the above, SSL has settled the loan to the extent of ₹ 168.87 crores to ARCIL and the balance amount of ₹ 123.93 crores have been assigned by ARCIL to Phoenix. SSL has to pay ₹ 123.93 crores together with interest as per agreed repayment schedule to Phoenix by May 31, 2025. Phoenix has to substitute its name in the place of ARCIL, which step is yet to be taken by Phoenix. SSL has been honouring the repayment commitment as per the agreed schedule and as at date of this KID, outstanding amount is ₹ 11.03 crores, which is payable in instalments by 31st May 2025.*

d. *Disputes arose between AAPICO Hitech Public company Limited Thailand, AAPICO Investment PTE Limited, Singapore (collectively AAPICO) on the one hand and Sakthi Sugars Limited and Dr. M. Manickam on the other hand, concerning the validity of AAPICO taking over of control of Sakthi Global Auto Holdings Limited (“SGAH”) which holds 77.04% shareholding in Sakthi Auto Component Limited (“SACL”) and concerning certain debts advanced to SGAH by AAPICO and personal guarantee extended by Dr. M. Manickam in this regard. (For details and present status, please refer to para IV.(i). 2 of this Section).*

ii. Cases filed by SSL

b. *SSL has commenced Arbitration proceedings against Sakthi Auto Component Limited making an interest claim of ₹ 252.19 crores. The said Arbitration proceedings have been stayed by the Madras High Court vide Order dated 21.10.2019 passed in CRP 3576 Of 2019 and the said CRP came to be withdrawn vide order dated 19.3.2024. The Arbitration Proceedings therefore stands revived and the proceedings before the Arbitration Tribunal is at trial stage.*

2. SRI CHAMUNDESWARI SUGARS LIMITED

The Company has paid all dues to Banks and Financial Institutions from whom the financial assistance have been availed and the Accounts are standard and operating. However, there are defaults to IREDA and Sugar Development Fund detailed as below:

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Particulars	Default Amount (₹ lakh)	Default Period	Status
<i>Sugar Development Fund (“SDF”)</i>	<i>Principal– 2814.51 Interest - 2121.32</i>	<i>Sep 2011 to Nov 2016 March 2012 to Nov 2022</i>	<i>IFCI initiated legal action in DRT. The Company has applied for OTS proposal as per the revised operational guidelines issued by GOI vide notification No. 1/2022 – SDF dated 28.2.2024. SDF (through its Director), in terms of its Administrative Approval (“AA”) dated 26.9.2024, has permitted OTS payment of ₹ 51,92,37,761 which includes outstanding Principal amount of ₹ 21,50,10,808 and Interest amount of ₹ 23,57,65,041. The OTS amount is required to be paid within 6 months from the date of AA. Further, OTS amount will carry interest at 6.75% from the date of AA till the date of Payment.</i>

VIII. DETAILS OF ACTS OF FRAUDS COMMITTED AGAINST OUR COMPANY IN THE PRECEEDING THREE FINANCIAL YEARS AND THE CURRENT FINANCIAL YEAR, IF ANY, AND IF SO, THE ACTION TAKEN BY OUR COMPANY IN RESPONSE

There are no instances of fraud, which are inherent in the nature of business of the Company and there is no material fraud committed against our company in the preceding three financial years and the current financial year.

SECTION V

Disclosure as per Regulations 50(A)(6) of SEBI (Issue and Listing of Non-Convertible Securities) Regulations 2021 (as amended)

- a. Details of offer of non-convertible securities in respect of which the Key information document is being issued**
Please refer to the Section VI – **Terms of the Issue** for the details of Offer of the debentures under this KID.
- b. Financial Information, if such information provided in the GID is more than six months old:**
Please refer to Section IV (Summary of Key Operational and Financial Parameters) of the GID and relevant updated Information in this KID.
- c. Material changes, if any, in the information provided in the GID**
In addition to the information mentioned in this KID with reference to GID dated 30 May 2024, there is no material change in the information as provided in the GID as on the Date of this KID.
- d. Any Material Development not disclosed in the GID, since the issue of the GID relevant to the offer of non-convertible securities in respect of which the KID is being issued: NIL**

SECTION VI

TERMS OF ISSUE AND ISSUE PROCEDURE

Particulars	Terms and Conditions								
Security Name	Rated, Secured, Redeemable, Non-Convertible Debentures of Face Value of ₹ 1,00,000 each (“NCDs”) for an amount not exceeding ₹ 3.58 crores								
Issuer	Sakthi Finance Limited								
Trustees	Catalyst Trusteeship Limited								
Options	Options: I (Monthly), II (Cumulative), III (Monthly) and IV (Cumulative)*								
Type of Instrument	Rated, Secured, Redeemable NCDs of Face Value of ₹ 1,00,000 each								
Nature and status of NCDs	Secured								
Seniority	Senior								
Issuance Mode	Private Placement								
Eligible Investors	Companies, Banks and NBFCs, Individuals, HUFs and Partnership Firms, etc								
Listing	The debentures will be listed on the whole-sale debt market segment of BSE Limited within T+3 trading days. (T being Issue Closure of Issue)								
Credit Rating	The NCDs proposed to be issued by our Company have been rated by ICRA Limited (“ICRA”). ICRA has, by its letter no. ICRA/Sakthi Finance Limited/02022024/1 February 02, 2024 assigned a rating of “[ICRA] BBB (Stable)” and also ICRA/Sakthi Finance Limited/19112024 dated 19 November 2024 reaffirmed a rating of “[ICRA] BBB (Stable)” for an amount not exceeding ₹ 15,000 lakh for the proposed Private Placement NCDs. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.								
Issue Size	358 NCDs of ₹ 100000 each aggregating ₹ 3.58 crores								
Minimum Subscription	Not applicable								
Market Lot / Trading Lot	1 debenture								
Objects of the Issue	For the purpose of on-ward lending, financing and for repayment/ prepayment of principal and interest of existing borrowings (including redemption of NCDs which would become due for redemption) of the Company								
Utilisation of Issue Proceeds	As per the Objects of the Issue mentioned above								
In case the Issuer is NBFC and the Objects of the Issue entitled loan to any entity who is a ‘group company’, then disclosures shall be made in the following format	Not applicable								
Coupon Rate	Option I - 9.50% for 36 months and Option III - 10.25% for 60 months respectively								
Yield	Cumulative - Option II - 10.43% for 36 months and Option IV* - 12.58% for 60 months of NCDs respectively								
Step Up/ Step Down Coupon Rate	Not applicable								
Coupon Payment Frequency	Monthly and Cumulative								
Coupon / Interest Payment Date	First working day of each month								
Coupon Type	Fixed								
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc)	Not applicable								
Day Count Basis	Actual /Actual								
Interest on Application Money	Not applicable								
Default Interest Rate	In case of default in payment of Coupon Rate and/or principal redemption on the due dates, additional interest @ 2% per annum over the Coupon rate shall be payable by the Company for the defaulting period								
Convertibility	Non-Convertible								
Trading Mode	NCDs will be traded in dematerialized form								
Tenor	36 and 60 months from the deemed date of allotment								
Redemption Date	<table border="1"> <thead> <tr> <th>Option</th> <th>Redemption date/ Maturity Period as applicable</th> </tr> </thead> <tbody> <tr> <td>I</td> <td>18 December 2027</td> </tr> <tr> <td>II</td> <td>18 December 2027</td> </tr> <tr> <td>III</td> <td>18 December 2029</td> </tr> </tbody> </table>	Option	Redemption date/ Maturity Period as applicable	I	18 December 2027	II	18 December 2027	III	18 December 2029
Option	Redemption date/ Maturity Period as applicable								
I	18 December 2027								
II	18 December 2027								
III	18 December 2029								

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	If the Redemption Date / Maturity Date of any Options of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment.
Premium/ Discount on redemption	The NCDs under this Issue does not have any redemption premium / discount
Minimum Application and in multiples of thereafter	25 debentures ₹ 1,00,000 each and in multiple of 1 debenture thereafter
Redemption Amount	₹ 3.58 crores plus interest accrued, as applicable, on the maturity dates
Issue Price	₹ 1,00,000 per NCD
Premium/ Discount on Issue	Not applicable
Partial Redemption Details-Face Value \ Quantity	Not applicable
Put Date	Not applicable
Put Price	Not applicable
Call Date	Not applicable
Call Price	Not applicable
Put Notification Time	Not applicable
Call Notification Time	Not applicable
Lock-in Period	Not applicable
Face Value	₹ 1,00,000 per NCD
Issue Timing	Not applicable (as this is in Non-EBP)
Issue Opening Date	16 December 2024
Issue Closing Date	
Manner of Bidding	Non- EBP
Mode of Allotment	Dematerialised Mode
Mode of Settlement	Electronic mode
Date of Earliest Closing of the Issue, if any	Not Applicable
Pay in Dates	All monies to be paid in on the application date
Deemed Date of Allotment	18 December 2024
Depository	NSDL and CDSL
Registrars	Link Intime India Private Limited
Disclosure of Interest/Dividend / redemption dates	Refer Annexure - B “ DAY COUNT CONVENTION ” of this KID
Record Date	<p>The record date for payment of interest in connection with the NCDs or redemption of the NCDs shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption.</p> <p>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.</p> <p>If the Record Date falls on a day when the Stock Exchange is having a trading holiday, then the immediate subsequent trading day will be deemed as the Record Date.</p> <p>In connection with NCDs where monthly interest is payable 15 (Fifteen) Days prior to the date on which interest is due and payable, or the date of redemption, or as may be prescribed by the Stock Exchanges and in connection with NCDs which are Cumulative in nature, 15 (Fifteen) Days prior to the date of redemption or as may be prescribed by the Stock Exchange. If the Record Date falls on a day that is not a Working Day, then the immediate succeeding Working Day will be deemed as Record Date.</p> <p>Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount for such NCDs) prior to redemption of NCDs.</p>
Business Day Convention	<p>"Business Day / Working Day(s)" mean(s) all days on which commercial banks in the city, as specified in the offer document, are open for business.</p> <p>Excluding Saturdays and Sundays or a holiday for commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holidays in India. Furthermore, for the purpose of post Issue Period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchanges excluding</p>

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	Saturdays and Sundays and bank holidays in Mumbai. During the tenor of the NCDs, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai
All Covenants of the Issue (including side letters, accelerated payment clause, etc)	Not applicable
Transaction Documents	The Disclosure Documents read with any notices, corrigenda, addendum thereto, the Debenture Trust Deed, Application Form, and other documents, as applicable and various other documents/ agreements/ undertakings, entered or to be entered by our Company with intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Registrar Agreement
Conditions precedent to subscription of Bonds	The Issuer shall provide / confirm the following documents to the Debenture Trustee: i. A certified true copy of the latest constitutional documents of the Issuer, certified as correct, complete and in full force and effect by the appropriate officer ii. Certified true copies of resolutions passed by the Board of Directors for issue of Debentures; iii. Certified true copies of resolutions passed by the Shareholders for issue of private placement of Debentures; iv. The Company shall have obtained the Debenture Trustee consent letter from the Debenture Trustee; v. The copy of the Credit Rating letter providing a Credit Rating to the Debentures along with the rating rationale/credit opinion; vi. The Issuer has obtained in-principle approval from the Stock Exchange for listing of the Debentures; vii. The Issuer shall have obtained due-diligence certificate from the Debenture Trustee; viii. and such other conditions as set out in the Debenture Trust Deed.
Conditions subsequent to subscription of Bonds	The Issuer shall provide / confirm the following documents to the Debenture Trustee: i. Certified true copy of the Board resolution for the allotment of the Debentures within 1 (one) Business day from the Deemed date of Allotment; ii. An end-use certificate from an independent Chartered Accountant, certifying the heads under which funds have been utilised in accordance with transaction documents, within sixty (60) days from the Deemed date of Allotment; iii. Procure due-diligence certificate from the debenture trustee as shall be required by the Issuer for the purpose of listing of the Debentures on the Stock Exchange; iv. Obtaining the final listing approval from the stock exchange in the respect of the debentures (including but not limited to payment of all fees) and list the Debentures with the Stock Exchange within three (3) working days from the closing date of the Debentures; v. and such other conditions as set out in the Debenture Trust Deed;
Provisions related to Cross Default Clause	As provided in the Debenture Trust Deed. (a) Cross Default The Company: (i) defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created; (ii) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity, and such Financial Indebtedness of the Company is declared to be due and payable; or any Financial Indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof
Description regarding Security (where applicable) including type of security (movable, immovable,	The principal amount of the Secured NCDs to be issued in terms of this Issue together with all interest due on the Secured NCDs in respect thereof shall be secured by way of an exclusive charge in favour of the Debenture Trustee on specific present and/or

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<p>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 to the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in this KID</p>	<p>future receivables / assets of our Company, as may be decided mutually by our Company and the Debenture Trustee to the Proposed Issue, such that a security cover of at least 110% of the outstanding principal amounts of the NCDs and interest accrued thereon is maintained at all times until the Maturity Date. The assets are not charged and there are no other creditors sharing the security that is offered for the issue of Secured NCDs on <i>pari passu</i> basis.</p> <p>Without prejudice to the above, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other timeframe as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in the Prospectus, till the execution of the Debenture Trust Deed.</p> <p>The security shall be created prior to making the listing application for the NCDs with the Stock Exchange(s). For further details on date of creation of security/ likely date of creation of security minimum security cover etc.,</p> <p>We have received necessary consents from the relevant debenture trustee in relation to the NCDs. or further details on date of creation of security/ likely date of creation of security, minimum security cover etc.</p> <p>The revaluation and replacement of the security shall be in accordance with the Debenture Trust Deed.</p>
<p>Creation of Recovery Expenses Fund</p>	<p>Will be paid on or before T+3</p>
<p>Role and Responsibilities of Debenture Trustee</p>	<p>As per SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021, Companies Act 2013, the Listing Agreement and the Debenture Trust Deed, each as amended from time to time.</p>
<p>Due Diligence Certificate by Debenture Trustees</p>	<p>Annexure IIA issued by Catalyst Trusteeship Limited vide its letter dated 30 May 2024</p>
<p>Governing Law and Jurisdiction</p>	<p>The governing law and jurisdiction for the purpose of the Issue shall be Indian law and the competent Courts of jurisdiction in Coimbatore, India,</p>
<p>Risk Factors</p>	<p>Please refer Section titled “Risk Factors” of GID dated 30 May 2024 and KID dated 13 December 2024</p>
<p>Applicable RBI Guidelines</p>	<p>Not Applicable</p>
<p>Prohibition on Purchase/ Funding of Bonds</p>	<p>Not Applicable</p>

*** No subscribers for Option IV and hence no NCDs has been credited.**

MATERIAL CONTRACTS AND DOCUMENTS

1. ICRA Letter dated February 2, 2024 assigning the Credit Rating to the Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (“NCDs or Debentures”)
2. ICRA letter dated November 19, 2024 reaffirmed the Credit Rating to the Secured, Rated, Listed, Redeemable, Non-Convertible Debentures.
3. Audited Financial Statements for the years ended 31 March 2024, 2023 and 2022 and unaudited financial results for the half year ended 30 September 2024
4. Consent letter from Catalyst Trusteeship Limited for acting as Debenture Trustee.
5. Debenture Trustee Agreement and Debenture Trust Deed dated 24 May 2024 and 7 June 2024 executed between the debenture trustee and the Company for Non-convertible Debentures aggregating ₹ 49 crores to be issued from time to time.
6. NOC from Debenture Trustee dated 30 May 2024
7. Certificate of Incorporation of the Company
8. Memorandum and Articles of Association of the Company
9. Copy of resolutions passed by the Board of Directors of the Company on 27 March 2024 approving Issuance of Secured, Redeemable, Non-Convertible Debentures for an amount not exceeding ₹ 50 crores and copy of resolution dated 13 December 2024 passed by the Finance, Investment and Securities Issuance Committee for an amount not exceeding ₹ 49 crores
10. Copy of resolutions passed by the Shareholders of the Company on 29 April 2024 through Postal Ballot approving Issuance of Secured, Redeemable Non-Convertible Debentures for an amount not exceeding ₹ 50 crores
11. Copy of resolution passed by the Shareholders of the Company on 5 April 2014 through Postal Ballot approving overall borrowing limit of the Company for an amount not exceeding ₹ 2,500 crores.

DECLARATION

The contents of the document have been perused by the Board of Directors and the final and ultimate responsibility of the contents mentioned herein shall also lie with the Board of Directors and the Board of directors of the Company hereby declare that:

- a. the Company has complied with the provisions of Securities Contract (Regulation) Act 1956 (42 of 1956) and Securities and Exchange Board of India Act 1992 (15 of 1992), Companies Act 2013 (18 of 2013) and the rules and regulations made thereunder;
- b. the compliance with the Act and the rules do not imply that payment of dividend or interest or repayment of the Non-Convertible Debentures, if applicable, is guaranteed by the Central Government;
- c. the monies received under the Issue shall be used only for the purposes and objects indicated in the General Information Document and the relevant Key Information Document; and
- d. whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

Sri K Sundaramurthy, Chief Financial Officer and Sri S Venkatesh, Company Secretary and Chief Compliance Officer had been authorised by the Finance, Investment and Securities Issuance Committee through their resolution dated 13 December 2024, to sign this form and declare that all the requirements of the Companies Act 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this Key Information Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Key Information Document has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this Key Information Document.

The Company accepts no responsibility for the statement made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his own risk.

For Sakthi Finance Limited

(SD)

K Sundaramurthy
Chief Financial Officer
M No. 204905

For Sakthi Finance Limited

(SD)

S Venkatesh
Company Secretary and Chief Compliance Officer
FCS 7012

Date : December 13, 2024

Place : Coimbatore

Attachments:

- a. Annexure A: Application Form
- b. Annexure B: Proposed Cash Flows
- c. Annexure C: Credit Rating Letter
- d. Annexure D: Debenture Trustee Consent Letter
- e. Annexure E: Extract of Board Resolution of the Company in relation to the particulars of this offer.
- f. Annexure F: Financial Statements
- g. Annexure G: In-Principle approval letter from BSE Limited
- h. Annexure H: Due Diligence - Annexure B of the Debenture Trustee

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ANNEXURE A: APPLICATION FORM

Dated: _____ 2024

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(CIN: L65910TZ1955PLC000145)

Regd Office: 62, Dr. Nanjappa Road, Coimbatore 641 018

T: (0422) 2231471 - 74, 4236200

E-Mail: investors@sakthifinance.com Web: www.sakthifinance.com

Secured, Redeemable, Non-Convertible Debentures (“NCDs”) - Private Placement

APPLICATION FORM

NCD APPLICATION FORM SERIAL NO																		
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The Application shall be for a minimum of 25 NCDs and in multiples of 1 NCD thereafter

<p>NCDs APPLIED FOR: Face value of ₹ 1,00,000 (Rupees One Lakh Each)</p> <p>Number of NCDs applied for: _____ In words: _____ only</p> <p>Amount INR _____ In words _____</p> <p>OPTIONS: I (36 Months - Interest Rate @ 9.50% p.a) Monthly <input type="checkbox"/> Cumulative <input type="checkbox"/></p> <p>II (60 Months - Interest Rate @ 10.25% p.a) Monthly <input type="checkbox"/> Cumulative <input type="checkbox"/></p>

<p>DETAILS OF PAYMENT:</p> <p>Cheque / Demand Draft No. _____ Drawn on _____</p> <p>RTGS / UTR No: _____</p> <p>Funds transferred to SAKTHI FINANCE LIMITED (“Issuer”) Dated _____</p> <p>(Note: Cheque and Drafts are subject to realisation)</p> <p>Total Amount Enclosed</p> <p>(In figures) INR _____ (In words) _____ Only</p>

APPLICANT’S NAME IN FULL (CAPITALS)	SPECIMEN SIGNATURE

APPLICANT’S ADDRESS																	
STREET																	
CITY																	
PIN					Phone						Mobile						
E-mail:																	

APPLICANT’S PAN _____ IT CIRCLE / WARD / DISTRICT _____

I AM/ WE ARE COMPANY OTHERS (SPECIFY) _____

Dated: _____ 2024

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I/We have read and understood the Terms and Conditions of the issue of NCDs contained in the Disclosure Documents including the Risk Factors described in the General Information Document dated 30 May 2024 and this Key Information Document and have considered these in making our decision to apply.

We bind ourselves to these Terms and Conditions and wish to apply for allotment of these NCDs. The amount payable on application as shown below is remitted. On allotment, please place our names(s) on the Register of Debenture Holder(s).

To be filled in only if the applicant is an Institution / Company / Body Corporate (including Society)

Name of the Authorised Signatory(ies)	Designation	Signature

I/We, the undersigned, are agreeable to hold the NCDs of Issuer in Electronic form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	<input type="checkbox"/> NSDL	<input type="checkbox"/> CDSL
DEPOSITORY PARTICIPANT NAME		
DP-ID		
BENEFICIARY ACCOUNT NUMBER		
NAME OF THE APPLICANT(S)		
Bank Account Details: (Settlement by way of Cheque /Direct Credit/ECS / NEFT / RTGS / other permitted mode)		
Bank Name and Branch:		
Account No:		
Nature of Account:		
IFS Code:		

Tax Status: **Non Exempt** **Exempt** (If exempt please specify with supporting documents)

We understand and confirm that the information provided in the Disclosure Document is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer and other intermediaries and their agents and advisors associated with this issue. We confirm that we have, for the purpose of investing in these NCDs, carried out our own due diligence and made our own decision with respect to investment in these NCDs and have not relied on any representations made by anyone other than the issuer, if any.

We understand that: i) in case of allotment of NCDs to us, our Beneficiary Account, as mentioned above would get credited to the extent of allotted NCDs, ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the NCDs cannot be credited to our Beneficiary Account for any

Dated: _____ 2024

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reason whatsoever, the issuer shall be entitled at its sole discretion to reject the application or issue the NCDs in physical form.

We understand that we assume on our own account all the risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of NCDs. I/ We undertake that upon sale or transfer to subsequent investor or transferee ("**Transferee**"), I/We shall convey all the terms and conditions contained herein (including the fact that these NCDs cannot be sold to a Non - Resident Indian and/ or a Foreign Investor etc) to such Transferee. In event of any Transferee (including any intermediate or final holder of the NCDs) suing the Issuer (or any person acting on its or their behalf), I/We, shall indemnify the issuer and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee. I/We understand that the Issuer may communicate to or intimate me/ us only by E-mail or Facsimile message and I/We undertake to accept it as a valid communication or intimation as if such communication or intimation had been otherwise hand delivered or delivered had been delivered by registered post or courier.

Applicant's Signature

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARENCE _____

------(TEAR HERE)-----

ACKNOWLEDGEMENT SLIP

(To be filled in by the Applicant) SERIAL NO									
---	--	--	--	--	--	--	--	--	--

Received from _____

Address _____	

Cheque /Draft / UTR _____ drawn on _____ for	
INR _____ on account of application of _____ Debentures	

ANNEXURE B: DAY COUNT CONVENTION

OPTION I (Non-Cumulative) – 36 Months

Company	Sakthi Finance Limited
Face value (per security)	₹ 1,00,000
Issue Date	16 December 2024
Date of Allotment	18 December 2024
Redemption	18 December 2027
Coupon Rate	9.50%
Frequency of the interest payment with specified dates	Monthly
Day count convention	Actual/actual

Cash flows	Due date	Date of Payment	No of days in Coupon period	No of days in a year	Amount in INR
1st coupon	Saturday, 1 February, 2025	Saturday, 1 February, 2025	45	365	1171.23
2nd coupon	Saturday, 1 March, 2025	Saturday, 1 March, 2025	28	365	728.77
3rd coupon	Tuesday, 1 April, 2025	Tuesday, 1 April, 2025	31	365	806.85
4th coupon	Friday, 2 May, 2025	Friday, 2 May, 2025	30	365	780.82
5th coupon	Monday, 2 June, 2025	Monday, 2 June, 2025	31	365	806.85
6th coupon	Tuesday, 1 July, 2025	Tuesday, 1 July, 2025	30	365	780.82
7th coupon	Friday, 1 August, 2025	Friday, 1 August, 2025	31	365	806.85
8th coupon	Monday, 1 September, 2025	Monday, 1 September, 2025	31	365	806.85
9th coupon	Wednesday, 1 October, 2025	Wednesday, 1 October, 2025	30	365	780.82
10th coupon	Saturday, 1 November, 2025	Saturday, 1 November, 2025	31	365	806.85
11th coupon	Monday, 1 December, 2025	Monday, 1 December, 2025	30	365	780.82
12th coupon	Friday, 2 January, 2026	Friday, 2 January, 2026	31	365	806.85
13th coupon	Monday, 2 February, 2026	Monday, 2 February, 2026	31	365	806.85
14th coupon	Monday, 2 March, 2026	Monday, 2 March, 2026	28	365	728.77
15th coupon	Thursday, 2 April, 2026	Thursday, 2 April, 2026	31	365	806.85
16th coupon	Saturday, 2 May, 2026	Saturday, 2 May, 2026	30	365	780.82
17th coupon	Monday, 1 June, 2026	Monday, 1 June, 2026	31	365	806.85
18th coupon	Wednesday, 1 July, 2026	Wednesday, 1 July, 2026	30	365	780.82
19th coupon	Saturday, 1 August, 2026	Saturday, 1 August, 2026	31	365	806.85
20th coupon	Tuesday, 1 September, 2026	Tuesday, 1 September, 2026	31	365	806.85
21st coupon	Thursday, 1 October, 2026	Thursday, 1 October, 2026	30	365	780.82
22nd coupon	Monday, 2 November, 2026	Monday, 2 November, 2026	31	365	806.85
23rd coupon	Tuesday, 1 December, 2026	Tuesday, 1 December, 2026	30	365	780.82
24th coupon	Saturday, 2 January, 2027	Saturday, 2 January, 2027	31	365	806.85
25th coupon	Monday, 1 February, 2027	Monday, 1 February, 2027	31	365	806.85
26th coupon	Monday, 1 March, 2027	Monday, 1 March, 2027	28	365	728.77
27th coupon	Friday, 2 April, 2027	Friday, 2 April, 2027	31	365	806.85
28th coupon	Monday, 3 May, 2027	Monday, 3 May, 2027	30	365	780.82
29th coupon	Tuesday, 1 June, 2027	Tuesday, 1 June, 2027	31	365	806.85
30th coupon	Thursday, 1 July, 2027	Thursday, 1 July, 2027	30	365	780.82
31st coupon	Monday, 2 August, 2027	Monday, 2 August, 2027	31	365	806.85
32nd coupon	Wednesday, 1 September, 2027	Wednesday, 1 September, 2027	31	365	806.85
33rd coupon	Friday, 1 October, 2027	Friday, 1 October, 2027	30	365	780.82
34th coupon	Monday, 1 November, 2027	Monday, 1 November, 2027	31	365	806.85
35th coupon	Wednesday, 1 December, 2027	Wednesday, 1 December, 2027	30	365	780.82
36th coupon	Saturday, 18 December, 2027	Saturday, 18 December, 2027	17	365	442.47
Principal/ Maturity Value	Saturday, 18 December, 2027	Saturday, 18 December, 2027	0	365	100000

OPTION II (Cumulative) – 36 Months

Company	Sakthi Finance Limited
Face value (per security)	₹ 1,00,000
Issue Date	16 December 2024
Date of Allotment	18 December 2024
Redemption	18 December 2027
Coupon Rate / Yield (%)	9.50 / 10.43
Frequency of the interest payment with specified dates	Cumulative
Day count convention	Actual/actual

Cash flows	Due date	Date of Payment	No of days in Coupon period	No of days in a year	Amount (₹)
1 st Coupon	Saturday, 18 December, 2027	Saturday, 18 December, 2027	1095	365	1,31,293

OPTION III (Non - Cumulative) – 60 Months

Company	Sakthi Finance Limited
Face value (per security)	₹ 1,00,000
Issue Date	16 December 2024
Date of Allotment	18 December 2024
Redemption	18 December 2029
Coupon Rate for all Category (%)	10.25
Frequency of the interest payment with specified dates	Monthly
Day count convention	Actual/actual

Cash flows	Due date	Date of Payment	No of days in Coupon period	No of days in a year	Amount in INR
1st coupon	Saturday, 1 February, 2025	Saturday, 1 February, 2025	45	365	1263.70
2nd coupon	Saturday, 1 March, 2025	Saturday, 1 March, 2025	28	365	786.30
3rd coupon	Tuesday, 1 April, 2025	Tuesday, 1 April, 2025	31	365	870.55
4th coupon	Friday, 2 May, 2025	Friday, 2 May, 2025	31	365	870.55
5th coupon	Monday, 2 June, 2025	Monday, 2 June, 2025	30	365	842.47
6th coupon	Tuesday, 1 July, 2025	Tuesday, 1 July, 2025	30	365	842.47
7th coupon	Friday, 1 August, 2025	Friday, 1 August, 2025	31	365	870.55
8th coupon	Monday, 1 September, 2025	Monday, 1 September, 2025	31	365	870.55
9th coupon	Wednesday, 1 October, 2025	Wednesday, 1 October, 2025	30	365	842.47
10th coupon	Saturday, 1 November, 2025	Saturday, 1 November, 2025	31	365	870.55
11th coupon	Monday, 1 December, 2025	Monday, 1 December, 2025	30	365	842.47
12th coupon	Friday, 2 January, 2026	Friday, 2 January, 2026	31	365	870.55
13th coupon	Monday, 2 February, 2026	Monday, 2 February, 2026	31	365	870.55
14th coupon	Monday, 2 March, 2026	Monday, 2 March, 2026	28	365	786.30
15th coupon	Thursday, 2 April, 2026	Thursday, 2 April, 2026	31	365	870.55
16th coupon	Saturday, 2 May, 2026	Saturday, 2 May, 2026	30	365	842.47
17th coupon	Monday, 1 June, 2026	Monday, 1 June, 2026	31	365	870.55
18th coupon	Wednesday, 1 July, 2026	Wednesday, 1 July, 2026	30	365	842.47
19th coupon	Saturday, 1 August, 2026	Saturday, 1 August, 2026	31	365	870.55
20th coupon	Tuesday, 1 September, 2026	Tuesday, 1 September, 2026	31	365	870.55
21st coupon	Thursday, 1 October, 2026	Thursday, 1 October, 2026	30	365	842.47
22nd coupon	Monday, 2 November, 2026	Monday, 2 November, 2026	31	365	870.55
23rd coupon	Tuesday, 1 December, 2026	Tuesday, 1 December, 2026	30	365	842.47
24th coupon	Saturday, 2 January, 2027	Saturday, 2 January, 2027	31	365	870.55
25th coupon	Monday, 1 February, 2027	Monday, 1 February, 2027	31	365	870.55
26th coupon	Monday, 1 March, 2027	Monday, 1 March, 2027	28	365	786.30
27th coupon	Friday, 2 April, 2027	Friday, 2 April, 2027	31	365	870.55
28th coupon	Monday, 3 May, 2027	Monday, 3 May, 2027	30	365	842.47
29th coupon	Tuesday, 1 June, 2027	Tuesday, 1 June, 2027	31	365	870.55

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30th coupon	Thursday, 1 July, 2027	Thursday, 1 July, 2027	30	365	842.47
31st coupon	Monday, 2 August, 2027	Monday, 2 August, 2027	31	365	870.55
32nd coupon	Wednesday, 1 September, 2027	Wednesday, 1 September, 2027	31	365	870.55
33rd coupon	Friday, 1 October, 2027	Friday, 1 October, 2027	30	365	842.47
34th coupon	Monday, 1 November, 2027	Monday, 1 November, 2027	31	365	870.55
35th coupon	Wednesday, 1 December, 2027	Wednesday, 1 December, 2027	30	365	842.47
36th coupon	Monday, 3 January, 2028	Monday, 3 January, 2028	31	365	870.55
37th coupon	Tuesday, 1 February, 2028	Tuesday, 1 February, 2028	31	366	868.17
38th coupon	Wednesday, 1 March, 2028	Wednesday, 1 March, 2028	29	366	812.16
39th coupon	Monday, 3 April, 2028	Monday, 3 April, 2028	31	366	868.17
40th coupon	Tuesday, 2 May, 2028	Tuesday, 2 May, 2028	30	366	840.16
41st coupon	Thursday, 1 June, 2028	Thursday, 1 June, 2028	31	366	868.17
42nd coupon	Saturday, 1 July, 2028	Saturday, 1 July, 2028	30	366	840.16
43rd coupon	Tuesday, 1 August, 2028	Tuesday, 1 August, 2028	31	366	868.17
44th coupon	Friday, 1 September, 2028	Friday, 1 September, 2028	31	366	868.17
45th coupon	Tuesday, 3 October, 2028	Tuesday, 3 October, 2028	30	366	840.16
46th coupon	Wednesday, 1 November, 2028	Wednesday, 1 November, 2028	31	366	868.17
47th coupon	Friday, 1 December, 2028	Friday, 1 December, 2028	30	366	840.16
48th coupon	Tuesday, 2 January, 2029	Tuesday, 2 January, 2029	31	366	868.17
49th coupon	Thursday, 1 February, 2029	Thursday, 1 February, 2029	31	365	870.55
50th coupon	Thursday, 1 March, 2029	Thursday, 1 March, 2029	28	365	786.30
51st coupon	Monday, 2 April, 2029	Monday, 2 April, 2029	31	365	870.55
52nd coupon	Wednesday, 2 May, 2029	Wednesday, 2 May, 2029	30	365	842.47
53rd coupon	Friday, 1 June, 2029	Friday, 1 June, 2029	31	365	870.55
54th coupon	Monday, 2 July, 2029	Monday, 2 July, 2029	30	365	842.47
55th coupon	Wednesday, 1 August, 2029	Wednesday, 1 August, 2029	31	365	870.55
56th coupon	Saturday, 1 September, 2029	Saturday, 1 September, 2029	31	365	870.55
57th coupon	Monday, 1 October, 2029	Monday, 1 October, 2029	30	365	842.47
58th coupon	Thursday, 1 November, 2029	Thursday, 1 November, 2029	31	365	870.55
59th coupon	Saturday, 1 December, 2029	Saturday, 1 December, 2029	30	365	842.47
60th coupon	Tuesday, 18 December, 2029	Tuesday, 18 December, 2029	17	365	477.40
Principal/ Maturity Value	Tuesday, 18 December, 2029	Tuesday, 18 December, 2029	17	365	100000

OPTION IV (Cumulative) – 60 Months

Company	Sakthi Finance Limited
Face value (per security)	₹ 1,00,000
Issue Date	16 December 2024
Date of Allotment	18 December 2024
Redemption	18 December 2029
Coupon Rate / Yield (%)	10.25 / 12.58
Frequency of the interest payment with specified dates	Cumulative
Day count convention	Actual/actual

Cash flows	Due date	Date of Payment	No of days in Coupon period	No of days in a year	Amount (₹)
1 st Coupon	Tuesday, 18 December, 2029	Tuesday, 18 December, 2029	1826	365	1,62,889

(This Key Information Document is neither a prospectus nor a statement in lieu of Prospectus)

ANNEXURE C: CREDIT RATING AND RATIONALE

ICRA/Sakthi Finance Limited/19112024/2

Date: November 19, 2024

Mr. M. Balasubramaniam

Vice Chairman & Managing Director
Sakthi Finance Limited
62, Dr. Nanjappa Road
Coimbatore - 641 018

Dear Sir,

Re: ICRA's Credit Rating for below mentioned instruments of Sakthi Finance Limited

As per the Rating Agreement/Statement of Work executed with ICRA Limited, ICRA's Rating Committee has taken the following rating actions for the mentioned instruments of your company.

Instrument	Rated Amount (Rs. crore)	Rating Action ¹
Non-convertible debentures (NCDs) – Public issue	548.35	[ICRA]BBB(Stable); Reaffirmed
	100.00	[ICRA]BBB(Stable); Assigned
	150.00	[ICRA]BBB(Stable); Reaffirmed
Non-convertible debentures (NCDs)	150.00	[ICRA]BBB(Stable); Reaffirmed
Fixed Deposit	0.00	[ICRA]BBB(Stable); Reaffirmed
Total	948.35	

Once the instrument is issued, the rating is valid throughout the life of the captioned programme until withdrawn. However, ICRA reserves the right to review and/or, revise the above rating(s) at any time based on new information becoming available, or the required information not being available, or other circumstances that ICRA believes could have an impact on the rating(s). Therefore, request the lenders and investors to visit ICRA website at www.icra.in for latest rating(s) of the company.

The rating(s) are specific to the terms and conditions of the instruments as indicated to us by you, and any change in the terms or size of the same would require a review of the rating(s) by us. In case there is any change in the terms and conditions or the size of the rated instrument, the same must be brought to our notice before the instrument is used by you. In the event such changes occur after the rating(s) have been assigned by us and their use has been confirmed by you, the rating(s) would be subject to our review, following which there could be a change in the rating(s) previously assigned. Notwithstanding the foregoing, any change in the over-all limit of the instrument from that specified in this letter, would constitute an enhancement that would not be covered by or under the said Rating Agreement.

The rating(s) assigned must be understood solely as an opinion and should not be treated, or cause to be treated, as recommendation to buy, sell, or hold the rated [Instrument] availed/issued by your company.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s), or occurrence of any significant development that could impact the ability of the company to raise funds such as restriction imposed by any authority from raising funds through issuance of debt securities through electronic bidding system. Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We look forward to your communication and assure you of our best services.

¹ Complete definitions of the ratings assigned are available at www.icra.in.



With kind regards,
Yours sincerely,
For ICRA Limited

AGAPPA Digitally signed
MANI by AGAPPA
KARTHIK MANI KARTHIK
Date: 2024.11.19
11:53:10 +05'30'

A M Karthik
Senior Vice President
a.karthik@icraindia.com

Annexure
LIST OF ALL INSTRUMENTS RATED

Rated Instrument	Rated Amount (In Crores)	Rating Action
NCD (Public issue)		
INE302E07375	35.66	[ICRA]BBB (Stable)
INE302E07383	21.07	
INE302E07425	4.12	
INE302E07441	2.28	
INE302E07466	43.75	
INE302E07433	6.81	
INE302E07458	1.26	
INE302E07474	21.17	
INE302E08050	7.39	
INE302E08068	0.67	
INE302E08076	7.98	
INE302E08084	30.89	
INE302E08092	16.71	
INE302E07573	13.49	
INE302E07508	19.53	
INE302E07540	6.56	
INE302E07516	15.40	
INE302E07557	2.10	
INE302E07490	2.51	
INE302E07565	50.75	
INE302E07524	16.16	
INE302E07532	20.36	
INE302E07607	11.02	
INE302E07615	14.13	
INE302E07656	7.08	
INE302E07599	17.87	
INE302E07649	57.03	
INE302E07631	25.56	
INE302E07623	15.40	
INE302E07748	8.84	
INE302E07730	6.96	
INE302E07706	59.89	
INE302E07763	8.06	
INE302E07755	9.67	
INE302E07714	19.78	
INE302E07722	10.47	
Unutilised	179.97	
Total	798.35	
Non-convertible debentures (NCDs)		
INE302E07664	2.10	[ICRA]BBB (Stable)
INE302E07672	1.85	
INE302E07680	0.50	
INE302E07698	0.50	
Unutilised	145.05	
Total	150.00	

November 19, 2024

Sakthi Finance Limited: [ICRA]BBB (Stable) assigned to fresh NCD programme; Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
	698.35	698.35	[ICRA]BBB (Stable); reaffirmed
Non-convertible debentures (NCDs) – Public issue	32.58	-	[ICRA]BBB (Stable); reaffirmed and withdrawn
	76.48	-	[ICRA]BBB (Stable); reaffirmed and withdrawn
	-	100.00	[ICRA]BBB (Stable); assigned
	150.00	150.00	[ICRA]BBB (Stable); reaffirmed
NCDs – Private issue			
Fixed deposits	-	-	[ICRA]BBB (Stable); reaffirmed
Fund based – Term loans	114.76	114.76	[ICRA]BBB (Stable); reaffirmed
Fund-based long-term facilities from banks	100.00	100.00	[ICRA]BBB (Stable); reaffirmed
Fund based – Interchangeable [#]	(47.88)	(47.88)	[ICRA]BBB (Stable)/[ICRA]A2; reaffirmed
Fund-based short-term facilities from banks	100.00	100.00	[ICRA]A2; reaffirmed
Total	1,272.17	1,263.11	

*Instrument details are provided in Annexure I; [#]Sub-limit of fund-based long-term facilities from banks

Rationale

The ratings reaffirmation takes into consideration Sakthi Finance Limited's (SFL) track record in the retail financing business and its established franchise, which has evolved over the last six decades of operations. Further, the ratings consider SFL's adequate capitalisation profile, which would support its envisaged medium-term growth plans; its gearing stood at 5.4 times as of June 2024 (provisional; 6.1 times as of March 2024).

The ratings are, however, constrained by SFL's geographically concentrated operations, the highly competitive business environment, and the subdued profitability indicators. The ratings also factor in the moderate asset quality, with the gross stage 3 assets (GS3) at 5.5% (provisional) as of June 2024. Over the last few years, SFL's financial flexibility was constrained by the continued weakness in the performance of Group entities; however, with the recent resolution of some of the Group-related issues, the same is expected to improve. Nevertheless, ICRA notes the company's demonstrated ability to raise market borrowings via non-convertible debentures (NCDs), which are retail in nature, through public placement over the years. Going forward, it would be crucial for SFL to diversify its funding profile to support portfolio growth while maintaining adequate liquidity.

The Stable outlook reflects ICRA's belief that the asset quality would remain under control while the company scales up its operations, which would support its earnings profile in the near term.

ICRA has also withdrawn the long-term rating for the Rs. 109.06-crore NCDs, in accordance with its policy on the withdrawal of credit ratings, as the instruments have matured and have been fully repaid.

Key rating drivers and their description

Credit strengths

Established franchise and track record in regional market – SFL has a track record of more than six decades in the vehicle finance segment, with operations across Tamil Nadu, Kerala, Andhra Pradesh and Karnataka. It has a good understanding of

the target segments, mainly the used commercial vehicle (CV) segment, and has established customer relationships. The company has leveraged the franchise by raising market borrowings via NCDs, which are retail in nature, through public placement over the years. SFL has demonstrated its ability to do the same by raising Rs. 816 crore over six years (FY2019 - FY2024), with each issuance including a sizeable number of retail investors and an average investment size of about Rs. 5 lakh.

ICRA notes that the Sakthi Group's presence in related businesses, like automotive dealerships, has aided effective origination, prudent appraisal, and good market responsiveness, monitoring and collections. SFL has a branch-centric operating model with an in-house origination team, which is responsible for collections, while the credit sanctions are centralised. It conducts credit bureau checks to screen its customers, followed by a field investigation and an income assessment and viability analysis as a part of its loan origination process. It has a workflow management system at most of its branches, which enables the management to monitor sourcing and collection activities on a real-time basis.

Adequate capitalisation, considering medium-term growth plans – SFL has an adequate capitalisation profile with a gearing¹ of 5.4 times as of June 2024 (6.1 times as of March 2024 and 5.9 times as of March 2023), However, the gearing increased to 6.0 times as of September 2024. ICRA notes that the company's modest near-term portfolio growth expectations would keep its capital structure under control. SFL expects to maintain its gearing below 6.0 times on a sustained basis over the medium term, supported by the raising of capital (including via disposal of non-core assets) and better internal accruals. This would help it improve its portfolio growth further over the medium to long term. SFL's total capital adequacy ratio stood at 17.1% (Tier I at 13.7%) as of September 2024.

Credit challenges

Regionally concentrated operations – SFL has a regionally concentrated portfolio with Tamil Nadu and Kerala accounting for 95% of the total portfolio as of June 2024. The company has 53 branches, including 30 in Tamil Nadu, 14 in Kerala, 3 each in Karnataka and Andhra Pradesh, and 1 in Puducherry, New Delhi and Mumbai. Going forward, ICRA expects the portfolio share to remain concentrated, given the company's limited branch expansion plans for the medium term. As it is a deposit-accepting non-banking financial company (NBFC), Sakthi has built its franchise over the years with a sizeable retail customer base to mobilise deposits.

SFL's portfolio increased at a compound annual growth rate (CAGR) of about 3% during FY2020-FY2024. It grew by a moderate 4% in FY2024 and declined slightly by 1% QoQ to Rs. 1,236 crore as of June 2024. This was on account of lower disbursements, which stood at Rs. 173 crore in Q1 FY2025 vis-à-vis Rs. 733 crore in FY2024.

Subdued profitability indicators, notwithstanding improvement in FY2024 and Q1 FY2025 – SFL's profit after tax (PAT), as a proportion of total assets, has been subdued in the past (average of 0.9% during FY2018-FY2022). It improved slightly to 1.2% in FY2024 as well as Q1 FY2025 from 1.0% in FY2023, supported by higher interest margins as the company is incrementally increasing its exposure in customer segments with slightly higher yields. Going forward, it proposes to launch new products such as fuel loans, tyre loans, and insurance funding, which are expected to support some margin expansion over the medium term. The net interest margin (NIM) increased to 6.9% in Q1 FY2025 (6.6% in FY2024) from 6.3% in FY2023 (5.6% in FY2022) due to higher yields and stable cost of funds, notwithstanding the rise in systemic rates. Further, credit costs increased to 0.6% in Q1 FY2025 from 0.4% in FY2024 on account of higher delinquencies due to heat waves and elections. However, operating costs increased to 4.8% in Q1 FY2025 (4.7% in FY2024) from 4.4% in FY2023 due to the modest portfolio growth. Going forward, the company's ability to increase its operating efficiency and keep the credit costs under control would be critical for improving its profitability.

Moderate asset quality – SFL's GS3² increased slightly to 5.5% in June 2024 from 5.3% in March 2024 due to general elections and other seasonal factors. However, GS3 improved to 5.1% in September 2024. Incrementally, the asset quality performance

¹ Net worth (Ind-AS) adjusted for revaluation reserve

² GS3 aligned with the Reserve Bank of India's (RBI) updated Income Recognition, Asset Classification, and Provisioning (IRAC) norms, dated November 12, 2021, which require daily stamping of accounts

is expected to remain under control in the near term. The provision coverage on the GS3 assets remains adequate, though it declined slightly to 49.7% as of June 2024 from 51.4% as of March 2024 and 51.1% in March 2023. The softer bucket overdue (30+ days past due; dpd), remained elevated at 16.7% as of June 2024 vis-à-vis 16.2% in March 2024 (17.7% in March 2023). Nevertheless, ICRA notes that SFL has been able to keep its credit costs (0.6% in Q1 FY2025, 0.4% in FY2024 and 0.4-0.8% during FY2018-FY2023) under control, demonstrating its ability to make recoveries from harder bucket delinquencies as well.

Diversification of funding mix critical for long-term growth plans – As of June 2024, loans from banks and financial institutions, deposits, NCDs (public issue), NCDs (private placement), preference shares, and sub-debt accounted for 14%, 11%, 55%, 9%, 2% and 9%, respectively, of the total debt. SFL is in the process of raising Rs. 100.0 crore through the public issuance of debentures in November 2024, which is expected to support its liquidity in the coming months and help it maintain an adequate liquidity profile. The company's track record of raising money via public issuances provides comfort.

Over the last few years, SFL's financial flexibility was constrained by the continued weakness in the performance of Group entities. However, the same is expected to improve with the recent resolution of some of the Group-related issues. ICRA notes that SFL has been significantly dependent on market borrowings in the recent past, especially the public issuance of debentures.

ICRA notes that SFL had stopped taking fresh deposits from H2 FY2021 while the renewal of existing deposits was discontinued from April 2021, following the Reserve Bank of India's (RBI) observations on the sub-debt raised by the company via private placement till FY2020³. Accordingly, the deposits outstanding were being run down till September 2023. Since then, the company has started accepting fresh deposits and renewing existing deposits as the non-compliant sub-debt has been declining due to scheduled maturities. SFL's had public deposits totalled ~Rs. 141 crore as of September 2024. Nevertheless, it would be required to augment its statutory liquid assets for the non-compliant sub-debt until their maturity by April 2025 (in case of any adverse observation by the RBI regarding the same), though the extent of shortfall has been declining steadily, in line with the maturities of the non-compliant sub-debt. The company would continue mobilising public deposits while remaining within the permissible deposit cap, which would support its funding profile. SFL's ability to diversify its lender base to achieve its long-term growth plans and to maintain adequate liquidity will be a key monitorable.

Environmental and social risks

Given the service-oriented business of SFL, its direct exposure to environmental risks/material physical climate risks is not significant. However, the residual value of the security could reduce in case of policy changes such as incremental rulings on the reduction in the operating life of commercial vehicles (CVs), thereby impacting the profitability. Further, there is increasing interest from policymakers towards identifying the exposure of financing companies to carbon emissions through their financing activities. However, this process is in an early stage and ICRA expects any adverse consequences to manifest only over a longer time horizon, giving financing companies adequate time to adapt and minimise the credit implications.

With regard to social risks, data security and customer privacy are among the key sources of vulnerability for lending institutions as material lapses could be detrimental to their reputation and invite regulatory censure. The company has not faced any lapse over the years, which highlights its sensitivity to such risks.

Liquidity position: Adequate

SFL had unencumbered cash and liquid investments of Rs. 54.26 crore as on September 30, 2024 with a debt obligation of Rs. 137.4 crore (including sub-debt payments of Rs. 38.5 crore) during October-December 2024. ICRA notes that the company's

³ The sub-debt raised by the company until FY2020, via private placement to retail/high-net-worth individual (HNI) investors (Rs. 209 crore outstanding as of December 2023), was not in adherence to the RBI's guidelines on raising money via private placement by an NBFC

collections have remained healthy, with average monthly collections of Rs. 60-65 crore, which supports its liquidity profile. The asset-liability maturity (ALM) profile, as on September 30, 2024, does not reflect cumulative negative mismatches up to 12 months.

Rating sensitivities

Positive factors – A steady improvement in SFL’s funding, asset quality and earnings profile shall positively impact the ratings.

Negative factors – Pressure on the ratings could arise on a deterioration in SFL’s liquidity profile or an increase in the gearing beyond 7.0 times on a sustained basis or a significant weakening in the asset quality, which could adversely impact its earnings.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Non-banking Finance Companies Policy on Withdrawal of Credit Ratings
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of SFL

About the company

Sakthi Finance Limited (SFL), incorporated in 1955, is a part of the Sakthi Group, which has a presence in sectors such as sugar, beverages, automobile and transport dealerships, auto components and textiles. It primarily finances CVs (88% of the total portfolio as of June 2024) with loans towards the purchase of cars, construction equipment and other machinery accounting for the rest of the portfolio. SFL mainly operates in Tamil Nadu and Kerala, which together accounted for about 95% of the total portfolio as of June 2024.

SFL reported a net profit of Rs. 15.7 crore on a managed asset base of Rs. 1,400.5 crore in FY2024 compared to Rs. 12.5 crore and Rs. 1,275.9 crore, respectively, in FY2023. As per the provisional financials for H1 FY2025, the company reported a net profit of Rs. 7.5 crore on a managed asset base of Rs. 1,421.7 crore.

Key financial indicators (audited)

SFL	FY2023	FY2024	H1 FY2025*
Total income	191.5	205.9	105.9
PAT	12.5	15.7	7.5
Total managed assets	1,275.9	1,400.5	1,421.7
Return on managed assets	1.0%	1.2%	1.1%
Managed gearing (times) [§]	5.9	6.1	6.0
Gross stage 3	5.8%	5.3%	5.1%
CRAR**	19.7%	18.5%	17.1%

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA’s calculations; Amount in Rs. crore

[§]Adjusted for revaluation reserve; **Not considering sub-debt (private placement) as Tier II capital

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2025)					Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs Crore)	Nov 19, 2024	FY2025		FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
NCDs (public issue)	Long Term	548.35	[ICRA]BBB (Stable)	23-MAY-2024	[ICRA]BBB (Stable)	12-JAN-2024	[ICRA]BBB (Stable)	31-MAY-2022	[ICRA]BBB (Stable)	26-APR-2021	[ICRA]BBB (Stable)
				-	-	05-FEB-2024	[ICRA]BBB (Stable)	20-MAR-2023	[ICRA]BBB (Stable)	22-MAR-2022	[ICRA]BBB (Stable)
NCDs (public issue)	Long Term	32.58	[ICRA]BBB (Stable); Reaffirmed and withdrawn	23-MAY-2024	[ICRA]BBB (Stable)	12-JAN-2024	[ICRA]BBB (Stable)	31-MAY-2022	[ICRA]BBB (Stable)	26-APR-2021	[ICRA]BBB (Stable)
				-	-	05-FEB-2024	[ICRA]BBB (Stable)	20-MAR-2023	[ICRA]BBB (Stable)	22-MAR-2022	[ICRA]BBB (Stable)
NCDs (public issue)	Long Term	76.48	[ICRA]BBB (Stable); Reaffirmed and withdrawn	23-MAY-2024	[ICRA]BBB (Stable)	12-JAN-2024	[ICRA]BBB (Stable)	31-MAY-2022	[ICRA]BBB (Stable)	26-APR-2021	[ICRA]BBB (Stable)
				-	-	05-FEB-2024	[ICRA]BBB (Stable)	20-MAR-2023	[ICRA]BBB (Stable)	22-MAR-2022	[ICRA]BBB (Stable)
NCDs (public issue)	Long Term	100.00	[ICRA]BBB (Stable); assigned	-	-	-	-	-	-	-	-
NCDs (public issue)	Long Term	150.00	[ICRA]BBB (Stable)	23-MAY-2024	[ICRA]BBB (Stable)	-	-	-	-	-	-
NCDs (private issue)	Long Term	150.00	[ICRA]BBB (Stable)	23-MAY-2024	[ICRA]BBB (Stable)	12-JAN-2024	[ICRA]BBB (Stable)	31-MAY-2022	[ICRA]BBB (Stable)	26-APR-2021	[ICRA]BBB (Stable)

Instrument	Current (FY2025)					Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs Crore)	Nov 19, 2024	FY2025		FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
				-	-	05-FEB-2024	[ICRA]BBB (Stable)	20-MAR-2023	[ICRA]BBB (Stable)	22-MAR-2022	[ICRA]BBB (Stable)
Long term-cash credit-fund based	Long Term	100.00	[ICRA]BBB (Stable)	23-MAY-2024	[ICRA]BBB (Stable)	12-JAN-2024	[ICRA]BBB (Stable)	31-MAY-2022	[ICRA]BBB (Stable)	26-APR-2021	[ICRA]BBB (Stable)
				-	-	05-FEB-2024	[ICRA]BBB (Stable)	20-MAR-2023	[ICRA]BBB (Stable)	22-MAR-2022	[ICRA]BBB (Stable)
Short term-working capital demand loan-fund based	Short Term	100.00	[ICRA]A2	23-MAY-2024	[ICRA]A2	12-JAN-2024	[ICRA]A2	31-MAY-2022	[ICRA]A2	26-APR-2021	[ICRA]A2
				-	-	05-FEB-2024	[ICRA]A2	20-MAR-2023	[ICRA]A2	22-MAR-2022	[ICRA]A2
Fixed deposit	Long Term	0.00	[ICRA]BBB (Stable)	23-MAY-2024	[ICRA]BBB (Stable)	12-JAN-2024	[ICRA]BBB (Stable)	31-MAY-2022	[ICRA]BBB (Stable)	26-APR-2021	MA-(Stable)
				-	-	05-FEB-2024	[ICRA]BBB (Stable)	20-MAR-2023	[ICRA]BBB (Stable)	22-MAR-2022	MA-(Stable)
Long term-term loan-fund based	Long Term	114.76	[ICRA]BBB (Stable)	23-MAY-2024	[ICRA]BBB (Stable)	12-JAN-2024	[ICRA]BBB (Stable)	31-MAY-2022	[ICRA]BBB (Stable)	26-APR-2021	[ICRA]BBB (Stable)
				-	-	05-FEB-2024	[ICRA]BBB (Stable)	20-MAR-2023	[ICRA]BBB (Stable)	22-MAR-2022	[ICRA]BBB (Stable)
Long term / short term-others-interchangeable	Long Tem/Short Term	47.88	[ICRA]BBB (Stable)/ [ICRA]A2	23-MAY-2024	[ICRA]BBB (Stable)/ [ICRA]A2	12-JAN-2024	[ICRA]BBB (Stable)/ [ICRA]A2	31-MAY-2022	[ICRA]BBB (Stable)/ [ICRA]A2	26-APR-2021	[ICRA]BBB (Stable)/ [ICRA]A2
				-	-	05-FEB-2024	[ICRA]BBB (Stable)/ [ICRA]A2	20-MAR-2023	[ICRA]BBB (Stable)/ [ICRA]A2	22-MAR-2022	[ICRA]BBB (Stable)/ [ICRA]A2

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term fund based – Cash credit	Simple
Short-term fund based – Working capital demand loan	Simple
Fund based – Interchangeable^	Simple
Long-term fund based – Term loans	Simple
Fixed deposit programme	Very Simple
NCD	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE302E07375	NCD (public issue)	Jul-29-2021	10.00%	Aug-29-2025	35.66	[ICRA]BBB (Stable)
INE302E07383	NCD (public issue)	Jul-29-2021	12.17%	Aug-29-2025	21.07	[ICRA]BBB (Stable)
INE302E07425	NCD (public issue)	Apr-29-2022	8.75%	Apr-29-2025	4.12	[ICRA]BBB (Stable)
INE302E07441	NCD (public issue)	Apr-29-2022	9.00%	Apr-29-2026	2.28	[ICRA]BBB (Stable)
INE302E07466	NCD (public issue)	Apr-29-2022	10.00%	Apr-29-2027	43.75	[ICRA]BBB (Stable)
INE302E07433	NCD (public issue)	Apr-29-2022	9.88%	Apr-29-2025	6.81	[ICRA]BBB (Stable)
INE302E07458	NCD (public issue)	Apr-29-2022	10.69%	Apr-29-2026	1.26	[ICRA]BBB (Stable)
INE302E07474	NCD (public issue)	Apr-29-2022	12.77%	Apr-29-2027	21.17	[ICRA]BBB (Stable)
INE302E08050	NCD (public issue)	May-08-2020	10.25%	Jul-08-2025	7.39	[ICRA]BBB (Stable)
INE302E08068	NCD (public issue)	May-08-2020	10.25%	Jul-08-2025	0.67	[ICRA]BBB (Stable)
INE302E08076	NCD (public issue)	May-08-2020	13.30%	Jul-08-2025	7.98	[ICRA]BBB (Stable)
INE302E08084	NCD (public issue)	Jul-29-2021	10.50%	Aug-29-2026	30.89	[ICRA]BBB (Stable)
INE302E08092	NCD (public issue)	Jul-29-2021	13.64%	Aug-29-2026	16.71	[ICRA]BBB (Stable)
INE302E07573	NCD (public issue)	May-08-2023	9.00%	May-08-2025	13.49	[ICRA]BBB (Stable)
INE302E07508	NCD (public issue)	May-08-2023	9.74%	May-08-2025	19.53	[ICRA]BBB (Stable)
INE302E07540	NCD (public issue)	May-08-2023	9.25%	May-08-2026	6.56	[ICRA]BBB (Stable)
INE302E07516	NCD (public issue)	May-08-2023	10.52%	May-08-2026	15.4	[ICRA]BBB (Stable)
INE302E07557	NCD (public issue)	May-08-2023	9.50%	May-08-2027	2.1	[ICRA]BBB (Stable)
INE302E07490	NCD (public issue)	May-08-2023	11.40%	May-08-2027	2.51	[ICRA]BBB (Stable)
INE302E07565	NCD (public issue)	May-08-2023	10.25%	May-08-2028	50.75	[ICRA]BBB (Stable)
INE302E07524	NCD (public issue)	May-08-2023	13.17%	May-08-2028	16.16	[ICRA]BBB (Stable)
INE302E07532	NCD (public issue)	May-08-2023	14.30%	Jun-08-2030	20.36	[ICRA]BBB (Stable)
INE302E07607	NCD (public issue)	Feb-27-2024	9.00%	Feb-27-2026	11.02	[ICRA]BBB (Stable)
INE302E07615	NCD (public issue)	Feb-27-2024	9.74%	Feb-27-2026	14.13	[ICRA]BBB (Stable)
INE302E07656	NCD (public issue)	Feb-27-2024	9.25%	Feb-27-2027	7.08	[ICRA]BBB (Stable)
INE302E07599	NCD (public issue)	Feb-27-2024	10.52%	Feb-27-2027	17.87	[ICRA]BBB (Stable)
INE302E07649	NCD (public issue)	Feb-27-2024	10.25%	Feb-27-2029	57.03	[ICRA]BBB (Stable)
INE302E07631	NCD (public issue)	Feb-27-2024	13.17%	Feb-27-2029	25.56	[ICRA]BBB (Stable)
INE302E07623	NCD (public issue)	Feb-27-2024	14.30%	Mar-29-2031	15.40	[ICRA]BBB (Stable)
INE302E07748	NCD (public issue)	Jul-09-2024	9.00%	Jul-09-2026	8.84	[ICRA]BBB (Stable)
INE302E07730	NCD (public issue)	Jul-09-2024	9.25%	Jul-09-2027	6.96	[ICRA]BBB (Stable)
INE302E07706	NCD (public issue)	Jul-09-2024	10.25%	Jul-09-2029	59.89	[ICRA]BBB (Stable)
INE302E07763	NCD (public issue)	Jul-09-2024	9.31%	Jul-09-2026	8.06	[ICRA]BBB (Stable)
INE302E07755	NCD (public issue)	Jul-09-2024	9.58%	Jul-09-2027	9.67	[ICRA]BBB (Stable)
INE302E07714	NCD (public issue)	Jul-09-2024	10.65%	Jul-09-2029	19.78	[ICRA]BBB (Stable)
INE302E07722	NCD (Public issue)	Jul-09-2024	10.38%	Aug-09-2031	10.47	[ICRA]BBB (Stable)
Unutilised	NCD (public issue)	NA	NA	NA	79.97	[ICRA]BBB (Stable)
Unutilised	NCD (public issue)	NA	NA	NA	100.00	[ICRA]BBB (Stable)
INE302E07664	NCD (private issue)	Jun-07-2024	9.50%	Jun-07-2027	2.10	[ICRA]BBB (Stable)
INE302E07672	NCD (private issue)	Jun-07-2024	10.25%	Jun-07-2029	1.85	[ICRA]BBB (Stable)
INE302E07680	NCD (private issue)	Jun-07-2024	9.50%	Jun-07-2027	0.50	[ICRA]BBB (Stable)
INE302E07698	NCD (private issue)	Jun-07-2024	10.25%	Jun-07-2029	0.50	[ICRA]BBB (Stable)
Unutilised	NCD (private issue)	NA	NA	NA	145.05	[ICRA]BBB (Stable)
NA	Fixed deposits	NA	NA	NA	-	[ICRA]BBB (Stable)
NA	Term loans	Sep 2023 to Dec 2023	NA	Mar 2024 to Apr 2028	114.76	[ICRA]BBB (Stable)
NA	Cash credit	NA	NA	NA	100.00	[ICRA]BBB (Stable)
NA	Fund-based interchangeable [^]	NA	NA	NA	(47.88) [^]	[ICRA]BBB (Stable) / [ICRA]A2
NA	Working capital demand loan	NA	NA	NA	100.00	[ICRA]A2
INE302E07359	NCD (public issue)	Jul-29-2021	9.75%	Oct-29-2024	16.63	[ICRA]BBB (Stable); reaffirmed and
INE302E07367	NCD (public issue)	Jul-29-2021	11.32%	Oct-29-2024	15.95	withdrawn

INE302E07300	NCD (public issue)	May-08-2020	10.00%	Jun-08-2024	18.94	[ICRA]BBB (Stable); withdrawn
INE302E07318	NCD (public issue)	May-08-2020	10.00%	Jun-08-2024	2.49	
INE302E07326	NCD (public issue)	May-08-2020	12.17%	Jun-08-2024	11.29	
INE302E08027	NCD (public issue)	May-15-2019	10.25%	Jun-15-2024	20.85	
INE302E08035	NCD (public issue)	May-15-2019	10.25%	Jun-15-2024	1.07	
INE302E08043	NCD (public issue)	May-15-2019	13.24%	Jun-15-2024	21.84	

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

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Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



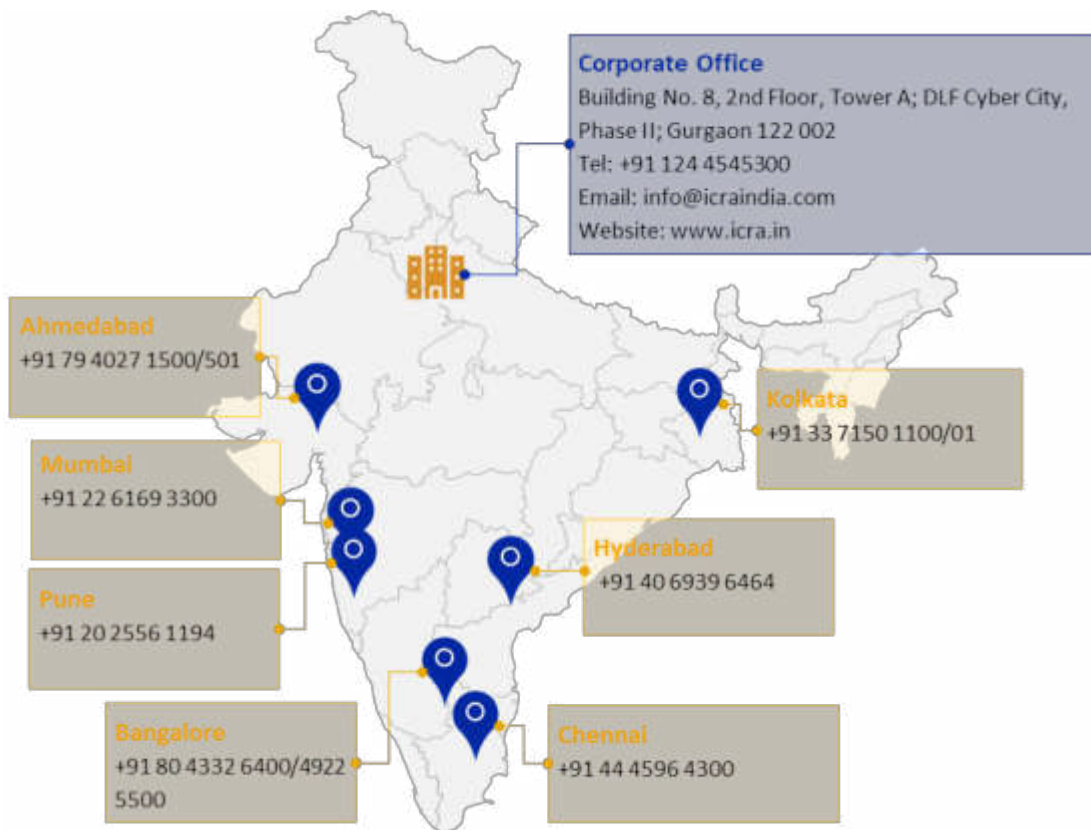
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Branches



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ANNEXURE D: DEBENTURE TRUSTEE CONSENT LETTER

CL/DEB/24-25/140

Date : 03-May-2024

To,
Subramaniam ,
Sakthi Finance Limited,
62 old no 90, Sakthi, Dr.Nanjappa road,,
Gandhipuram, Coimbatore,,
Coimbatore,
Tamil Nadu,
India 641018.

Dear Sir/ Madam,

Re: Consent to act as a Debenture Trustee for Private Placement of Fully Paid, Rated, Listed, Redeemable, Transferable, Secured, Non-Convertible Debentures of ₹ 100.00 Crores

We refer to your letter dated 03.05.2024 , requesting us to convey our consent to act as the Debenture Trustee for captioned issue of Debentures.

We hereby convey our acceptance to act as Debenture Trustees for the said issue Debentures, subject to execution of Debenture Trustee Agreement as per Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993, thereby agreeing to execute Debenture Trust Deed and to create the security if applicable within the timeline as per relevant Laws / Regulations and in the Offer Document / Information Memorandum / Disclosure Document / Placement Memorandum and company agreeing / undertaking to comply with the provisions of SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulations 2021, SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, Companies Act, 2013 and Rules thereunder and other applicable laws as amended from time to time.

Fee Structure for the proposed transaction will be as per annexure A.

Assuring you of the best professional services.

Thanking you.

Yours faithfully,

Vihang Chavan



Name : Vihang Chavan

Designation : Assistant Manager



ANNEXURE E: EXTRACT OF BOARD / COMMITTEE RESOLUTION OF THIS ISSUE



Sakthi Finance

Since 1955

CERTIFIED TRUE COPY OF EXTRACT FROM THE MINUTES OF THE FIFTH MEETING OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2023-24 HELD ON WEDNESDAY, 27 MARCH 2024 AT 11.45 A.M. AT 180 RACE COURSE ROAD, COIMBATORE - 18

8.4 CONSIDERING AND APPROVING ISSUE OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES ("NCDs") ON PRIVATE PLACEMENT BASIS FOR AN AMOUNT NOT EXCEEDING ₹ 50 CRORES

RESOLVED THAT subject to the approval of members through Postal Ballot, pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act 2013 ("**the Act**") (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Companies (Prospectus and Allotment of Securities) Rules 2014 and the Companies (Share Capital and Debentures) Rules 2014 ("**the Rules**") and in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021 (including any statutory modification(s) or re-enactment thereof, for the time being in force) ("**SEBI NCS Regulations**") read with the Master Circular, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**Listing Regulations**"), as may be applicable, the rules, regulations, guidelines, circulars and RBI directions as applicable to the Non-Banking Financial Companies ("**NBFC**") amended from time to time, the Memorandum and Articles of Association of the Company and subject to such other approvals as may be prescribed by regulatory authorities from time to time, the approval of the members of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "**the Board**" which term shall be deemed to include any Committee duly constituted / authorized Committee of the Board) to make invitation(s), to subscribe and offer(s), issue and allot, Listed, Secured, Redeemable, Non-Convertible Debentures ("**NCDs**") on private placement basis, at such face value as may be permissible under the Act and RBI directions on private placement basis, at par, premium or discount, in one or more tranches for an amount not exceeding ₹ 50 crores, within the overall borrowing limits of the Company approved by the members.

RESOLVED FURTHER THAT the Board be and is hereby authorized to:

- decide whether to issue Secured Debentures, in one or more series or tranches;
- decide to list the tranches;
- finalize the other terms and conditions including the rate of interest, tenor and security cover thereof, the consideration of the issue, utilization of the issue proceeds and all matters connected to it;
- decide on the timing of each tranche.
- decide on the persons to whom it can be issued, including companies, bodies corporate, statutory corporations, commercial banks, lending



Sakthi Finance Limited

62, Dr. Nanjappa Road, Coimbatore - 641 018, Tamilnadu, India,

Ph : (0422) 2231471 - 474, 4236200 Fax : (0422) 2231915 | www.sakthifinance.com | CIN : L65910TZ1955PLC000145



Sakthi Finance

Since 1955

- agencies, financial institutions, insurance companies, mutual funds, pension / provident funds and individuals or such other person / persons eligible to subscribe; and
- f. do all such acts, deeds and things and give such directions and further to execute such documents, deeds, instruments, and writings as may be deemed necessary, proper and desirable or expedient to give effect to the above Resolution.

RESOLVED FURTHER THAT a copy of Private Placement Offer Letter in Form PAS-4 containing the required particulars, a copy of which was circulated to the Board members, be and is hereby approved / taken on record.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof), be and is hereby authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient, including determining the terms and conditions of the NCDs and other debt securities, to give effect to the above Resolutions.

RESOLVED FURTHER THAT Sri Srinivasan Anand, Chief Financial Officer and Sri C Subramaniam, Company Secretary be and is hereby severally authorized to take required steps to file necessary e-form with MCA / Registrar of Companies in this regard.

r Sakthi Finance Limited

Sri C Subramaniam
Company Secretary
#CS 6971



EXTRACT OF THE MINUTES OF THE NINETEENTH MEETING OF THE FINANCE, INVESTMENT AND SECURITIES ISSUANCE COMMITTEE MEETING FOR THE FINANCIAL YEAR 2024 – 25 HELD ON FRIDAY, 13 DECEMBER 2024 AT 4.35 P.M.AT 62, DR NANJAPPA ROAD, COIMBATORE- 641 018

3.0 CONSIDERING AND APPROVING THE KEY INFORMATION DOCUMENT (“KID”) FOR ISSUE OF RATED, LISTED, SECURED, REDEEMABLE, NON CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,00,000 EACH FOR AN AMOUNT NOT EXCEEDING ₹ 3.58 CRORES ON PRIVATE PLACEMENT BASIS

RESOLVED THAT pursuant to Section 42 and 71 of the Companies Act 2013 (“the Act”) read with relevant Rules made thereunder, Master Direction – RBI (Non-Banking Financial Company – Scale Based Regulations) Directions 2023 (“MD-RBI-SBR”), Regulation 50A of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations 2021, Master Circular for Issue and Listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper and other applicable regulations, if any, as amended, the draft Key Information Document (“KID”) prepared and offering Issue of Secured, Redeemable, Non-Convertible Debentures (“NCDs”) of face value of ₹ 1,00,000 each for an amount not exceeding ₹ 3.58 Crores on private placement basis, a copy of which was placed before the Committee and initialled by the Chairman for the purpose of identification be and is hereby considered and approved.

RESOLVED FURTHER THAT Sri K S Venkitasubramanian, Chief Operating Officer (“COO”), Sri K Sundaramurthy, Chief Financial Officer (“CFO”) and Sri S Venkatesh, Company Secretary and Chief Compliance Officer (“CS and CCO”), be and are hereby severally authorized to submit the draft KID to SEBI / BSE Limited and to make necessary corrections, amendments to the KID as may be necessary in this regard.

RESOLVED FURTHER THAT Sri K S Venkitasubramanian, COO, Sri K Sundaramurthy, CFO and Sri S Venkatesh, Company Secretary, CS and CCO, be and are hereby severally authorized to sign, execute all documents, deeds, applications etc., submitted / to be submitted to SEBI and BSE Limited in relation to the above NCD Issue.



ANNEXURE F: FINANCIAL STATEMENTS

SI No	Particulars	Page No.
1	Limited Review Report on unaudited standalone financial results for the 6 months ended September 30, 2024	F 1
2	Audited Financial Statements as at and for the Financial Year ended March 31, 2024	F 33
3	Audited Financial Statements as at and for the Financial Year ended March 31, 2023	F 138
4	Audited Financial Statements as at and for the Financial Year ended March 31, 2022	F 236

SAKTHI FINANCE LIMITED
CIN : L65910TZ1955PLC000145
REGD OFFICE : NO. 62 DR NANJAPPA ROAD
COIMBATORE - 18

Statement of Unaudited Financial Results for the Quarter and Half Year ended 30 September 2024

Sl No	Particulars	Quarter Ended			Half Year Ended		(₹ Lakhs)
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	Year Ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	31.03.2024
1	Revenue from Operations						
	Interest Income	5,182.50	5,133.90	4,864.58	10,316.40	9,589.98	19,026.18
	Rental Income	18.67	13.62	16.90	32.29	33.49	64.18
	Fees and Commission	129.80	114.84	129.30	244.64	241.45	511.22
	Bad debts recovery	19.41	15.73	22.15	35.14	33.23	80.16
	Sale of power from windmills	78.85	42.42	89.55	121.27	139.43	192.37
	Total revenue from operations	5,429.23	5,320.51	5,122.48	10,749.74	10,037.58	20,674.11
2	Other Income						
	Miscellaneous income	1.05	1.69	(0.05)	2.73	0.14	0.25
3	Total income	5,430.28	5,322.19	5,122.43	10,752.47	10,037.72	20,674.36
4	Expenses						
	a. Finance Costs	3,057.59	2,943.19	2,897.03	6,000.78	5,721.42	11,572.62
	b. Fees and commission expenses	25.48	28.06	32.80	53.54	58.18	111.01
	c. Impairment on Financial Instruments	165.58	203.48	208.84	369.06	374.67	675.04
	d. Employee benefits expenses	941.37	897.49	892.10	1,838.86	1,755.56	3,664.70
	e. Depreciation, amortisation and impairment	149.08	152.05	147.11	301.13	291.61	587.44
	f. Other Administrative Expenses	520.99	550.68	425.34	1,071.67	862.68	1,915.70
	Total Expenses	4,850.09	4,774.95	4,603.22	9,635.04	9,064.12	18,626.57
5	Profit/(Loss) before Exceptional Items and Tax (3-4)	570.19	547.24	519.21	1,117.43	973.60	2,147.79
6	Exceptional Items	-	-	-	-	-	-
7	Profit/(Loss) before tax (5-6)	570.19	547.24	519.21	1,117.43	973.60	2,147.79
8	Tax expense:						
	a. Current Tax	198.80	201.65	169.05	400.45	333.33	572.38
	b. Deferred Tax	14.15	(43.22)	(24.99)	(29.07)	(79.71)	(252)
	c. Provision for Taxation (earlier years)	-	0.00	-	-	-	7.39
9	Profit after Tax for the period from continuing operations (7-8)	357.24	389.81	375.15	746.65	719.98	1,670.54
10	Other Comprehensive Income:						
	(i) Items that will not be reclassified to profit or loss :						
	a) Fair value changes in Equity Instruments	2.77	53.80	43.84	50.67	68.50	39.91
	b) Remeasurement Gain / (Loss) in defined benefit obligations	(9.03)	0.00	(0.23)	(9.03)	1.28	2.96
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.88)	(13.57)	(10.97)	(15.45)	(17.56)	(10.79)
11	Other Comprehensive Income	(8.14)	40.33	32.64	32.19	52.22	32.08
12	Total Comprehensive Income for the period (9+11)	349.10	429.14	407.79	778.24	772.20	1,602.62
13	Earnings per equity share (Face Value : ₹ 10 each) :						
	- Basic (₹)	0.55	0.60	0.63	1.15	1.19	2.43
	- Diluted (₹)	0.55	0.60	0.63	1.15	1.19	2.43



SAKTHI FINANCE LIMITED
CIN : L65910TZ1955PLC000145
REGD OFFICE : NO. 62 DR NANJAPPA ROAD
COIMBATORE - 18

STATEMENT OF ASSETS AND LIABILITIES

(₹ lakh)

Particulars	As at	As at
	30.09.2024 (Unaudited)	31-03-2024 (Audited)
ASSETS		
Financial Assets		
Cash and cash equivalents	2,873.48	7,478.74
Bank Balances other than cash and cash equivalents	1,134.66	2,522.02
Receivables :		
(a) Trade Receivables	140.83	186.11
(b) Other Receivables	18.23	12.22
Loans	1,25,195.24	1,20,172.39
Investments	1,800.96	1,390.07
Other Financial assets	1,576.22	1,382.94
Non-Financial Assets		
Current tax assets (net)	-	-
Deferred tax Assets (net)	400.65	387.03
Investment Property	263.72	266.03
Property, Plant and Equipment	5,599.22	5,665.90
Right of use assets	932.76	945.70
Intangible assets under development	199.09	67.79
Other Intangible assets	149.32	165.31
Other non-financial assets	1,883.52	1,853.35
Total Assets	1,42,167.90	1,42,495.60
LIABILITIES AND EQUITY		
LIABILITIES		
Financial Liabilities		
Derivative financial Instruments		
Payables:		
(I) Trade Payables:		
(i) total outstanding dues of micro enterprises and small enterprises	-	0.59
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	147.73	226.01
(II) Other Payables:		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	365.80	189.03
Debt Securities	71,153.31	65,619.57
Borrowings (Other than Debt Securities)	14,051.90	12,480.27
Deposits	14,151.00	8,281.47
Subordinated Liabilities	17,967.05	31,166.98
Other financial liabilities	1,872.13	2,318.66
Non-Financial Liabilities		
Current tax liabilities (net)	76.48	3.46
Provisions	214.60	142.72
Deferred tax liabilities (net)	-	-
Other non-financial liabilities	70.28	229.07
EQUITY		
Equity Share capital	6,470.59	6,470.59
Other Equity	15,626.95	15,366.38
Total Liabilities and Equity	1,42,167.90	1,42,495.60



*

SAKTHI FINANCE LIMITED
CIN : L65910TZ1955PLC000145
REGD OFFICE : NO. 62 DR NANJAPPA ROAD
COIMBATORE - 18.

STATEMENT OF CASH FLOW FOR THE HALF YEAR ENDED 30 SEPTEMBER 2024

(₹ lakh)

Particulars	Half Year Ended	
	30.09.2024	31.03.2024
	(Unaudited)	(Audited)
A. Cash flow from Operating activities		
Profit before tax	1,117.43	2,147.79
Adjustment to reconcile profit before tax to net cash flows:		
Non-cash expenses		
Depreciation, amortisation and impairment	301.13	587.44
Impairment on Loan Assets	202.03	355.40
Bad debts and write offs	173.94	336.69
Remeasurement gain/(loss) on defined benefit plans	(9.03)	2.96
Impairment on Investments	0.51	1.41
Impairment on Trade receivables	(7.42)	(18.46)
Amortization of fees and Commission on financial liability	80.75	184.10
Income/expenses considered seperately		
Income from Investing activities	(185.15)	(259.82)
Net gain/(loss) on derecognition of property, plant and equipment	(1.51)	0.23
Finance costs	6,000.78	11,572.62
Operating profit before working capital changes	7,673.46	14,910.36
Movements in Working Capital:		
Decrease / (Increase) in loans	(5,398.82)	(6,364.38)
Decrease / (Increase) in Trade receivables	52.70	58.56
Decrease / (increase) in Other receivables	(6.01)	6.17
Decrease / (Increase) in Other financial assets	(185.69)	(77.47)
Decrease / (Increase) in Other non-financial assets	(30.17)	(0.03)
Increase / (decrease) in Trade Payables	(78.88)	70.45
Increase / (decrease) in Other Payables	175.97	(3.43)
Increase / (decrease) in Other financial liabilities	(451.36)	1,029.59
Increase / (decrease) in Other non-financial liabilities	(158.79)	131.29
Increase / (decrease) in Provisions	71.88	7.23
Cash generated from operations	(6,009.17)	(5,142.02)
Income taxes paid (net of refunds)	(327.43)	(543.16)
Interest received on Bank deposits	136.88	166.13
Finance costs paid	(8,552.72)	(12,190.06)
Net Cash flows from / (used in) operating activities (A)	(7,078.98)	(2,798.75)
B. Cash flow from Investing activities		
Purchase of property, plant and equipment and intangible assets	(341.65)	(368.02)
Purchase of Investments at amortised cost	(695.73)	(709.06)
Proceeds from sale of investments at amortised cost	341.00	702.00
Proceeds from sale of property, plant and equipment and intangible assets	8.64	0.53
Interest income received from Investment at amortised cost	48.27	93.69
Increase in earmarked balances with banks	1,387.36	(2,479.11)
Net cash flows from / (used in) investing activities (B)	747.89	(2,759.97)



SAKTHI FINANCE LIMITED
CIN : LG5910TZ1955PLC000145
REGD OFFICE : NO. 62 DR NANJAPPA ROAD
COIMBATORE - 18

(₹ lakh)

Particulars	Half Year Ended	
	30.09.2024	31.03.2024
	(Unaudited)	(Audited)
C. Cash flow from Financing activities		
Issue Expense of Debt Securities	-	21.87
Proceeds from borrowings through debt securities	12,862.44	33,784.97
Repayment of borrowings through debt securities	(7,345.65)	(16,998.17)
Proceeds from borrowings through Deposits	5,765.02	8,225.59
Repayment of borrowings through Deposits	84.46	(2,402.63)
Proceeds from borrowings other than debt securities	1,220.00	8,500.00
Repayment of borrowings other than debt securities	(2,122.88)	(4,052.93)
Proceeds from borrowings through subordinated liabilities	716.00	1,439.15
Repayment of borrowings through subordinated liabilities	(11,370.22)	(11,204.70)
(Increase) / decrease in loan repayable on demand	2,447.01	(6,694.36)
Lease liability paid	(12.70)	(131.18)
Dividend paid (Including tax)	(517.65)	(452.94)
Net cash flows from financing activities (C)	1,725.83	10,034.67
Net Increase / (decrease) in cash and cash equivalents (A+B+C)	(4,605.26)	4,475.95
Cash and cash equivalents at the beginning of the year	7,478.74	3,002.79
Cash and cash equivalents at the end of the year	2,873.48	7,478.74

Net cash provided by / (used in) operating activities includes		
Interest received	10,131.25	19,566.36
Interest paid	(8,552.72)	(12,190.06)
Net cash provided by / (used in) operating activities	1,578.53	7,376.30

Cash and cash equivalents at the end of the year		
i) Cash in hand	193.19	384.83
ii) Cheques on hand	8.88	9.04
iii) Balances with banks (of the nature of cash and cash equivalents)	2,671.41	7,084.87
Total	2,873.48	7,478.74



SAKTHI FINANCE LIMITED
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Notes:

1. The above Unaudited financial results for the quarter and the half year ended 30 September 2024 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12th November 2024.
2. The Unaudited Financial Results of the company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time, the circulars, guidelines and directions issued by Reserve Bank of India ("RBI"), Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations"), as amended and other recognised accounting practices generally accepted in India.

The Unaudited Financial Results are available on the website of the company (www.sakthifinance.com) and on the website of BSE Limited (www.bseindia.com).
3. The financial results for the quarter and the half year ended 30 September 2024 have been reviewed by the Statutory Auditors of the Company.
4. In terms of the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions 2023 dated 19 October 2023, Non-Banking Financial Companies are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning ("IRACP") norms (including provision on standard assets). As such the impairment allowances under Ind AS 109 made by the company exceeds the total provisions required under IRACP (including standard assets provisioning) as at 30 September 2024 and accordingly, no amount is required to be transferred to impairment reserve.
5. In terms of RBI Circular No. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 in relation to the Resolution Framework for COVID-19-related stress, the disclosure is as follows:

(₹ lakhs)

Type of Borrowers	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the half-year ended March 31, 2024	Of such accounts, aggregate debt that slipped into NPA during the half-year	Of such accounts amount written off during the half-year	Of such accounts amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of Resolution plan - Position as at the half-year ended September 30, 2024
Personal Loans	34.79	9.13	-	19.55	6.12
Corporate Loans	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	34.79	9.13	-	19.55	6.12



SAKTHI FINANCE LIMITED
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6. Disclosures as required by Regulation 52(4) of the Listing Regulations is enclosed in Appendix I.
7. The Company had filed Prospectus dated 13 June 2024 for Public Issue of Rated, Listed, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each ("NCDs") for an amount up to ₹ 75 Crores with an option to retain over-subscription for an amount up to ₹ 75 Crores, aggregating an amount not exceeding ₹ 150 Crores. The issue opened on 20 June 2024 and closed on 3 July 2024. The NCDs aggregating ₹ 123.67 Crores were allotted on 9 July 2024 to eligible applicants by Finance, Investments and Securities Issuance Committee. The Listing documents were filed on 9 July 2024 and the trading approval was received from BSE Limited on 10 July 2024 for trading in NCDs with effect from 11 July 2024. The proceeds of NCD are being utilized during the quarter ended 30th September 2024 for the objects stated in the Prospectus dated 13 June 2024 and there is no deviation.
8. The Company's Rated, Secured, Redeemable, Non-Convertible Debentures ("NCDs") are secured by mortgage of identified immovable properties and a charge on the specified hire purchase receivables of the Company with a cover of 1.10 times outstanding (principal and interest accrued thereon) as per the terms of the issue.
9. As on 30 September 2024, the Security Cover available in respect of NCDs is 1.10 times. The Security Cover Certificate as per Regulation 54(3) of the Listing Regulations is enclosed in Appendix II.
10. The Company is primarily engaged in the business of financing and accordingly, there are no separate reportable segments as identified as per Ind AS 108 on 'Operating Segments'.
11. Previous period / year figures have been regrouped / re-arranged / re-classified, wherever necessary to conform to the current period presentation. There is no significant regrouping/ reclassification for the quarter under report.

By Order of the Board
For Sakthi Finance Limited



M Balasubramaniam
Vice Chairman and Managing Director
DIN: 00377053

12 November 2024
Coimbatore - 18

P.N. RAGHAVENDRA RAO & CO

Chartered Accountants

Founder P.N. Raghavendra Rao

No. 23/2, Viswa Paradise Apartments IInd Floor, Kalidas Road, Ramnagar, Coimbatore - 641 009

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Date : _____

Independent Auditor's Limited Review Report on Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2024

To
The Board of Directors of
Sakthi Finance Limited

Review Report on the Statement of Unaudited Financial Results

1. We have reviewed the accompanying statement of unaudited Financial Results of Sakthi Finance Limited ("the Company") for the quarter and half year ended September 30, 2024 ("the Statement"). The Statement has been prepared by the Company pursuant to Regulation 33, Regulation 52 and Regulation 63 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

Management Responsibility for the Unaudited Financial Results

2. The Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 as amended, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the circulars, Guidelines and Directions issued by Reserve Bank of India from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. The preparation of the Statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Statement based on our review.

Auditor's Responsibility

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Financial Statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial



P.N. RAGHAVENDRA RAO & CO

Chartered Accountants

Founder P.N. Raghavendra Rao

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and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial Results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33, Regulation 52 and Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Other Matters

5. The Comparative financial results/ financial information/ financial statements of the Company for the corresponding quarter and half year ended 30th September 2023, and previous quarter ended 30th June 2024 were reviewed by the predecessor auditor and the year ended 31st March, 2024 was audited by the predecessor auditor who expressed an unmodified opinion on those financial statements. Our conclusion on the statement is not modified in respect of this matter.

For P N RAGHAVENDRA RAO & CO.,
Chartered Accountants
Firm Registration Number: 003328S

12th November 2024
Coimbatore




P R Vittel
Partner
Membership Number: 018111
UDIN: 24018111BKGEMP9081

SAKTHI FINANCE LIMITED
CIN : L65910TZ1955PLC000145
REGD OFFICE : NO. 62 DR NANJAPPA ROAD
COIMBATORE - 19

Extract of Statement of Unaudited Financial Results for the Quarter and the Half Year ended 30 September 2024

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31-03-2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total Revenue from Operations (net)	5,429.23	5,320.51	5,122.48	10,749.74	10,037.58	20,674.11
Net Profit / (Loss) for the period (before tax and Exceptional Items)	570.19	547.24	519.21	1,117.43	973.60	2,147.79
Net Profit / (Loss) for the period before tax (after Exceptional Items)	570.19	547.24	519.21	1,117.43	973.60	2,147.79
Net Profit / (Loss) for the period after tax (after Exceptional Items)	357.24	388.81	375.15	745.05	718.98	1,570.54
Other Comprehensive Income (net of tax)	(8.14)	40.33	32.64	32.19	52.22	32.00
Total Comprehensive Income for the period (comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (net of tax))	349.10	429.14	407.79	778.24	772.20	1,602.62
Paid-up equity share capital (Face value : ₹ 10 per Reserves (excluding Revaluation Reserve))	6,470.69	6,470.59	6,470.59	6,470.59	6,470.59	6,470.59
Securities Premium Account	1,429.80	1,429.80	1,429.80	1,429.80	1,429.80	12,943.34
Not worth	19,079.40	19,341.39	18,124.32	19,079.40	18,124.32	18,979.48
Paid up Debt Capital/ Outstanding Debt	0.51	0.44	0.34	0.51	0.34	0.45
Outstanding Redeemable Preference Shares	NA	NA	NA	NA	NA	NA
Debt Equity Ratio	6.14	5.57	6.12	6.14	6.12	6.23
Earnings per share (₹ 10 each) (for continuing						
a. Basic (₹)	0.55	0.60	0.63	1.16	1.19	2.43
b. Diluted (₹)	0.55	0.60	0.63	1.15	1.19	2.43
Capital Redemption Reserve	NA	NA	NA	NA	NA	NA
Debt Redemption Reserve	NA	NA	NA	NA	NA	NA
Debt Service Coverage Ratio	NA	NA	NA	NA	NA	NA
Interest Service Coverage Ratio	NA	NA	NA	NA	NA	NA

Notes :

- The above is an extract of the detailed format of the Unaudited Financial Results filed with Stock Exchange under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The full format of the Unaudited Financial Results are available on the BSE Ltd website (URL: www.bseindia.com/corporates) and company's website, www.sakthifinance.com.
- Disclosures in accordance with Regulation 52(4) of the Listing Regulations have been submitted to BSE Limited and the disclosures can be accessed on the BSE website (URL : www.bseindia.com/corporates) and company's website, www.sakthifinance.com.



By Order of the Board
For Sakthi Finance Limited

M Balasubramaniam
Vice Chairman and Managing Director
DIN : 00377053

12-November-2024
Coimbatore - 18

Annexure D

SAKTHI FINANCE LIMITED
 CIN : L65910TZ1955PLC000145
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Appendix - I

Compliance related to disclosure of certain ratios and other financial information as required under Regulation 52(4) of the Listing Regulations

(₹ lakhs)

Sl No	Particulars	Quarter Ended			Year Ended
		30 September 2024	30 June 2024	30 September 2023	31 March 2024
1	Debt - Equity Ratio (Refer Note 2)	6.14	5.57	6.12	6.23
2	Debt Service Coverage Ratio	NA	NA	NA	NA
3	Interest Service Coverage Ratio	NA	NA	NA	NA
4	Outstanding Redeemable Preference Shares	NA	NA	NA	NA
5	Capital Redemption Reserve	NA	NA	NA	NA
6	Debenture Redemption Reserve	NA	NA	NA	NA
7	Net Worth (Refer Note 3)	19,079.40	19,341.39	18,124.32	18,979.48
8	Net Profit / (Loss) After Tax	357.24	388.81	375.15	1,570.54
9	Earnings per Share:				
	- Basic (₹)	0.55	0.60	0.58	2.43
	- Diluted (₹)	0.55	0.60	0.58	2.43
10	Current Ratio	NA	NA	NA	NA
11	Long Term debt to Working Capital	NA	NA	NA	NA
12	Bad Debts to Accounts Receivable Ratio	NA	NA	NA	NA
13	Current Liability Ratio	NA	NA	NA	NA
14	Total Debts to Total Assets (Refer Note 4)	0.77	0.75	0.75	0.76
15	Debtor Turnover	NA	NA	NA	NA
16	Inventory Turnover	NA	NA	NA	NA



SAKTHI FINANCE LIMITED
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(₹ lakhs)

SI No	Particulars	Quarter Ended			Year Ended
		30 September 2024	30 June 2024	30 September 2023	31 March 2024
17	Operating Margin (%)	NA	NA	NA	NA
18	Net Profit Margin (%) (Refer Note 5)	6.58%	7.31%	7.17%	7.60
19	Sector specific equivalent ratios, as applicable				
	i) Gross Non-performing Assets (GNPA) % (Refer Note 6)	5.13%	5.45%	5.73%	5.25
	ii) Net Non-Performing Assets (NNPA) % (Refer Note 7)	2.60%	2.82%	2.97%	2.62
	iii) Provision Coverage Ratio (PCR %) (Refer Note 8)	50.62%	49.67%	49.64%	51.38
	iv) Capital Adequacy Ratio (%) (Refer Note 9)	17.12%	19.10%	17.26%	18.48

Notes :

1. Certain ratios/line items marked with remark "NA" are not applicable since the Company is a Non-Banking Financial Company registered with the Reserve Bank of India
2. Debt - Equity ratio = [Debt Securities + Borrowings (Other than Debt Securities) + Deposits + Subordinated Liabilities] / [Equity Share Capital + Other equity]
3. Net worth = [Equity shares capital + other equity]
4. Total debts to total assets = [Debt Securities + Borrowings (Other than Debt Securities + Deposits + Subordinated Liabilities] / Total assets
5. Net profit margin (%) = Profit after tax / Total Income
6. Gross Non-performing Assts (GNPA) % = Gross Stage III assets / Gross loan assets
7. Net Non-performing Assts (NNPA) % = [Gross Stage III assets - Impairment loss allowance for Stage III assets] / [Gross Loan Assets - Impairment loss allowance for Stage III assets]
8. Provision Coverage Ratio (PCR %) = Impairment loss allowance for Stage III assets / Gross Stage III assets
9. Capital Adequacy Ratio has been computed as per relevant RBI guidelines



P.N. RAGHAVENDRA RAO & CO

Chartered Accountants

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Date : _____

To
 Board of Directors
 Sakthi Finance Limited
 62, Nanjappa Road
 Colmbatore - 641018

Independent Auditor's Certificate on Security Cover as at September 30, 2024 under Regulation 54 read with Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations"), as amended, for submission to the Stock Exchange ("BSE Ltd") and Catalyst Trusteeship Limited ("the Debenture Trustee")

1. We, M/s. P N Raghavendra & Co., Chartered Accountants, the Statutory Auditors of Sakthi Finance Limited ("the Company"), have been requested by the management of the Company to certify the book value of assets charged against the Rated, Secured, Redeemable, Non-Convertible Debentures by Public Issue and Private Placement basis ("NCDs") ("Listed Debt Securities") issued by the Company and to certify compliance with the covenants in respect of Listed, Secured, Redeemable, Non-Convertible Debentures of the Company issued and outstanding as at September 30, 2024.
2. The Company has outstanding balances of Secured, Redeemable, Non-Convertible Debentures as on September 30, 2024 comprising NCDs issued through Public Issue of face value ₹ 1,000 each and NCDs issued through Private Placement basis of face value ₹ 1,00,000 each as detailed below:

Particulars	Principal Amount outstanding (₹ In lakhs)
NCD Public Issue V (Prospectus dated June 25, 2021)	8,931.40
NCD Public Issue VI (Prospectus dated April 05, 2022)	7,938.51
NCD Public Issue VII (Prospectus dated April 10, 2023)	14,686.04
NCD Public Issue VIII (Prospectus dated January 30, 2024)	14,809.64
NCD Public Issue IX (Prospectus dated June 13, 2024)	12,367.44
NCD Private Placement Basis (Issued on June 7, 2024)	495.00

3. The accompanying statements (hereinafter referred as "the Statements") comprises the Statement of Security Cover available for the outstanding (Principal and interest) amount of aforesaid Listed Non-Convertible Debentures in Annexure A and Statement of Book Value of



P.N. RAGHAVENDRA RAO & CO

Chartered Accountants

Founder P.N. Raghavendra Rao

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Assets and the amount pledged against the Listed Non-convertible Debentures in Annexure B.

4. The responsibility for compiling the Information contained in the Statements is of the Management of the Company and the same is initialed by us for identification purposes only.

Management's Responsibility for the Statements

5. The preparation of the Statements is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statements and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
6. The Statements have been prepared by the Company from the unaudited books of accounts and other relevant records and documents maintained by the Company as at September 30, 2024 pursuant to requirements of SEBI Master Circular no. SEBI/HO/DDHS-PoD3/P/CIR/2023/46 dated May 16, 2024 issued by the Securities and Exchange Board of India ("SEBI") in terms of Regulation 54 read with Regulation 56(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Regulation 15(1)(v) of the Securities and Exchange Board of India (Debenture Trustees) Regulations 1993 (hereinafter referred together as the "SEBI Regulations"), as amended, for the purpose of submission to BSE Ltd and to the Debenture Trustee of the Listed Debt Securities.
7. The Management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and for providing all relevant information to the Debenture Trustees and for complying with all the covenants as prescribed in terms of the respective Debenture Trust Deed/Prospectus.

Auditor's Responsibility

8. Pursuant to the requirements of the SEBI Regulations, our responsibility for the purpose of this certificate is to certify the book values as considered in the Annexure B, in relation to the computation of Security Cover, is in agreement with the Unaudited Financial Statements as at September 30, 2024 and that the company during the quarter ended September 30, 2024 has complied, in all material respects, with the covenants in respect of the listed debt securities of the company outstanding as at September 30, 2024 as mentioned in the statement.



P.N. RAGHAVENDRA RAO & CO

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9. A limited assurance engagement involves making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. The procedures performed vary in nature and timing from a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Accordingly, we have performed the following procedures:

- a. obtained the Unaudited Financial Statements of the Company as at September 30, 2024.
 - b. traced the amounts in the Statements, in relation to the computation of Security cover, to the unaudited financial statements of the Company as at September 30, 2024.
 - c. ensured arithmetical accuracy of the computation of security cover in the Statement.
 - d. reviewed the terms of Debenture Trust Deed / Prospectus(es) to understand the nature of charge (viz. exclusive charge or *pari passu* charge) on the assets of the Company.
 - e. on a test check basis, checked the compliance with the covenants stated in the Debenture Trust Deed.
 - f. made necessary inquiries with the management and obtained relevant representations in respect of matters relating to the Statements.
10. We conducted our examination of the statement on a test check basis in accordance with Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
11. We have complied with the relevant applicable requirements of the Standard on Quality Control ("SQC") 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements issued by the ICAI.



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Conclusion

12. Based on the procedures performed as referred to in paragraph 9 above and according to the information and explanations provided to us by the Management of the Company, we certify that:

- a. the particulars contained in the accompanying statement with respect to the Book Values of Assets (at Cost) charged against Listed Debt Securities outstanding in the books as on September 30, 2024 have been accurately extracted and ascertained from the unaudited books of accounts of the Company as at September 30, 2024 and other relevant records and documents maintained by the Company;
- b. the security cover available for the Listed Debt Securities as contained in the accompanying statement provide a coverage of 1.10 times of the total principal and interest amount outstanding as on September 30, 2024 with respect to the Listed Debt Securities;
- c. the Company has complied with all the covenants prescribed in the respective Debenture Trust Deed, Prospectus, General Information Document and Key Information Document pertaining to Listed Debt Securities outstanding in the books as on 30, September 2024.

Restriction on Use

13. This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of submission to Debenture Trustees, BSE Ltd and SEBI in accordance with the SEBI Regulations and should not be used by any other person or for any other purpose without our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For P N RAGHAVENDRA RAO & CO.,
Chartered Accountants
Firm Registration Number: 003328S

12th November 2024
Coimbatore

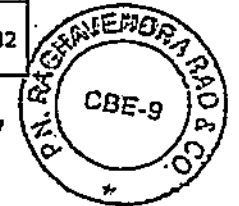



P R Vittel
Partner

Membership Number: 018111
UDIN: 24018111BKGEMQ9715

Annexure A

S.No	Issue	ISIN	Instrument	Type of Charge	Sanctioned Amount (Rs In lakhs)	Interest Accrued (Rs In lakhs)	Outstanding Amount (Rs In lakhs)	Cover Required (Rs In lakhs)	Asset Coverage (Rs. In lakhs)
1	NCD Public Issue - V	INE302E07359	Non Convertible Debentures	Exclusive	1,663.12	-	1,663.12	1,663.12	1,832.88
2	NCD Public Issue - V	INE302E07367	Non Convertible Debentures	Exclusive	1,595.15	563.00	2,158.15	2,158.15	2,378.44
3	NCD Public Issue - V	INE302E07375	Non Convertible Debentures	Exclusive	3,566.23	-	3,566.23	3,566.23	3,930.25
4	NCD Public Issue - V	INE302E07383	Non Convertible Debentures	Exclusive	2,106.90	766.27	2,873.17	2,873.17	3,166.44
5	NCD Public Issue - VI	INE302E07425	Non Convertible Debentures	Exclusive	412.01	-	412.01	412.01	454.77
6	NCD Public Issue - VI	INE302E07433	Non Convertible Debentures	Exclusive	681.25	157.16	838.41	838.41	925.43
7	NCD Public Issue - VI	INE302E07441	Non Convertible Debentures	Exclusive	227.64	-	227.64	227.64	251.27
8	NCD Public Issue - VI	INE302E07458	Non Convertible Debentures	Exclusive	126.30	30.01	156.31	156.31	172.53
9	NCD Public Issue - VI	INE302E07466	Non Convertible Debentures	Exclusive	4,374.51	-	4,374.51	4,374.51	4,828.54
10	NCD Public Issue - VI	INE302E07474	Non Convertible Debentures	Exclusive	2,116.80	559.90	2,676.70	2,676.70	2,954.52
11	NCD Public Issue - VII	INE302E07573	Non Convertible Debentures	Exclusive	1,348.77	-	1,348.77	1,348.77	1,483.66
12	NCD Public Issue - VII	INE302E07508	Non Convertible Debentures	Exclusive	1,953.26	249.75	2,203.01	2,203.01	2,423.33
13	NCD Public Issue - VII	INE302E07540	Non Convertible Debentures	Exclusive	656.18	-	656.18	656.18	721.81
14	NCD Public Issue - VII	INE302E07516	Non Convertible Debentures	Exclusive	1,540.08	203.38	1,743.46	1,743.46	1,917.82



Annexure A

S.No	Issue	ISIN	Instrument	Type of Charge	Sanctioned Amount (Rs in lakhs)	Interest Accrued (Rs in lakhs)	Outstanding Amount (Rs in lakhs) *	Cover Required (Rs in lakhs)	Asset Coverage (Rs in lakhs)
15	NCD Public Issue - VII	INE302E07557	Non Convertible Debentures	Exclusive	210.19	-	210.19	210.19	231.21
16	NCD Public Issue - VII	INE302E07490	Non Convertible Debentures	Exclusive	251.01	34.22	285.23	285.23	313.76
17	NCD Public Issue - VII	INE302E07565	Non Convertible Debentures	Exclusive	5,075.37	-	5,075.37	5,075.37	5,582.96
18	NCD Public Issue - VII	INE302E07524	Non Convertible Debentures	Exclusive	1,615.48	237.80	1,853.28	1,853.28	2,038.63
19	NCD Public Issue - VII	INE302E07532	Non Convertible Debentures	Exclusive	2,035.70	296.63	2,332.33	2,332.33	2,565.59
20	NCD Public Issue - VIII	INE302E07607	Non Convertible Debentures	Exclusive	1,101.82	-	1,101.82	1,101.82	1,207.32
21	NCD Public Issue - VIII	INE302E07615	Non Convertible Debentures	Exclusive	1,412.80	76.15	1,488.95	1,488.95	1,631.52
22	NCD Public Issue - VIII	INE302E07656	Non Convertible Debentures	Exclusive	707.89	-	707.89	707.89	775.67
23	NCD Public Issue - VIII	INE302E07599	Non Convertible Debentures	Exclusive	1,787.01	99.08	1,886.09	1,886.09	2,066.68
24	NCD Public Issue - VIII	INE302E07649	Non Convertible Debentures	Exclusive	5,703.14	-	5,703.14	5,703.14	6,249.21
25	NCD Public Issue - VIII	INE302E07631	Non Convertible Debentures	Exclusive	2,556.84	147.66	2,704.50	2,704.50	2,963.45
26	NCD Public Issue - VIII	INE302E07623	Non Convertible Debentures	Exclusive	1,540.14	103.00	1,643.14	1,643.14	1,800.47
27	NCD Public Issue - IX	INE302E07748	Non Convertible Debentures	Exclusive	884.28	-	884.28	884.28	1,008.98
28	NCD Public Issue - IX	INE302E07730	Non Convertible Debentures	Exclusive	695.93	-	695.93	695.93	794.07



Annexure A

S.No	Issue	ISIN	Instrument	Type of Charge	Sanctioned Amount (Rs in lakhs)	Interest Accrued (Rs in lakhs)	Outstanding Amount (Rs in lakhs)	Cover Required (Rs in lakhs)	Asset Coverage (Rs. In lakhs)
29	NCD Public Issue - IX	INE302E07706	Non Convertible Debentures	Exclusive	5,989.48		5,989.48	5,989.48	6,834.10
30	NCD Public Issue - IX	INE302E07763	Non Convertible Debentures	Exclusive	805.95	16.69	822.64	822.64	938.65
31	NCD Public Issue - IX	INE302E07755	Non Convertible Debentures	Exclusive	966.66	20.58	987.24	987.24	1,126.46
32	NCD Public Issue - IX	INE302E07714	Non Convertible Debentures	Exclusive	1,977.98	46.66	2,024.64	2,024.64	2,310.15
33	NCD Public Issue - IX	INE302E07722	Non Convertible Debentures	Exclusive	1,047.16	24.10	1,071.26	1,071.26	1,222.33
34	NCD Private Placement	INE302E07654	Non Convertible Debentures	Exclusive	210.00		210.00	210.00	232.60
35	NCD Private Placement	INE302E07672	Non Convertible Debentures	Exclusive	185.00		185.00	185.00	204.91
36	NCD Private Placement	INE302E07680	Non Convertible Debentures	Exclusive	50.00	1.51	51.51	51.51	57.05
37	NCD Private Placement	INE302E07698	Non Convertible Debentures	Exclusive	50.00	1.63	51.63	51.63	57.18
Total					59,228.03	3,635.18	62,863.21	62,863.21	69,654.61



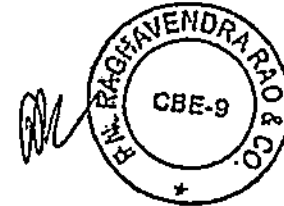
Annexure - B
Statements of Security Cover as on September 30, 2024 of Rated, Secured, Redeemable Non-Convertible Debentures
 (All amounts are Rs. In Lakhs)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	
		Priority Charge	Secured Charge	Partly Secured Charge	Partly Secured Charge	Partly Secured Charge	Assets not subject to Charge	Collateral (Financial Incentives)	Total Coll.		Realised to fully discharge liability by the borrower				
	Description of asset or which all certificate relate										Current Market Value	Market Value for Partly secured Charge Assets	Current Market Value for Partly secured Charge Assets	Total Value (INR)	
		Book Value	Book Value	Book Value	Book Value	Book Value	NA	NA							
ASSETS															
Property, Plant and Equipment				No			3,399.22		3,399.22						
Capital Work-in-Progress				NA											
Right of Use Assets				NA			932.76		932.76						
Goodwill				NA											
Intangible Assets				NA			149.32		149.32						
Intangible Assets under Development				NA			199.09		199.09						
Investment Property				NA			263.72		263.72						
Investments				NA			1,800.56		1,800.56						
Loans	Issued Loan Receivables	69,654.61	25,022.95	No			30,517.68		1,25,195.24		69,654.61			69,654.61	
Inventories				NA											



Annexure - B
Statements of Security Covers as on September 30, 2024 of Rated, Secured, Redeemable Non-Convertible Debentures
(All amounts are Rs. In Lakhs)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Trade Receivables				NA			159.06		159.06					
Cash and Cash Equivalents				NA			2,873.48		2,873.48					
Bank Balances other than Cash & Cash Equivalents				NA			1,134.65		1,134.66					
Others														
Other Financial Assets				NA			1,575.22		1,575.22					
Deferred Tax Assets				NA			400.65		400.65					
Other Non-Financial Assets				NA			1,883.52		1,883.52					
Total		69,654.61	25,022.93				47,490.34		1,42,167.90			69,654.61		69,654.61



Annexure - D

Statements of Security Cover as on September 30, 2024 of Rated, Secured, Redeemable Non-Convertible Debentures

(All amounts are Rs. In Lakhs)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
LIABILITIES														
Debt securities to which ESI certificate pertains	Secured Non-Convertible Debentures (Listed)	62,863.21	9,355.63	-	-	6,340.55	-	-	78,559.39	-	-	62,863.21	-	62,863.21
Other debt (including paid-up share charge with interest debt)														
Other Debt						2,210.18			2,210.18					
Subordinated debt						8,350.79			8,350.79					
Reserves														
Bank			12,085.93						12,085.93					
Debt Securities														
Others														
Term Loan from Others		not to be filled	1,965.97						1,965.97					
Public Deposits						14,151.08			14,151.08					
Tax payable						513.53			513.53					
Lease Liabilities						281.87			281.87					
Provisions						214.60			214.60					
Other														
Other Financial Liabilities			5.00			1,583.26			1,590.26					
Other non-Financial Liabilities						70.28			70.28					
Current Tax Liabilities						76.48			76.48					
Total		62,863.21	23,412.53			33,794.62			1,20,070.36			62,863.21		62,863.21
Current Book Value		1.11												
Current Market Value														1.11
		Exclusive Security Cover Ratio				Part-Part Security Cover Ratio								

Note: 1. The above amounts have been extracted from the Un-audited financial results for the half year ended September 30, 2024

2. The Company has complied with all the covenants specified in respect of all Listed Non-Convertible Securities.

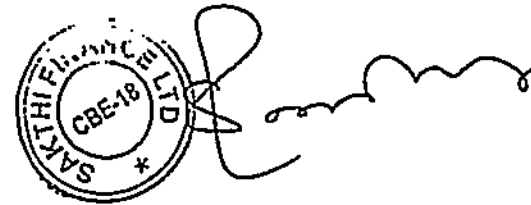
3. The assets offered as security are Loans and hence not eligible for market valuation.



Related party transactions																					
															Additional disclosure of related party transactions - applicable only to listed the related party transaction referred to loans, inter-corporate deposits, advances or investments made or given by the listed entity/individual. These details need to be disclosed only once, during the reporting period, when such transaction was undertaken.						
Sl.No.	Details of the party (listed only including name) into the transaction		Details of the counterparty			Type of related party transaction	Details of other related party transaction	Value of the related party transaction as approved by the audit committee	Remarks on approval by audit committee	Value of transaction during the reporting period	In case monies are due to other party as a result of the transaction			In case any financial liabilities are incurred to bank or other party as a result of the transaction				Details of the loans, inter-corporate deposits, advances or investments	Notes		
	Name	PAN	Name	PAN	Relationship of the counterparty with the listed entity or its subsidiary						Opening balance	Closing balance	Amount of (add or subtract)	Details of other liabilities	Cur	Term	Interest Rate (%)			Term	Secured/Unsecured
1	SAKTHI FINANCE LTD	AADC06340	Sakthi Finance Financial Services Limited	AADC06340	Parent Group Company	Any other transaction	Real Received	23	Approved	16.33	2.13	1.34								Final Information(1)	
2	SAKTHI FINANCE LTD	AADC06340	Sakthi Finance Financial Services Limited	AADC06340	Parent Group Company	Any other transaction	Revenue Mobilization Charge	100	Approved	21.97	0	0									Final Information(2)
3	SAKTHI FINANCE LTD	AADC06340	Sakthi Finance Financial Services Limited	AADC06340	Parent Group Company	Any other transaction	Reimbursement of Expenses	0	Approved	0.31	0	0									Final Information(3)
4	SAKTHI FINANCE LTD	AADC06340	Sakthi Finance Financial Services Limited	AADC06340	Parent Group Company	Investment			Approved	-1.28	14.08	2.6									Final Information(4)
5	SAKTHI FINANCE LTD	AADC06340	AST Indevim Limited	AABC01421A	Parent Group Company	Any other transaction	Real Received	25	Approved	12.92	26.15	12.11									Final Information(5)
6	SAKTHI FINANCE LTD	AADC06340	AST Indevim Limited	AADC01421A	Parent Group Company	Any other transaction	Reimbursement of Expenses	12	Approved	10.53	0	0									Final Information(6)
7	SAKTHI FINANCE LTD	AADC06340	Sakthi Finance Insurance Banking Private Limited	AADCT2141A	Other Related Party	Any other transaction	Real Received	5	Approved	8.71	0	0									Final Information(7)
8	SAKTHI FINANCE LTD	AADC06340	Sakthi Finance Insurance Banking Private Limited	AADCT2141A	Other Related Party	Any other transaction	Other Income	0	Approved	23.32	26.32	29.43									Final Information(8)
9	SAKTHI FINANCE LTD	AADC06340	Sakthi Foundation	AATF01421A	Other Related Party	Any other transaction	Internal Loans from IEP Operations	0	Approved	0.81	0	0									Final Information(9)
10	SAKTHI FINANCE LTD	AADC06340	Sakthi Foundation	AATF01421A	Other Related Party	Loan		0	Approved	-1.25	1.05	0	Loan	0	0	Loan	614	4 YEARS	Secured	DURABLE PURPOSE	Final Information(10)
11	SAKTHI FINANCE LTD	AADC06340	AST Indevim Limited	AADC01421A	Parent Group Company	Any other transaction	Reimbursement of Expenses	0	Approved	4.64	0	0									Final Information(11)
12	SAKTHI FINANCE LTD	AADC06340	H Mahalingam & Co.	AADCT2141A	Other Related Party	Any other transaction	Purchase of goods or services		Approved	6.01	2.55	6.94									Final Information(12)
13	SAKTHI FINANCE LTD	AADC06340	See YourDad Reimbursement	AAXY01421A	Wife of Sd M Mahalingam, Vice Chairman and Managing Director	Any other transaction	Real paid	2.4	Approved	1.2	0	0									Final Information(13)
14	SAKTHI FINANCE LTD	AADC06340	See YourDad Reimbursement	AAXY01421A	Wife of Sd M Mahalingam, Vice Chairman and Managing Director	Investment		0	Approved	-30	230	130									Final Information(14)
15	SAKTHI FINANCE LTD	AADC06340	Sd M Mahalingam	AATF01421A	Parent Group and Director	Any other transaction	Real paid	109.93	Approved	64.71	6.81	9.18									Final Information(15)
16	SAKTHI FINANCE LTD	AADC06340	ARC Retaining Company Private Limited	AABC01421A	Other Related Party	Any other transaction	Real paid	3	Approved	1.21	0.21	0.21									Final Information(16)
17	SAKTHI FINANCE LTD	AADC06340	H Mahalingam & Co.	AADCT2141A	Other Related Party	Any other transaction	Real paid	20	Approved	6.3	0	0									Final Information(17)
18	SAKTHI FINANCE LTD	AADC06340	Sakthi Foundation	AATF01421A	Other Related Party	Any other transaction	Printing charges	0	Approved	0.33	0.1	0.1									Final Information(18)
19	SAKTHI FINANCE LTD	AADC06340	Sakthi Support Limited (The Sakthi)	AADC06340	Parent Group Company	Any other transaction	Printing charges	3	Approved	1.72	0.41	0									Final Information(19)
20	SAKTHI FINANCE LTD	AADC06340	Sd M Mahalingam	AATF01421A	Parent, Vice Chairman and Managing Director	Transaction		16	Approved	21.36	0	0									Final Information(20)
21	SAKTHI FINANCE LTD	AADC06340	Sd Mahalingam Anand	AADCT2141A	Chief Financial Officer and KMP	Transaction		12	Approved	6.14	0	0									Final Information(21)



30	SAKTHI FINANCE LTD	AADEC0460	Smt Sheetal Gopal	AG23PG721P	Wife of Ed P S Kapilashankar, Independent Director	Investment	0	Not Applicable	0	10	10								Total Shareholder (20)	
31	SAKTHI FINANCE LTD	AADEC0460	Smt Lakshmi Rajakrishnan	ALDPH4122Q	Wife of Ed P S Kapilashankar, Independent Director	Investment	0	Not Applicable	0	23	23								Total Shareholder (21)	
32	SAKTHI FINANCE LTD	AADEC0460	Ed Inchara Sreedhar	AU73J7777H	Son of Dr S S Manickam, Chairman	Investment	0	Not Applicable	1	2	3								Total Shareholder (22)	
33	SAKTHI FINANCE LTD	AADEC0460	Smt Karpagabal Vasantharaj	AAAPV1151J	Formerly Group & Co. of Dr S S Manickam, Chairman and Ed S S Manickam, Vice Chairman and Managing Director and Ed S S Manickam, Director	Investment	0	Not Applicable	0	274	274								Total Shareholder (23)	
34	SAKTHI FINANCE LTD	AADEC0460	Ed K Sankaranarayanan	DCMPT21617G	Chief Financial Officer and CSO	Investment	0	Not Applicable	23	0	23								Total Shareholder (24)	
35	SAKTHI FINANCE LTD	AADEC0460	Smt Sheetal Gopal	AG23PG721P	Wife of Ed P S Kapilashankar, Independent Director	Investment	0	Not Applicable	0	3	3								Total Shareholder (25)	
36	SAKTHI FINANCE LTD	AADEC0460	Ed K Sankaranarayanan	DCMPT21617G	Chief Financial Officer and CSO	Investment	0	Not Applicable	130	0	130								Total Shareholder (26)	
37	SAKTHI FINANCE LTD	AADEC0460	Sakthi Financial Services (Private Limited)	AAJCG4339P	Formerly Group Company	Investment	0	Not Applicable	-144.3	144.3	0								Total Shareholder (27)	
Total value of transactions during the reporting period								538.33												



The image shows a circular stamp for SAKTHI FINANCE LTD. The stamp contains the text "SAKTHI FINANCE LTD", "CBE-18", and a star symbol. Overlaid on the stamp is a handwritten signature in black ink.

P.N. RAGHAVENDRA RAO & CO

Chartered Accountants

Founder P.N. Raghavendra Rao

No. 23/2, Viswa Paradise Apartments 11nd Floor, Kalidas Road, Ramnagar, Coimbatore - 641 009

☎ : 0422 2232440, 2236997 ✉ : info@pnrandco.in 🌐 : www.pnrandco.in

Ref. No. _____

Date : _____

Independent Auditor's Certificate on the manner of utilization of the funds raised through Public Issue of Rated, Listed, Secured, Redeemable, Non-Convertible Debentures as required by Regulation 52(7) and Regulation 56 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, ("the Listing Regulations")

To
Catalyst Trusteeship Limited
"GDA House"
Plot No.85, Bhusari Colony (Right)
Paud Road
Pune - 411038

Dear Sirs/Madam,

We, M/s P N Raghavendra Rao & Co., Chartered Accountants (ICAI FRN: 003328S), Statutory Auditors of Sakthi Finance Limited (hereinafter referred as "the Company") have been requested by the Company to verify and certify the utilization of funds raised through Public Issue of Rated, Listed, Secured, Redeemable, Non-Convertible Debentures (hereinafter referred to as "the NCD Public Issue-9") in terms of the Prospectus dated June 13, 2024 for the objects for which it was raised, as required by Regulation 52(7) and Regulation 56 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("the Listing Regulations").

The accompanying statement of utilization of proceeds of the NCD Public Issue-9 ("the Statement") during the period from 9.7.2024 to 30.09.2024 as per the requirements of the Listing Regulations has been prepared by the Management of the Company, which we have initiated for identification purposes only.

Management's Responsibility for the Statement

The preparation of the accompanying Statement is the responsibility of the Management of the company. This Responsibility includes designing and implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The Management is also responsible for ensuring:

- the utilization of funds is for the purpose for which it is raised; and
- compliance with the requirements of the Listing Regulations.



P.N. RAGHAVENDRA RAO & CO

Chartered Accountants

Founder P.N. Raghavendra Rao

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Ref. No. _____

Date : _____

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- the utilization of funds is for the purpose for which it is raised; and
- compliance with the requirements of the Listing Regulations.



P.N. RAGHAVENDRA RAO & CO

Chartered Accountants

Founder P.N. Raghavendra Rao

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☎ : 0422 2232440, 2236997 ✉ : info@pnrandco.in 🌐 : www.pnrandco.in

Ref. No. _____

Date : _____

Auditor's Responsibility

Pursuant to the requirements of Regulation 52(7) of the Listing Regulations, it is our responsibility to obtain limited assurance and conclude as to whether the details provided in the Statement is in agreement with the books of accounts and other records for the period from 09.07.2024 to 30.09.2024.

We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

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

A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence that vary in nature, timing and extent than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we have performed the following procedures in relation to the Statement:

- read the prospectus and obtained the details of Objects of the NCD Public Issue-9;
- obtained the bank statement of the Company from 09.07.2024 to 30.09.2024 and traced the receipt and utilization of the funds.
- verified the utilization of proceeds with books of accounts and other relevant records maintained by the Company; and
- conducted relevant management inquiries and obtained necessary representations from the Company.

Opinion

Based on our examination as above, and the information and explanations given to us, the details provided in the Statement is in agreement with the books of accounts and other records for the period from 09.07.2024 to 30.09.2024 and the statement fairly presents, in all material respects, the manner of utilization of funds from the NCD Public Issue-9.



P.N. RAGHAVENDRA RAO & CO

Chartered Accountants

Founder P.N. Raghavendra Rao

No. 23/2, Visva Paradise Apartments IInd Floor, Kalidas Road, Ramnagar, Coimbatore - 641 009

☎ : 0422 2232440, 2236997 ✉ : info@pnrandco.in 🌐 : www.pnrandco.in

Ref. No. _____

Date : _____

Restriction on Use

The Certificate is addressed to and provided to the Debenture Trustee of the Company solely for the purpose of enabling the Company to comply with its obligation under Regulation 52(7) and Regulation 56 of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

We have no responsibility to update this report for events and circumstances occurring after the date of this certificate.

For P N RAGHAVENDRA RAO & CO.,
Chartered Accountants
Firm Registration Number: 003328S

12th November 2024
Coimbatore




P R Vittel
Partner

Membership Number: 018111
UDIN: 24018111BKGEMR9264

SAKTHI FINANCE LIMITED

CIN : L65910TZ1955PLC000145
REGD OFFICE : NO. 62 DR NANJAPPA ROAD
COIMBATORE - 18

Statement of Utilisation of NCD Public Issue IX Proceeds

Sl No	Name of the Issuer	ISIN	Mode of fund raising (Public Issues / Private placement)	Type of Instrument	Date of Raising funds	Amount Raised (₹ crores)	Fund utilised (₹ crores)	Any Deviation	If 8, is yes then specify the purpose of which the funds were utilised	Remarks
								Yes / No		
1	2	3	4	5	6	7	8	9	10	
1	Sakthi Finance Limited	INE302E07748	Public Issue	Secured Redeemable, Non - Convertible Debentures	09-Jul-24	8.84	104.67	No	Not applicable	Balance amount of ₹ 19 crores is deposited with Banks
2		INE302E07763				8.06				
3		INE302E07730				6.96				
4		INE302E07755				9.67				
5		INE302E07706				59.89				
6		INE302E07714				19.78				
7		INE302E07722				10.47				
Total						123.67	104.67			

Note : NCD Proceeds were utilised for the objects stated in the NCD Prospectus only. Fund utilised Includes Debentures Issue expenses as on 30.09.2024

For Sakthi Finance Limited

K Sundaramurthy
Chief Financial Officer



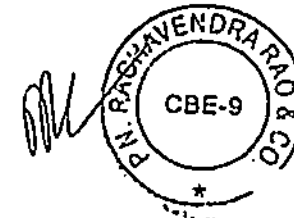
SAKTHI FINANCE LIMITED
CIN : L65910TZ1955PLC000145
REGD OFFICE : NO. 62 DR NANJAPPA ROAD
COIMBATORE - 18

Statement of Deviation or Variation In utilisation of funds raised						
Name of Listed entity			Sakthi Finance Limited			
Mode of Fund Raising			Public Issue			
Type of Instrument			Secured, Redeemable Non-Convertible Debentures			
Date of Raising Funds			09-Jul-24			
Amount Raised			₹ 123.67 crores			
Report filed for quarter year ended			30-Sep-24			
Is there a Deviation / Variation In use of Funds raised?			No			
Whether any approval is required to vary the objects of the Issue stated in the prospectus / offer document?			No			
If yes, details of the approval so required?			NA			
Date of approval			NA			
Explanation for the Deviation / Variation			NA			
Comments of the audit committee after review			Nil			
Comments of the auditors, if any			Nil			
Objects for which funds have been raised and where there has been a deviation, in the following table			Not Applicable			
Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilised (₹ crores)	Amount of Deviation/ Variation for the half year according to applicable object (₹ lakhs and in %)	Remarks, if any
.
Deviation could mean:						
(a) Deviation In the objects or purposes for which the funds have been raised						
(b) Deviation in the amount of funds actually utilized as against what was originally disclosed.						

Name of Signatory : K Sundaramurthy
 Designation : Chief Financial Officer

For SAKTHI FINANCE LIMITED

K. SUNDARAMURTHY
 CHIEF FINANCIAL OFFICER



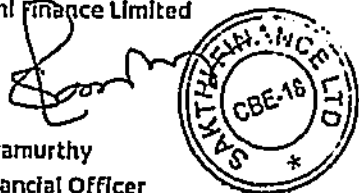
SAKTHI FINANCE LIMITED
CIN : L65910TZ1955PLC000145
REGD OFFICE : NO. 62 DR NANJAPPA ROAD
COIMBATORE - 18

Statement of Utilisation of NCD Public Issue IX Proceeds

Sl No	Name of the Issuer	ISIN	Mode of fund raising (Public Issues / Private placement)	Type of Instrument	Date of Raising funds	Amount Raised (₹ crores)	Fund utilised (₹ crores)	Any Deviation	IF 8, is yes then specify the purpose of which the funds were utilised	Remarks
								Yes / No		
1	2	3	4	5	6	7	8	9	10	
1	Sakthi Finance Limited	INE302E07748	Public Issue	Secured Redeemable, Non - Convertible Debentures	09-Jul-24	8.84	104.67	No	Not applicable	Balance amount of ₹ 19 crores is deposited with Banks
2		INE302E07763				8.06				
3		INE302E07730				6.96				
4		INE302E07755				9.67				
5		INE302E07706				59.89				
6		INE302E07714				19.78				
7		INE302E07722				10.47				
Total						123.67	104.67			

Note : NCD Proceeds were utilised for the objects stated in the NCD Prospectus only. Fund utilised includes Debentures Issue expenses as on 30.09.2024

For Sakthi Finance Limited





K Sundaramurthy
Chief Financial Officer

SAKTHI FINANCE LIMITED
CIN : L65910TZ1955PLC000145
REGD OFFICE : NO. 62 DR NANJAPPA ROAD
COIMBATORE - 18

Statement of Deviation or Variation in utilisation of funds raised						
Name of listed entity			Sakthi Finance Limited			
Mode of Fund Raising			Public Issue			
Type of Instrument			Secured, Redeemable Non-Convertible Debentures			
Date of Raising Funds			09-Jul-24			
Amount Raised			₹ 123.67 crores			
Report filed for quarter year ended			30-Sep-24			
Is there a Deviation / Variation in use of funds raised?			No			
Whether any approval is required to vary the objects of the issue stated in the prospectus / offer document?			No			
If yes, details of the approval so required?			NA			
Date of approval			NA			
Explanation for the Deviation / Variation			NA			
Comments of the audit committee after review			Nil			
Comments of the auditors, if any			Nil			
Objects for which funds have been raised and where there has been a deviation, in the following table			Not Applicable			
Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilised (₹ crores)	Amount of Deviation/ Variation for the half year according to applicable object (₹ lakhs and in %)	Remarks, if any
-	-	-	-	-	-	-
Deviation could mean:						
(a) Deviation in the objects or purposes for which the funds have been raised						
(b) Deviation in the amount of Funds actually utilized as against what was originally disclosed.						

Name of Signatory : K Sundaramurthy
Designation : Chief Financial Officer



INDEPENDENT AUDITOR'S REPORT

To the Members of Sakthi Finance Limited

Report on the Audit of the Financial Statements

Opinion

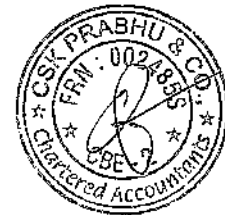
1. We have audited the accompanying Financial Statements of Sakthi Finance Limited (**"the Company"**), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date and notes to the Financial Statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as **"the Financial Statements"**).
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (**"the Act"**) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, (**"Ind AS"**) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, its profit and other comprehensive income/ loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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



INDEPENDENT AUDITOR'S REPORT

Key Audit Matters (continued)

Description of Key Audit Matter

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>4.1 Asset Classification</p> <p>Accuracy in identification and categorization of receivables from financing activities (loans) as performing and non-performing assets and in ensuring appropriate asset classification, existence and valuation of security/collaterals, income recognition, provisioning/ write-off thereof and completeness of disclosure including compliance with applicable guidelines/directions issued by Reserve Bank of India ("RBI").</p> <p>As part of our risk assessment, we determined that accuracy of asset classification has bearing on the Financial Statements as a whole. Given the complexity of the matter, we determined this to be a Key Audit Matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We have assessed the systems and processes laid down by the company to appropriately identify and classify the receivables from financing activities including those in place to ensure appropriate asset classification, income recognition and provisioning/ write-off, including non-performing assets, existence and valuation of security/collaterals as per applicable RBI guidelines/directions. • The audit approach includes testing the existence and effectiveness of the control environment laid down by the management and conducting detailed substantive verification on selected samples of continuing and new transactions in accordance with the principles laid down in the Standards on Auditing and other guidance issued by the Institute of Chartered Accountants of India ("ICAI"). • Agreements entered into regarding significant transactions including related to Loan Receivables have been examined to ensure compliance. • We have also reviewed the reports generated from management information systems, audit/ inspection reports issued by the internal auditors and RBI. • The impact of all significant external and internal events including those if any, subsequent to Balance Sheet date have been taken into consideration for the above purposes. • Compliance with material disclosure requirements prescribed by RBI guidelines and other statutory requirements have been verified.



INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>4.2 Impairment of Loans (Expected Credit Losses) (Refer to the Material Accounting Policies in Note 3.a.(v) to the Financial Statements and Note 45 to the Financial Statements).</p> <p>Management's judgements in the calculation of impairment allowances have significant impact on the Financial Statements.</p> <p>The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with Expected Credit Loss ("ECL") model as required by Ind AS 109 relating to "Financial Instruments." Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset.</p> <p>The key areas of judgement include:</p> <ol style="list-style-type: none"> 1. Categorization of loans into Stage 1, 2 and 3 based on identification of: <ol style="list-style-type: none"> a. Exposures with significant increase in credit risk since their origination and b. Individually impaired / default exposures and determination of Exposure at Default ('EAD'). 2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate ECL. 3. The impact of different forward-looking information including future macro-economic factors in the determination of ECL. <p>These judgements require new models to be built and implemented to measure the expected credit losses on certain financial assets measured at amortized cost. Management has made a number of interpretations and assumptions when designing and implementing models that are compliant with the standards.</p> <p>The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.</p> <p>In view of such high degree of Management's judgement involved in estimation of ECL, it is considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We obtained understanding of management's assessment of impairment of loans including the Ind AS 109 implementation process, impairment allowance policy and ECL modelling methodology. • We assessed the design and implementation and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions. • We also assessed the approach of the Company for categorization of the loans into various stages reflecting the inherent risk in the respective loans. • For a sample of financial assets, we tested the correctness of stage-wise categorization, reasonableness of PD, accuracy of LGD and ECL computation. • We also assessed the appropriateness of the impairment methodology adopted by the management including the presentation and disclosure requirements. This included assessing the appropriateness of key judgements. We tested the accuracy of key data inputs and calculations used in this regard. <p>Based on the above work performed, management's assessment of impairment loss allowance and related disclosures are considered to be reasonable.</p>



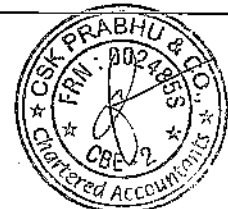
4.3 Information technology system

The dependence of Information technology ("IT") system is run throughout the operating cycle of the company. Hence the reliability on Company's key financial accounting and reporting processes are tied with the effectiveness and efficiency of IT systems, IT controls over the voluminous transactions, process around such information systems and the usage of information from such systems. We observed that any probability of deficiencies in control over IT systems such as validation failures, incorrect input data, improper segregation of duties, unauthorized access to IT system, lack of monitoring may result in the financial accounts and report being misstated.

In view of this, we have considered this as Key Audit Matter and had focus on IT systems and controls, user access management, segregation of duties, system reconciliation controls and system application controls due to the complexity of the IT environment, huge daily operational volume across numerous locations and the reliance on automated and IT dependent manual controls.

Our audit procedures focused on the following:

- IT infrastructure and applications relevant to the financial reporting.
- Evaluating the IT policy and procedures of the Company in accordance with accepted standards, guidelines, practices and External Information Security ("IS") Audit performed in respect thereof.
- Reviewing the organizational structure with job description, managerial policy and deployment of IT resources with respect to segregation of duties in IT environment to ensure that unauthorized data entry cannot take place and unauthorized programs are not allowed to run.
- The aspects covered in the IT systems General Control audit were:
 - (i) User Access Management
 - (ii) System maintenance controls have been ensured by understanding the design and the operating effectiveness of such controls in the system;
- Understanding updates that were made to the IT landscape during the audit period and assessing the relevant information for financial reporting.
- Application level embedded controls have been reviewed by performing validation checks, test check on logical access controls, a run through test to ensure non-manipulation of transaction entered into the system and other compensatory controls, wherever applicable.



CSK Prabhu & Co

Sakthi Finance Limited

INDEPENDENT AUDITOR'S REPORT

Other Information

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Financial Statements and our auditor's report thereon.
6. The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
8. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

9. The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the State of Affairs, Profit including Other Comprehensive Income / loss, Changes in Equity and Cash Flows of the Company in conformity with the Indian Accounting Standards prescribed under Section 133 of the act read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India.
10. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
11. In preparing the Financial Statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.
12. The Board of Directors are also responsible for overseeing the Company's financial reporting process.



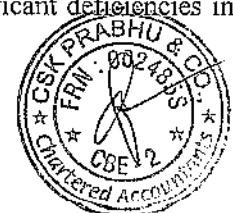
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Sakthi Finance Limited

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards of Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.
14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
 - Conclude on the appropriateness of Management's and Board of Directors' use of the going concern basis of accounting in preparation of Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



CSK Prabhu & Co

Sakthi Finance Limited

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

18. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
19. (A) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company in electronic mode on servers physically located in India, so far as it appears from our examination of those books and further the process of taking daily back-up is in place. Refer Note 56 to the Financial Statements. In respect of reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), please refer to matters stated in paragraph 19(B)(f) below.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e. On the basis of the written representations received from the directors as on 31 March 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 19(A)(b) above (on reporting under section 143(3)(b) of the Act) and paragraph 19(B)(f) below (on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)).



CSK Prabhu & Co

Sakthi Finance Limited

INDEPENDENT AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements (continued)

g. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, (as amended) in our opinion and to the best of our information and according to the explanations given to us:

a) The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its Financial Statements - Refer Note 32(i) to the financial statements.

b) The Company has made provision, as required under the applicable law or Ind As, for material foreseeable losses, if any, on Long-term contracts. The company did not have derivative contracts for which there were any material foreseeable losses.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund ("IEPF") by the Company except for ₹ 500 that has not been transferred to IEPF for the reason described in Note 18 to the financial statements.

d) (i) The Management has represented that, to the best of their knowledge and belief, as disclosed in Note 36(i) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Management has also represented that, to the best of their knowledge and belief, as disclosed in Note 36(j) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representations under paragraphs 19 (B) (d) (i) and 19 (B) (d) (ii) contain any material misstatement.

e) (i) The Equity dividend recommended for the previous year, declared and paid by the Company during the current year, is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of dividend.



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Sakthi Finance Limited

INDEPENDENT AUDITOR'S REPORT

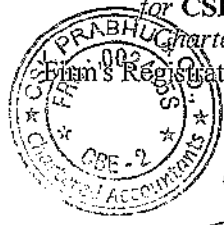
Report on Other Legal and Regulatory Requirements (continued)

- (ii) The interim dividend declared and paid by the Company on Redeemable, Cumulative, Preference Shares during the current year is in accordance with Section 123 of the Act, to the extent it applies to declaration and payment of dividend.
- (iii) As stated in Note 57 to the financial statements, the Board of Directors of the Company have recommended an equity dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. Such equity dividend recommended by the Board of Directors is in accordance with Section 123 of the Act, to the extent it applies to declaration of dividend.
- f) Based on our examination which included test checks, the Company has used accounting software's for maintaining the books of accounts, which has a feature of recording audit (edit log) facility and the same has been operating throughout the year for all the relevant transactions recorded in the software's. Further during the course of our audit, we did not come across any instance of audit trail (edit log) feature been tampered with. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended, is applicable from 01 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/provided by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/provided to directors is within the limits laid down under Section 197 of the Act.

Coimbatore
25 May 2024

for CSK Prabhu & Co.
Chartered Accountants
Firm's Registration No: 002485S



CSK Prabhu
CSK Prabhu
Partner
Membership No: 019811
UDIN: 24019811BKF AJN7471

CSK Prabhu & Co

Sakthi Finance Limited

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 18 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the Financial Statements for the year ended 31 March 2024, we report the following:

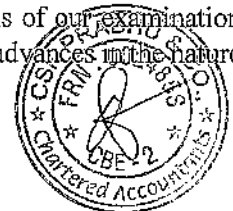
- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Investment Properties.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) On the basis of our examination of the records of the Company, Property, Plant and Equipment (PPE) have been physically verified by the management at reasonable intervals in a phased manner. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, certain PPE were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) On the basis of our examination of the records of the Company and conveyance deeds/lease agreements and such other documents provided to us, the title deeds of all the immovable properties, disclosed in the Financial Statements, are held in the name of the company. Refer Note 36(a) to the Financial Statements. In respect of immovable properties taken on lease and disclosed as right-of-use assets in the Financial Statements, the lease agreements are in the name of the company.
- (d) On the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings that have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and the rules made thereunder. Refer Note 36(d) to the financial statements.
- (ii) (a) The Company is engaged in the business of providing loans and does not have any physical inventories. Accordingly, reporting under Clause 3(ii)(a) of the Order is not applicable.
- (b) During the year, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets (Loan/Finance Receivables). Based on our examination of the records of the Company, the applicable quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company. Refer Note 36(e) to the Financial Statements.
- (iii) (a) The Company is registered with Reserve Bank of India under Section 45-IA as a Non-Banking Financial Company and its principal business is to give loans. Therefore, the provisions of Clause (iii)(a)(A) and Clause (iii)(a)(B) of the Order are not applicable.



Sakthi Finance Limited

Annexure A to the Independent Auditor's Report

- (b) In our opinion and according to the information and explanations given to us, wherever applicable, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
- (c) On the basis of our examination of the records of the Company, in our opinion, in respect of loans and advances in the nature of loans given, the schedule of repayment of principal and payment of interest has been stipulated. Since the Company is a Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India ("RBI") and carrying on the principal business of giving loans to customers, and in view of the voluminous nature of loan transactions generated in the normal course of the Company's business, it is not practicable to furnish the entity-wise details of the loan amount, due date for payment and extent of delay (as suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) and hence have not been reported. Further, except for loans where there are delays or defaults in repayment of principal and/or interest as at the balance sheet date, in respect of which the Company has disclosed the loan asset classification/staging in Note 49.5 to the financial statements in accordance with the Indian Accounting Standards ("Ind AS") and the guidelines/directions issued by the RBI, the parties are repaying the principal amounts, as stipulated and are also regular in payment of interest, as applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is a Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India ("RBI") and carrying on the principal business of giving loans and the same are as per the loan agreements entered into with the borrowers and there are amounts of Principal and Interest overdue for more than ninety days, in respect of such loans and advances in the nature of loans given. Such amounts overdue for more than ninety days in loan account receivables are identified and disclosed by the Company as Stage-3/ Non-Performing Assets ("NPAs"), in accordance with the provisions of the applicable Accounting Standards as disclosed in Note 49.5 to the Financial Statements and as per Accounting Policy described in Note 3.a.(v) to the Financial Statements and in accordance with the relevant guidelines/directions of RBI respectively. The Company has explained to us that reasonable steps have been taken by the company for recovery of the principal and interest and the relevant Reserve Bank of India ("RBI") Guidelines/Directions have been followed in this respect. The total amount overdue for more than ninety days identified as at 31 March 2024 is as follows: Number of such Overdue Receivables is 1937 cases (Previous Year 2,252 cases), Principal Amount Overdue is Rs 3,293.79 Lakhs (Previous Year: Rs.3,470.53 Lakhs), Interest Amount Overdue is Rs 736.02 Lakhs (Previous Year: Rs.738.07 Lakhs) and Total Amount Overdue is Rs 4,029.81 Lakhs (Previous Year: Rs.4,208.60 Lakhs).
- (e) Since the company is a NBFC registered with RBI and the Company's principal business is to give loans, reporting under Clause (iii)(e) of the Order is not applicable to the company.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature



CSK Prabhu & Co

Sakthi Finance Limited

Annexure A to the Independent Auditor's Report

of loans either repayable on demand or without specifying any terms or period of repayment excepting for staff loans/advances which are granted without specifying any terms or period of repayment. The aggregate amount of such loans as at 31st March 2024 stood at Rs 20.20 lakhs (Previous Year: Rs.89.42 lakhs) representing 0.02% (Previous Year 0.07%) to the Total Loans granted. There were no loans granted to Promoters, Related Parties as defined in Clause (76) of Section 2 of the Act which are repayable on demand or without specifying any terms or period of repayment, excepting for receivables as explained by the management to be in the ordinary course of business of the Company and Capital Advances not in the nature of loans.

- (iv) According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act. The other provisions of Section 186 of the Act are not applicable to the Company as the Company is a Non-Banking Financial Company Registered with RBI.
- (v) In our opinion and according to the information and explanations given to us, the company is a Deposit taking Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India. In respect of the deposits accepted by the company or amounts which are deemed to be deposits, the company has complied with the directions issued by the Reserve Bank of India. The provisions of Section 73 to 76 of the Act and any other relevant provisions of the Act and the rules made thereunder with regard to deposits accepted from the public are not applicable to the company. We are informed by the management that no order has been passed by National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the company in respect of the aforesaid deposits.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act for the activities of the company. Accordingly, Clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion and according to the information and explanations given to us and based on the records examined by us, the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable with the appropriate authorities. There are no arrears of outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, duty of excise, Value Added Tax or Cess or other statutory dues, as applicable, which have not been deposited on account of any dispute, except as mentioned below: Refer Note 32(i) to the Financials Statements.



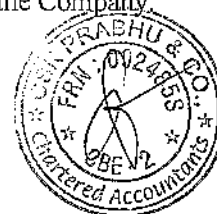
Sakthi Finance Limited

Annexure A to the Independent Auditor's Report

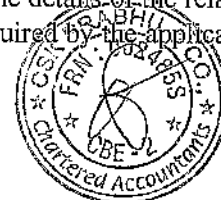
Name of the statute	Nature of dues	Amount (₹ Lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Income tax	9.83*	2011-12	Assessing Officer
Income Tax Act, 1961	Income tax	174.92 (Gross Demand: 217.16 * Less: Amount deposited under protest: 42.24)	2015-16	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service tax	1939.04 (Gross Demand: 2082.34 * Less: Amount deposited under protest: 143.30)	October 2009 to June 2017	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)

* excluding appropriate Interest not determined

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that there are no transactions that are previously not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, the requirement to report on Clause 3(viii) of the Order is not applicable.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared as wilful defaulter by any bank or financial institution or other lender or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the term loans were applied for the purpose for which the loans were obtained. Refer note 60 of Financial Statement.
- (d) According to the information and explanations given to us and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.



- (e) According to the information and explanations given to us on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year. The Company does not have any subsidiaries, associates or joint ventures to report.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, as the Company does not have subsidiaries, associates or joint ventures. Hence, the requirement to report on Clause (3)(ix)(f) of the Order is not applicable.
- (x) (a) The Company has raised money by way of further public offer of Non-Convertible Debentures and Redeemable Preference Shares during the financial year under report. According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the company has utilized such money raised for the purpose for which the funds were raised. Further unutilized funds at the end of the year under report were invested in Fixed Deposits in Banks, pending utilization of the same post the balance sheet date.
- (b) The Company has not made any preferential allotment or private placement of convertible debentures (fully, partially or optionally convertible) during the year under report. Further the company has not made any preferential allotment of shares during the year under report. However, the company has made private placement of preference shares during the year under report and has complied with the requirements of Section 42 and Section 62 of the Companies Act, 2013. Further the funds raised by such private placement of preference shares have been used for the purpose for which the funds were raised.
- (xi) (a) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the course of the audit. Further we have not been informed of any such case by the management. Refer Note 59 of Financial Statements.
- (b) During the year and up to the date of this report, no report under Section 143(12) of the Act has been filed by secretarial/cost auditor or by us in Form ADT – 4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to information and explanations given to us and as represented to us by the management, there were no whistle blower complaints received by the Company during the year which are to be considered while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company. Accordingly, Clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the Financial Statements, as required by the applicable accounting standards. (Refer Note 43 of Financial Statements)



CSK Prabhu & Co

Sakthi Finance Limited

Annexure A to the Independent Auditor's Report

- (xiv) (a) In our opinion, and in accordance to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered all the internal audit reports issued to the Company for the period under audit.
- (xv) According to the information and explanations given to us and in our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, Clause 3(xv) of the Order is not applicable.
- (xvi) (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the registration thereunder has been obtained by the Company as Non-Banking Financial Company-Deposit-taking, Investment and Credit Company.
- (b) According to the information and explanations given to us, the company has not conducted any Non-Banking Financial activities without a valid Certificate of Registration ("CoR") from the Reserve Bank of India as per the Reserve Bank of India Act, 1934, wherever applicable. The Company has not conducted any Housing Finance activities.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India. Accordingly, Clause 3(xvi)(c) of the Order is not applicable.
- (d) Based on the information and explanations provided to us by the management of the Company, the Group does not have any CICs as part of the Group.
- (xvii) The Company has not incurred cash losses during the current financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of Statutory Auditors of the Company during the year and accordingly paragraph 3(xviii) of the order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities (Refer Note 38 and Note 45 (Liquidity Risk) to the financial statements), other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



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Annexure A to the Independent Auditor's Report

- (xx) (a) On the basis of information and explanations given to us by the Company, in respect of other than on-going projects, as at balance sheet date, the Company has no unspent amounts that are required to be transferred to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of Section 135 of the said Act.
- (b) On the basis of information and explanations given to us by the Company, the Company has no on-going projects as at the balance sheet date. The Company has no amounts remaining unspent under sub-section (5) of Section 135 of the Companies Act, requiring to be transferred to special account in compliance with the provision of sub-section (6) of Section 135 of the Act (Refer Note 37 to the financial statements).
- (xxi) According to information and explanations given to us, the company does not have any Subsidiary/Associate/Joint Venture and therefore is not required to prepare and present consolidated Financial Statements pursuant to the provisions of any statute. Accordingly, reporting under Clause (xxi) of para 3 of the Order is not applicable.

Coimbatore
25 May 2024

for CSK Prabhu & Co
Chartered Accountants
Firm's Registration No: 002485S



CSK Prabhu
CSK Prabhu
Partner
Membership No: 019811
UDIN: 240198110KFAJN7471

CSK Prabhu & Co

Sakthi Finance Limited

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (f) of sub-section 3 of Section 143 of the Act
(Referred to in paragraph 19(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

1. We have audited the internal financial controls with reference to Financial Statements of Sakthi Finance Limited ("the Company") as at 31 March 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.
2. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Financial Statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements were established and maintained and whether such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of such internal financial controls, with reference to financial statements assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.



CSK Prabhu & Co

Sakthi Finance Limited

Annexure B to the Independent Auditor's Report

Auditor's Responsibility (continued)

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Financial Statements.

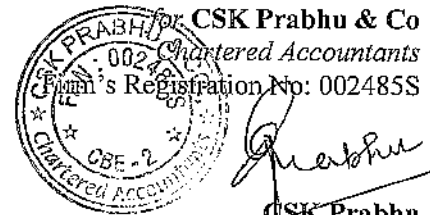
Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Coimbatore
25 May 2024



CSK Prabhu
Partner

Membership No: 019811

UDIN: 24019811BKFJN7471

BALANCE SHEET AS AT 31ST MARCH 2024

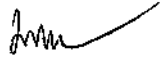
		(₹ Lakhs)	
Particulars	Note	As at 31st March 2024	As at 31st March 2023
ASSETS			
Financial Assets			
Cash and Cash Equivalents	4	7,478.74	3,002.79
Bank Balances other than Cash and Cash Equivalents	4A	2,522.02	42.91
Derivative Financial Instruments		-	-
Receivables	5		
(i) Trade Receivables		186.11	226.21
(ii) Other Receivables		12.22	18.39
Loans	6	1,20,172.39	1,14,500.10
Investments	7	1,390.07	1,344.51
Other Financial Assets	8	1,382.94	1,288.55
Non-Financial Assets			
Current tax Assets (net)		-	33.15
Deferred tax Assets (net)	9	387.03	395.30
Investment Property	10	266.02	270.61
Property, Plant and Equipment	11 (a)	5,665.91	5,844.58
Right of use assets	11 (b)	945.70	1,059.12
Intangible Assets under development	11 (c)	67.79	-
Other Intangible Assets	11 (d)	165.31	156.58
Other Non-Financial Assets	12	1,853.35	1,875.19
Total Assets		1,42,495.60	1,30,057.99
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	13		
(I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		0.59	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		226.01	156.15
(II) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		189.83	193.26
Debt Securities	14	65,619.57	48,792.43
Borrowings (Other than debt securities)	15	12,480.27	14,654.08
Deposits	16	8,281.47	2,444.17
Subordinated Liabilities	17	31,166.98	41,512.40
Other Financial Liabilities	18	2,318.66	1,384.96

BALANCE SHEET AS AT 31ST MARCH 2024 (CONTD...)


(₹ Lakhs)

Particulars	Note	As at 31st March 2024	As at 31st March 2023
Non-Financial Liabilities			
Current tax Liabilities (net)		3.46	—
Provisions	19	142.72	135.49
Other Non-Financial Liabilities	20	229.07	97.78
EQUITY			
Equity Share Capital	21	6,470.59	6,470.59
Other Equity	22	15,366.38	14,216.68
Total Liabilities and Equity		1,42,495.60	1,30,057.99
The accompanying Notes form an integral part of the Financial Statements	1 -63		

As per our report of even date

For CSK Prabhu & Co.,
Chartered Accountants
Firm Regn. No.: 0024855CSK PRABHU
Partner
Membership No. 019811Place : Coimbatore
Date : 25th May 2024
M. BALASUBRAMANIAM
Vice Chairman and Managing Director
DIN : 00377053
C. SUBRAMANIAM
Company Secretary
Membership No. FCS 6971

For and on behalf of the Board


M. MANICKAM
Chairman
DIN : 00102233
SRINIVASAN ANAND
Chief Financial Officer
Membership No.020694

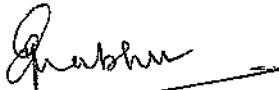
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ Lakhs)

Particulars	Note	For the year ended 31st March 2024	For the year ended 31st March 2023
REVENUE FROM OPERATIONS			
Interest Income	23	19,826.18	18,476.72
Lease Rental Income		64.18	30.94
Fees and Commission Income	24	511.22	459.47
Sale of power from Wind Mills	25	192.37	173.13
Recovery of Bad Debts		80.16	40.34
Total Revenue from operations		20,674.11	19,180.60
Other Income	26	0.25	13.37
Total Income		20,674.36	19,193.97
Expenses			
Finance Costs	27	11,572.62	10,926.13
Fees and commission expense		111.01	107.44
Impairment on financial instruments	28	675.04	926.07
Employee Benefit Expenses	29 & 43	3,664.70	3,246.21
Depreciation and Amortization Expense	10, 11, 30	587.44	546.93
Other Expenses	31	1,915.76	1,705.22
Total Expenses		18,526.57	17,458.00
Profit before Exceptional and Extraordinary Items and Tax		2,147.79	1,735.97
Exceptional Items		-	-
Profit before Tax		2,147.79	1,735.97
Tax Expense:	41	577.25	486.60
- Current Tax		572.38	674.65
- Deferred Tax		(2.52)	(188.05)
- Provision for Taxation (earlier years)		7.39	-
Profit for the year		1,570.54	1,249.37
Other Comprehensive Income	22		
(A) Items that will not be reclassified to profit or loss			
- Fair value changes in Equity Instruments		39.91	36.38
- Actuarial Changes in Defined benefit obligation		2.96	6.06
- Income Tax relating to items that will not be reclassified to profit or loss		(10.79)	(10.68)
Sub Total (A)		32.08	31.76
(B) Items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (A+B)		32.08	31.76
Total Comprehensive Income		1,602.62	1,281.13
Earnings per Equity Share	3(u) & 44		
Face Value per Equity Share (₹)		10.00	10.00
- Basic (₹)		2.43	1.93
- Diluted (₹)		2.43	1.93
The accompanying Notes form an integral part of the financial statements	1-63		

As per our report of even date

For **CSK Prabhu & Co.,**
Chartered Accountants
Firm Regn. No. : 0024855


CSK PRABHU
Partner
Membership No. 019811

Place : Coimbatore
Date : 25th May 2024


M. BALASUBRAMANIAM
Vice Chairman and Managing Director
DIN : 00377053


C. SUBRAMANIAM
Company Secretary
Membership No. FCS 6971

For and on behalf of the Board


M. MANICKAM
Chairman
DIN : 00102233


SRINIVASAN ANAND
Chief Financial Officer
Membership No. 020694

SAKTHI FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024
A. EQUITY SHARE CAPITAL - (Issued, Subscribed and fully paid-up) (Refer Note 21)
Current reporting year and previous reporting year

(₹ Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Balance at the beginning of the current reporting year	6,470.59	6,470.59
Changes in Equity Share Capital due to prior period errors	-	-
Restated Balance at the beginning of the current reporting year	6,470.59	6,470.59
Changes in equity share capital during the current year	-	-
Balance at the end of the current reporting year	6,470.59	6,470.59

B. OTHER EQUITY (Refer Note 22)
(1) Current reporting year (1st April 2023 to 31st March 2024)

(₹ Lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus					Items of Other Comprehensive Income					Money received against share warrants	Total	
			Capital Reserve	Securities Premium	General Reserve	Other Reserves (as per Section 45-IC of RBI Act, 1934)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation			Actuarial changes in defined benefit obligations
Balance at the beginning of the current reporting year 1st April 2023	-	-	52.61	1,429.80	4,436.00	3,792.92	4,463.43	-	13.02	-	-	-	28.90	-	14,216.68
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting year	-	-	52.61	1,429.80	4,436.00	3,792.92	4,463.43	-	13.02	-	-	-	28.90	-	14,216.68
Total Comprehensive Income for the year	-	-	-	-	-	-	1,570.54	-	29.87	-	-	-	2.23	-	1,602.64
Dividends	-	-	-	-	-	-	(452.94)	-	-	-	-	-	-	-	(452.94)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve	-	-	-	-	-	314.11	(314.11)	-	-	-	-	-	-	-	-
Issue Expenses on Preferential Issue of Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2024	-	-	52.61	1,429.80	4,436.00	4,107.03	5,266.92	-	42.89	-	-	-	31.13	-	15,366.38

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD...)

(2) Previous reporting year (1st April-2022 TO 31st March 2023)

(₹ Lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus					Items of Other Comprehensive Income					Money received against share warrants	Total	
			Capital Reserve	Securities Premium	General Reserve	Other Reserves (as per Section 45-1C of RBI Act, 1934)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation			Actuarial changes in defined benefit obligations
Balance at the beginning of the current reporting year 1st April 2022	-	-	52.61	1,429.80	4,436.00	3,543.05	3,852.17	-	(14.20)	-	-	-	24.37	-	13,323.80
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting year	-	-	52.61	1,429.80	4,436.00	3,543.05	3,852.17	-	(14.20)	-	-	-	24.37	-	13,323.80
Total Comprehensive Income for the year	-	-	-	-	-	-	1,249.37	-	27.22	-	-	-	4.53	-	1,281.12
Dividends	-	-	-	-	-	-	(388.24)	-	-	-	-	-	-	-	(388.24)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve	-	-	-	-	-	249.87	(249.87)	-	-	-	-	-	-	-	-
Issue Expenses on Preferential Issue of Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2023	-	-	52.61	1,429.80	4,436.00	3,792.92	4,463.43	-	13.02	-	-	-	28.90	-	14,216.68

The accompanying Notes form an integral part of the financial statements

As per our report of even date

For CSK Prabhu & Co.,

Chartered Accountants

Firm Regn. No. : 0024855

CSK PRABHU
Partner
Membership No. 01981



Place : Coimbatore

Date : 25th May 2024

For and on behalf of the Board

M. BALASUBRAMANIAM
Vice Chairman and Managing Director
DIN : 00377053

M. MANICKAM
Chairman
DIN : 00102233

C. SUBRAMANIAM
Company Secretary
Membership No. FCS 6971

SRINIVASAN ANAND
Chief Financial Officer
Membership No.020694

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
4. CASH AND CASH EQUIVALENTS		
Cash on hand	384.83	189.80
Balance with Banks in Current Accounts	5,484.87	2,706.41
Cheques, drafts on hand	9.04	106.58
Term Deposits with Banks :		
- Free (With original maturity of upto 3 months)	1,600.00	-
Total	<u>7,478.74</u>	<u>3,002.79</u>
Amounts of Cash and Cash Equivalents that are not available for use	-	-
4A. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked Balances with Banks :		
- Unpaid Dividend Accounts*	102.02	42.91
Term Deposits with Banks (with maturity less than 12 months) :		
- Free	-	-
- Under Lien #		
- With maturity of more than 3 months but upto 1 year	580.00	-
- Other deposits	1,840.00	-
Total	<u>2,522.02</u>	<u>42.91</u>

Details of Term Deposits under lien

Particulars	As at 31st March 2024			As at 31st March 2023		
	Bank Balances other than Cash and Cash equivalents (Note 4A)	Other Financial assets (Note 8)	Total	Bank Balances other than Cash and Cash equivalents (Note 4A)	Other Financial assets (Note 8)	Total
For Statutory Liquid Assets**	2,420.00	14.43	2,434.43	-	-	-
Total	<u>2,420.00</u>	<u>14.43</u>	<u>2,434.43</u>	-	-	-

** In accordance with the Reserve Bank of India Directions, the Company has created a floating charge on Statutory Liquid Assets (Bank Deposits and interest accrued thereon) in favour of IDBI Trusteeship Services Ltd, Trustees representing the Public deposit holders of the Company.

* Includes minimum bank balance

5. RECEIVABLES

(i) Trade Receivables

Unsecured - Considered good

- Unsecured - Considered good	56.91	101.83
- Unsecured - Credit Impaired	161.89	175.53
Less: Impairment Loss Allowance	<u>(32.69)</u>	<u>(51.15)</u>
Total	<u>186.11</u>	<u>226.21</u>

(ii) Other Receivables

Unsecured - Considered good

Rent Receivables	12.22	18.39
Total	<u>12.22</u>	<u>18.39</u>

There is no amount due from any directors or other officers of the company or any firm or Private Limited Company in which any Director is a partner, a Director or a member.

The Company's impairment assessment and measurement approach for Trade Receivables is mentioned Note 3a(v) of material accounting policies. (under the Heading "Simplified approach for Trade/Other receivables")

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

Trade Receivables Ageing Schedule as at 31st March 2024

(₹ Lakhs)

Particulars	Unbilled Revenue	Outstanding for following periods from due date of payment					
		Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	-	17.27	39.64	-	-	-	56.91
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	35.01	91.47	35.41	161.89
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less : Impairment Allowance	-	(3.30)	(10.51)	(6.50)	(8.93)	(3.45)	(32.69)

Trade Receivables Ageing Schedule as at 31st March 2023

(₹ Lakhs)

Particulars	Unbilled Revenue	Outstanding for following periods from due date of payment					
		Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	-	25.24	76.59	-	-	-	101.83
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	91.47	83.57	0.49	175.53
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less : Impairment Allowance	-	(5.67)	(20.30)	(16.98)	(8.15)	(0.05)	(51.15)

Trade Receivables - Impairment Movement

(₹ Lakhs)

Particulars	31st March 2024	31st March 2023
Impairment Loss Allowance - Opening	51.15	44.47
Add: Additions during the year	-	25.98
(Less): Reductions during the year	(18.46)	(19.30)
Impairment Loss Allowance - Closing	32.69	51.15

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
6. LOANS		
(A) Loans (at amortised cost) *		
Hire Purchase Loans#	1,24,285.34	1,18,495.88
Loans Repayable on Demand	1,121.69	897.82
Other Loans ##	312.90	298.54
Total (Gross)	1,25,719.93	1,19,692.24
Less: Impairment Loss Allowance (Refer Note 45)	(5,547.54)	(5,192.14)
Total (Net)	1,20,172.39	1,14,500.10
(B) (i) Secured by Tangible Assets Financed	1,24,285.34	1,18,495.88
(ii) Secured by Intangible Assets	-	-
(iii) Covered by Bank / Govt. Securities	-	-
(iv) Unsecured	1,434.59	1,196.36
Total (Gross)	1,25,719.93	1,19,692.24
Less: Impairment Loss Allowance (Refer Note 45)	(5,547.54)	(5,192.14)
Total (Net)	1,20,172.39	1,14,500.10
(C) (i) Loans in India		
(a) Public Sector		
(b) Others	1,25,719.93	1,19,692.24
Total (Gross)	1,25,719.93	1,19,692.24
Less: Impairment Loss Allowance (Refer Note 45)	(5,547.54)	(5,192.14)
Total (Net) - C (i)	1,20,172.39	1,14,500.10
(ii) Loans Outside in India	-	-
Less: Impairment Loss Allowance	-	-
Total (Net) - C (ii)	-	-
Total (Net) - C (i+ ii)	1,20,172.39	1,14,500.10
(D) (i) Loans - where there has not been significant increase in credit risk - Secured	1,04,132.22	97,578.13
(ii) Loans - where there has not been significant increase in credit risk - Unsecured	-	-
(iii) Loans - which have Significant Increase in Credit Risk - Secured	13,557.08	13,919.86
(iv) Loans - which have Significant Increase in Credit Risk - Unsecured	1,434.59	1,196.36
(v) Loans - Credit Impaired - Secured	6,596.04	6,997.89
(vi) Loans - Credit Impaired - Unsecured	-	-
Total (Gross)	1,25,719.93	1,19,692.24
Less: Impairment Loss Allowance (Refer Note 45)	(5,547.54)	(5,192.14)
Total (Net)	1,20,172.39	1,14,500.10

* There are no loan assets measured or designated at FVTOCI or FVTPL

Includes Repossessed Assets (Refer Note 3(b)) and Related Party Transactions (Refer Note 43)

Represents Staff Loans

Refer Note 45 on Financial Risk Management Framework for an overview of Stagewise Classification of Gross Carrying Amount and Expected Credit Loss of Loan Assets.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ Lakhs)

Particulars			As at 31st March 2024	As at 31st March 2023
7. INVESTMENTS				
At Amortised Cost				
Investments in Government Securities	Number	Face Value per unit (₹)		
Quoted				
Bonds of Central and State Governments #	11,96,300	100	1,200.34	1,194.69
Total (A)			<u>1,200.34</u>	<u>1,194.69</u>
At Fair value through Other Comprehensive Income				
Quoted				
Investments in Equity Instruments (Refer Note 3(a)(ii))				
Sakthi Sugars Limited	5,52,833	10	163.86	111.45
Chokhani International Limited	100	10	0.02	0.02
Total (B)			<u>163.88</u>	<u>111.47</u>
Unquoted				
Investments in Equity Instruments				
ABT Industries Limited	1,50,000	10	15.00	15.00
ABT Foods Agrovet Limited (Formerly Sakthi Beverages Ltd)	1,25,000	10	12.50	12.50
Sri Bhagavathi Textiles Limited	5	100	0.04	0.04
Sri Chamundeswari Sugars Limited	1,86,666	10	7.82	7.82
ABT Co-operative Stores Limited	500	10	0.05	0.05
Stiles India Limited	100	10	-	-
Sakthi Soft Drinks Pvt Limited	30,000	10	3.00	3.00
Total (C)			<u>38.41</u>	<u>38.41</u>
Total (Gross) - (A+B+C)			<u>1,402.63</u>	<u>1,344.57</u>
(i) Investments Outside India			-	-
(ii) Investments In India			<u>1,402.63</u>	<u>1,344.57</u>
Total			<u>1,402.63</u>	<u>1,344.57</u>
Less: Impairment Loss Allowance			<u>12.56</u>	<u>0.06</u>
Total (Net)			<u>1,390.07</u>	<u>1,344.51</u>
# In accordance with Master Direction - Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 2016 dated 25th August 2016 (as amended), the Company has created a floating charge on the statutory liquid assets comprising investment in Government securities on the above investments in favour of IDBI Trusteeship Services Ltd, trustees representing the Public Deposit holders of the company.				
8. OTHER FINANCIAL ASSETS				
- Interest accrued on Government Securities			22.64	22.82
- Interest accrued on Term Deposits				
- Free			2.25	-
- Under Lien (Refer Note 4A)			14.43	-
- Security Deposits			213.44	235.10
- Other Loans and Advances			1,124.94	1,022.85
- Advance to Employees			5.24	7.78
Total			<u>1,382.94</u>	<u>1,288.55</u>

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
9. DEFERRED TAX ASSETS (net)*		
a. Application of Expected Credit Loss on Financial Assets	1,174.62	1,109.27
b. Employee benefit expenses	35.92	34.10
c. Right of Use Assets and Lease Liabilities	2.70	5.73
d. Application of EIR on Financial Liabilities	(160.70)	(50.03)
e. Differences in carrying amount of Property, Plant and Equipment	(665.51)	(703.77)
Total	387.03	395.30

* Refer Note 41

10. a) INVESTMENT PROPERTY*

Particulars	Land	Building	Total
Carrying amount as at 1st April 2022	66.87	226.74	293.61
Additions	-	-	-
Disposals	-	-	-
Carrying amount as at 31st March 2023	66.87	226.74	293.61
Additions	-	-	-
Disposals	-	-	-
Carrying amount as at 31st March 2024	66.87	226.74	293.61
Accumulated depreciation and impairment			
Balance as at 1st April 2022	-	18.40	18.40
Depreciation for the year	-	4.60	4.60
Depreciation on disposals	-	-	-
Balance as at 31st March 2023	-	23.00	23.00
Depreciation for the year	-	4.60	4.60
Depreciation on disposals	-	-	-
Balance as at 31st March 2024	-	27.59	27.59
Net Carrying amount			
As at 31st March 2023	66.87	203.74	270.61
As at 31st March 2024	66.87	199.15	266.02
Useful Life of the Asset (In Years)	-	60	-

*Refer Note 3(h)

10. b) Rental Income with respective expenses

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Rental income - (Building) from Investment Property (IP)	1.48	-
Less: Direct operating expenses arising from IP that generated rental income during the year	-	-
Direct operating expenses arising from IP that did not generate rental income during the year	3.05	1.35
Profit/(Loss) from Investment property before depreciation	(1.57)	(1.35)
Less: Depreciation charge for the year	4.60	4.60
Profit/(Loss) from Investment property after depreciation	(6.17)	(5.95)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

10.c) Fair Value of Investment Property with assumptions applied in determining the fair value of investment property

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted avg)	Sensitivity of the input to fair value	Fair value ₹ lakhs	Sensitivity ₹ lakhs
Sensitivity analysis						
Investment Property As at 31st March 2024	Professional valuer	Price per Square Feet	₹ 2,500 - 5,000 per Square Feet	5%	370	19
Investment Property As at 31st March 2023	Professional valuer	Price per Square Feet	₹ 2,500 - 5,000 per Square Feet	5%	370	19

- 10. d)** Carrying value of Investment Property pledged as collateral for liabilities as at 31st March 2024 is ₹ Nil (31st March 2023 is ₹ Nil)
- 10. e)** Some of investment Properties are leased out to tenants. Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The agreements are cancellable with mutual consent.
- 10. f)** The Company has no contractual obligations to purchase, construct or develop investment property as at 31st March 2024 and 31st March 2023.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

1.1 (a) Property, Plant and Equipment - Tangible Assets*

(₹ Lakhs)

Particulars	Freehold Land	Buildings	Plant and Machinery	Plant - Wind Mills	Furniture and Fixtures	Vehicles	Office Equipments	Total Tangible Assets
Carrying Amount as at 1st April 2022	2,766.47	1,712.89	98.18	1,615.39	359.99	97.16	248.96	6,899.04
Additions	-	17.28	27.54	-	22.31	-	86.53	153.66
Disposals	-	1.29	6.88	-	3.39	0.47	3.28	15.31
Carrying Amount as at 31st March 2023	2,766.47	1,728.88	118.84	1,615.39	378.91	96.69	332.21	7,037.39
Additions	-	9.28	11.69	-	24.63	-	36.51	82.11
Disposals	-	-	-	-	-	0.65	4.49	5.14
Carrying Amount as at 31st March 2024	2,766.47	1,738.16	130.53	1,615.39	403.54	96.04	364.23	7,114.36
Accumulated depreciation and impairment								
Balance as at 1st April 2022	-	211.32	30.38	418.28	136.40	52.27	103.76	952.41
Depreciation for the year	-	47.99	8.39	104.57	37.87	11.36	39.02	249.20
Depreciation on disposals	-	0.09	4.18	-	1.97	0.17	2.39	8.80
Balance as at 31st March 2023	-	259.22	34.59	522.85	172.30	63.46	140.39	1,192.81
Depreciation for the year	-	50.10	9.60	104.57	40.11	10.88	44.76	260.02
Depreciation on disposals	-	-	-	-	-	0.43	3.95	4.38
Balance as at 31st March 2024	-	309.32	44.19	627.42	212.41	73.91	181.20	1,448.45
Net Carrying amount								
As at 31st March 2023	2,766.47	1,469.66	84.25	1,092.54	206.61	33.23	191.82	5,844.58
As at 31st March 2024	2,766.47	1,428.84	86.34	987.97	191.13	22.13	183.03	5,665.91
Useful Life of the Asset (In Years)	-	60	15	22	10	8	10	

*Refer Note 3(f) & 36(a)

The Company has not revalued any of its Property, Plant and Equipment during the year ended March 31, 2024 and year ended March 31, 2023. The amount of change in gross and net carrying amount due to impairment losses/reversals is nil.

Freehold land is not depreciated

As at 31st March 2024 and 31st March 2023, there are no Immovable Properties (including Investment Properties) whose title deeds are not held in the name of the Company. Hence disclosures contemplated in Division III of Schedule III of the Companies Act, 2013 is not applicable and hence not reported.

Carrying Value of Assets Pledged Against borrowings / Debt Securities as at 31st March 2024 (Refer Note 14 & 15)

(₹ Lakhs)

Particulars	Freehold Land	Buildings	Plant and Machinery	Plant - Wind Mills	Furniture and Fixtures	Vehicles	Office Equipments	Total Tangible Assets
As at 31st March 2024	173.80	1281.47	-	-	-	-	-	1455.27
As at 31st March 2023	173.80	1317.74	-	-	-	-	-	1491.54

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

Capital Work in Progress (CWIP) ageing schedule
As at 31st March 2024

(₹ Lakhs)

Intangible Assets under Development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Note: There were no Capital Work in Progress, whose completion is overdue or has exceeded its cost compared to its original plan
As at 31st March 2023

Intangible Assets under Development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Note: There were no Capital Work in Progress, whose completion is overdue or has exceeded its cost compared to its original plan

11 (b) Right of use Assets*

(₹ Lakhs)

Particulars	Amount
Carrying amount as at 1st April 2022	1,725.38
Additions	220.17
Disposals	-
Carrying amount as at 31st March 2023	1,945.55
Additions	162.91
Disposals	-
Carrying amount as at 31st March 2024	2,108.46
Accumulated depreciation and impairment	
Balance as at 1st April 2022	631.78
Depreciation for the year	254.65
Depreciation on Deductions	-
Balance as at 31st March 2023	886.43
Depreciation for the year	276.33
Depreciation on Deductions	-
Balance as at 31st March 2024	1,162.76
Net Carrying amount	
As at 31st March 2023	1,059.12
As at 31st March 2024	945.70
Useful Life of the Asset (In Years)	3

*Refer Note 3(q) & Refer Note 48

The above note provides information for leases where the Company is a lessee.

The Company has not revalued any of its Right of Use Assets during the year ended March 31, 2024 and year ended March 31, 2023. The amount of change in gross and net carrying amount due to impairment losses/reversals is nil.

11 (c) Intangible Assets under development*

(₹ Lakhs)

Particulars	Amount
Carrying amount as at 31st March 2022	-
Additions	-
Disposals	-
Carrying amount as at 31st March 2023	-
Additions	67.79
Disposals	-
Carrying amount as at 31st March 2024	67.79
As at 31st March 2023	-
As at 31st March 2024	67.79

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

Intangible Assets under Development ageing schedule

As at 31st March 2024

(₹ Lakhs)

Intangible Assets under Development	Amount in Intangible Asset under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	67.79	-	-	-	67.79
Projects temporarily suspended	-	-	-	-	-

Note: There were no Intangible Assets under Development, whose completion is overdue or has exceeded its cost compared to its original plan

As at 31st March 2023

Intangible Assets under Development	Amount in Intangible Asset under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

*Refer Note 3(g)

1.1 (d) Other Intangible Assets - Computer Software*

(₹ Lakhs)

Particulars	Amount
Carrying amount as at 1st April 2022	382.42
Additions	15.60
Disposals	-
Carrying amount as at 31st March 2023	398.02
Additions	55.22
Disposals	-
Carrying amount as at 31st March 2024	453.24
Accumulated amortization and impairment	
Balance as at 1st April 2022	202.96
Amortization for the year	38.48
Amortization on disposals	-
Balance as at 31st March 2023	241.44
Amortization for the year	46.49
Amortization on disposals	-
Balance as at 31st March 2024	287.93
Net Carrying amount	
As at 31st March 2023	156.58
As at 31st March 2024	165.31
Useful Life of the Asset (In Years)	6

*Refer Note 3(g)

The Company has not revalued any of its Other Intangible Assets during the year ended March 31, 2024 and year ended March 31, 2023. The amount of change in gross and net carrying amount due to impairment losses/reversals is nil.

There are no items of Intangible assets with "indefinite" lives.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
12. OTHER NON-FINANCIAL ASSETS		
Considered good-Unsecured		
- Advance for Property, Plant and Equipment	1500.00	1,500.00
- Prepaid Expenses	74.72	62.65
- GST Input Tax Credit	276.57	289.33
- NCD Public Issue Expenses	-	21.87
- Others - Stock of Stationery Items	2.06	1.34
Total	1,853.35	1,875.19

Refer Note 43 on Disclosure pursuant to Ind AS "24" - Related Party Disclosures for Loans and Advances given and outstanding dues from related parties

LIABILITIES AND EQUITY

13. PAYABLES

(I) Trade Payables

(i) Total outstanding dues of micro enterprises and small enterprises	0.59	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	226.01	156.15

(II) Other Payables

(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	189.83	193.26
Total	416.43	349.41

Micro, Small and Medium 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") the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per MSMED Act are given below

(₹ Lakhs)

a) Dues remaining unpaid to any supplier at the year end		
- Principal	0.59	-
- Interest on the above	-	-
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act	-	-
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) 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	-	-
Total	0.59	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

Trade Payables Ageing Schedule as at 31st March 2024

(₹ Lakhs)

Particulars	Outstanding for following periods from the due date of payment					
	Unbilled Revenue	Less than - 1 year	1-2 Years	2-3 years	More than 3 years	Total
MSME		0.59	-	-	-	0.59
Others		415.84	-	-	-	415.84
Disputed Dues - MSME		-	-	-	-	-
Disputed Dues - Others		-	-	-	-	-

Trade Payables Ageing Schedule as at 31st March 2023

Particulars	Outstanding for following periods from the due date of payment					
	Unbilled Revenue	Less than - 1 year	1-2 Years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-	-
Others	-	349.41	-	-	-	349.41
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-

Particulars	As at 31st March 2024	As at 31st March 2023
14. DEBT SECURITIES		
At Amortised Cost		
Redeemable, Non-Convertible Debentures - Secured	65,619.57	48,792.43
Total	65,619.57	48,792.43
Debt Securities in India	65,619.57	48,792.43
Debt Securities outside India	-	-
Total	65,619.57	48,792.43

Note:

- There are no debt securities measured at FVTOCI or designated at FVTPL.
- The Non-Convertible Debentures are secured by immovable properties and Loan receivables of the Company having carrying value of ₹ 73,762.84 lakhs (31st March 2023: ₹ 53,357.41 Lakhs).
- For Debt securities subscribed and held by the related parties refer Note 43

Details of Redeemable, Non-Convertible Debentures - Secured:

Particulars	As at 31st March, 2024	As at 31st March, 2023
A. Issued on private placement basis - Face Value of ₹ 1,000		
- Repayable on maturity:		
Interest Range 8.00% to 10.25%		
Maturing within 1 year	4,255.50	4,935.30
Maturing between 1 to 2 years	2,587.00	3,426.50
Maturing between 2 to 3 years	2,090.00	2,147.00
Maturing between 3 to 4 years	2,414.29	175.00
Maturing between 4 to 5 years	-	1,309.00
Sub-Total (A)	11,346.79	11,992.80
Add : Interest accrued but not due	409.34	472.26
Less: unamortized charges	61.52	60.71
(A) Total Amortized Cost	11,694.61	12,404.35

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

(₹ Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
B) Public Issue - Face value of ₹ 1,000		
- Repayable on maturity:		
Interest Range 9% to 10%		
Maturing within 1 year	8,591.88	11,652.10
Maturing between 1 years to 2 years	12,583.04	8,591.88
Maturing between 2 years to 3 years	5,045.10	6,766.39
Maturing between 3 years to 4 years	6,952.51	353.94
Maturing between 4 years to 5 years	14,950.83	6,491.31
Maturing between 5 years to 6 years	2,035.70	-
Maturing between 6 years to 7 years	1,540.14	-
Sub-Total (B)	51,699.20	33,855.62
Add : Interest accrued but not due	3,091.75	2,923.43
Less: unamortized charges	865.99	390.97
(B)Total Amortized Cost	53,924.96	36,388.08
TOTAL (A)+(B)	65,619.57	48,792.43
Total Amortized Cost (A + B)	65,619.57	48,792.43

15. BORROWINGS (OTHER THAN DEBT SECURITIES)*

At amortized cost

Term Loans -Secured

- From Banks

4,884.67

2,408.38

- From Other Lenders

2,332.05

287.79

Loan Repayable on Demand

- Cash Credit Facilities and Working Capital Demand Loan from Banks (Secured)

5,263.55

11,957.91

Total

12,480.27

14,654.08

Borrowings in India

12,480.27

14,654.08

Borrowings outside India

-

Total

12,480.27

14,654.08

There are no borrowings measured at FVTOCI or designated at FVTPL.

*Refer Note 36 (e) & 36 (f). For additional disclosures

a) Term loans from Banks are secured as under :

i) State Bank of India

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Mora-torium period	Security details	Amount outstanding as on 31st March 2024	Amount outstanding as on 31 March 2023
			Commence-ment date	End date				
1	5,000.00	13.30%	30.09.2020	30.06.2025		Hypothecation of specified Hire Purchase receivables and personal guarantee by a director	1,301.60	2,333.95
2	4,500.00	13.30%	31.10.2023	30.09.2028	-		3,599.70	-
Add : Interest accrued but not due							-	-
Less: unamortized charges							16.63	29.92
Total Amortized Cost							4,884.67	2,304.03

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

ii) IndusInd Bank Ltd

(₹ Lakhs)

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Moratorium period in months	Security details	Amount outstanding as on 31st March 2024	Amount outstanding as on 31 March 2023
			Commencement date	End date				
1	650.00	12.00%	04.03.2020	04.06.2023	3	Hypothecation of specified Hire Purchase receivables	-	68.62
2	350.00	12.00%	04.03.2020	04.06.2023	3		-	34.81
Add : Interest accrued but not due							-	0.92
Less: unamortized charges							-	-
Total Amortized Cost							-	104.35

b) Term loans from other Lenders are secured as under:

i) Shriram Finance Ltd

(₹ Lakhs)

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Moratorium period in months	Security details	Amount outstanding as on 31st March 2024	Amount outstanding as on 31 March 2023
			Commencement date	End date				
1	2,000.00	13.00%	05.09.2019	05.08.2023	-	Hypothecation of specified Hire Purchase receivables and a personal guarantee by a director	-	252.42
2	1,000.00	13.00%	05.05.2020	05.04.2023	-		-	33.46
3	1,000.00	13.25%	05.11.2023	05.10.2026	-		886.76	-
4	1,500.00	13.25%	05.02.2024	05.01.2027	-		1,433.98	-
Add : Interest accrued but not due							22.23	2.74
Less: unamortized charges							10.92	0.83
Total Amortized Cost							2,332.05	287.79

c) Loans repayable on demand - Cash credit facilities with banks (secured)

(₹ Lakhs)

Particulars	As at 31st March 2024		As at 31st March 2023	
	Interest Rate Range	Amount outstanding	Interest Rate Range	Amount outstanding
Maturing within 1 Year	9.00 % to 12.85%	5,256.16	9.65 % to 12.85%	11,965.61
Add : Interest accrued but not due		32.93		34.69
Less: unamortized charges		25.54		42.39
Total Amortized Cost		5,263.55		11,957.91

The cash credit facilities and Working Capital Demand Loan from Banks are secured by hypothecation of specified hire purchase receivables and a personal guarantee by Director(s). The company has also extended collateral security of Company's Building and land belonging to a Director.

d) There is no default in repayment of loans and interest on any of the borrowings.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Particulars	(₹ Lakhs)	
	As at 31st March 2024	As at 31st March 2023
16. DEPOSITS (UNSECURED)		
At amortized cost		
Public Deposits	8,281.47	2,444.17
Total	8,281.47	2,444.17

There are no Deposits measured at FVTOCI or designated at FVTPL

Details of Deposits - Unsecured :

Particulars	As at 31st March 2024	As at 31st March 2023
- Repayable on maturity:		
Interest Range 8.25% to 9%		
Maturing within 1 year	873.64	2,168.62
Maturing between 1 to 2 years	1,677.90	-
Maturing between 2 to 3 years	2,663.20	-
Maturing between 3 to 4 years	1,484.09	-
Maturing between 4 to 5 years	1,526.76	-
Subtotal	8,225.59	2,168.62
Add : interest accrued but not due	126.38	279.18
Less: unamortized charges	70.50	3.63
Total Amortized Cost	8,281.47	2,444.17

For Deposits repaid to related parties, Refer Note 43

17. SUB-ORDINATED LIABILITIES (UNSECURED)

At amortized cost		
Redeemable, Non-Convertible Debentures - Unsecured	12,962.06	12,281.44
Redeemable Cumulative Preference Shares ("RCPS")	1,752.52	1,495.30
Sub-Ordinated Liabilities	16,452.40	27,735.66
Total	31,166.98	41,512.40
Sub-Ordinated Liabilities in India	31,166.98	41,512.40
Sub-Ordinated Liabilities outside India	-	-
Total	31,166.98	41,512.40

There are no Sub-ordinated liabilities measured at FVTOCI or designated at FVTPL

Terms/rights attached to RCPS

The RCPS do not have voting rights other than matters which directly affect them. In the event of any due and payable dividends remain unpaid for aggregate period of at least two years prior to the start of any general meeting of the equity shareholders, RCPS holders shall have voting rights in line with their voting rights of the equity shareholders. The RCPS will be redeemed at the end of three years from the date of allotment and the payment of dividend would be in accordance with the terms agreed at the time of issuance of RCPS.

On winding up or repayment of capital, RCPS holders enjoy preferential rights *vis a vis* equity shareholders, for repayment of paid-up capital and shall include any unpaid dividends.

For the year ended 31st March 2024, the Company declared and paid an interim dividend of ₹ 135.12 lakhs after deduction of tax deducted at source of ₹ 5.89 lakhs on RCPS of ₹ 100 each fully paid (31st March 2023 : ₹ 123.75 lakhs)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

Details of Sub-Ordinated Liabilities - Unsecured :

(₹ Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
A) Redeemable Non-Convertible Debentures - Unsecured :		
Issued on Public Issue		
Repayable on maturity:		
Interest Range 10% to 11%		
Maturing within 1 year	4,374.80	-
Maturing between 1 years to 2 years	1,603.70	4,374.80
Maturing between 2 years to 3 years	4,759.47	1,603.70
Maturing between 3 years to 4 years	-	4,759.47
Maturing between 4 years to 5 years	-	-
Sub-Total (A)	10,737.97	10,737.97
B) Preference Shares		
Repayable on maturity:		
8.25% and 9% Redeemable Preference Shares		
Maturing within 1 year	331.00	1,169.00
Maturing between 2 years to 3 years	1,439.15	331.00
Sub-Total (B)	1,770.15	1,500.00
C) Sub-Ordinated Debts		
- Repayable on maturity:		
Interest Range 10% to 11%		
Maturing within 1 year	12,221.80	9,914.40
Maturing between 1 to 2 years	1,244.40	12,221.80
Maturing between 2 to 3 years	-	1,244.40
Maturing between 3 to 4 years	-	-
Sub-Total (C)	13,466.20	23,380.60
Sub-Total (A+B+C)	25,974.32	35,618.57
Add : Interest accrued but not due		
A) Redeemable Non-Convertible Debentures - Unsecured	2,286.39	1,637.06
B) Preference Shares	-	-
C) Sub-Ordinated Debts	3,000.16	4,411.64
Less: Unamortized charges		
A) Redeemable Non-Convertible Debentures - Unsecured	62.30	93.59
b) Preference Shares	17.63	4.70
c) Sub-Ordinated Debts	13.96	56.58
Total amortized cost	31,166.98	41,512.40

In respect of Sub-Ordinated Liabilities held by related parties, Refer Note 43

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
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18. OTHER FINANCIAL LIABILITIES

Investor Education and Protection Fund shall be credited by the following amounts (as and when due)

- Unpaid dividends	101.91	42.80
- Unpaid matured deposits and Interest accrued thereon	202.27	258.78
- Unpaid matured Sub-Ordinated Debts and Interest accrued thereon	608.17	21.78
- Unpaid matured debentures and Interest accrued thereon	110.38	38.73
- Unpaid Redeemable Cumulative Preference Shares	306.50	13.00
Advances from Customers	524.91	487.73
Security Deposits	187.49	149.22
Lease Liabilities - (Refer Note 48)	277.03	372.92
Total	2,318.66	1,384.96

Note : Equity Dividend pertaining to the financial year 2011 and 2012 for an amount of ₹ 500 have not been transferred into Investor Education and Protection Fund, due to pending legal proceedings.

19. PROVISIONS

Provision for Employee Benefits

Provision for bonus	69.09	67.41
Provision for gratuity (net) (Refer Note 42a)	11.25	8.84
Provision for leave encashment (Refer Note 42b)	62.38	59.24
Total	142.72	135.49

Particulars	As at 31st March 2023	Additional Provision	Utilization / Reversal	As at 31st March 2024
Provision for Bonus	67.41	69.09	67.41	69.09
Provision for Gratuity	8.84	19.18	16.77	11.25
Provision for leave encashment	59.24	33.09	29.95	62.38
Total	135.49	121.36	114.13	142.72

Particulars	As at 31st March 2022	Additional Provision	Utilization / Reversal	As at 31st March 2023
Provision for Bonus	53.00	67.27	52.86	67.41
Provision for Gratuity	8.69	16.96	16.81	8.84
Provision for leave encashment	60.96	31.86	33.58	59.24
Total	122.65	116.09	103.25	135.49

20. OTHER NON-FINANCIAL LIABILITIES

Tax deducted at source	229.07	97.78
Total	229.07	97.78

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Particulars	As at 31st March 2024	As at 31st March 2023
21. SHARE CAPITAL		
Authorised Share Capital		
10,00,00,000 Equity shares of ₹ 10 each (31st March 2023 : 10,00,00,000 Equity Shares of ₹ 10 each)	10,000.00	10,000.00
30,00,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each (31st March 2023 : 30,00,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each)	3,000.00	3,000.00
	13,000.00	13,000.00
Issued, Subscribed and Paid up Share capital		
6,47,05,882 Equity shares of ₹ 10 each fully paid up (31st March 2023 : 6,47,05,882 Equity Shares of ₹ 10 each)	6,470.59	6,470.59
	6,470.59	6,470.59

Equity Shares held by promoters at 31st March 2024

Promoter Name	No of Shares	% of Total Number of Shares	% change during the Year
Dr M Manickam, Chairman	92,813	0.14%	-
Sri M Balasubramaniam, Vice Chairman and Managing Director	1,92,000	0.30%	-

Equity Shares held by promoters at 31st March 2023

Promoter Name	No of Shares	% of Total Number of Shares	% change during the Year
Dr M Manickam, Chairman	92,813	0.14%	-
Sri M Balasubramaniam, Vice Chairman and Managing Director	1,92,000	0.30%	-

a) Reconciliation of shares outstanding at the beginning and end of the year

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares with Voting Rights				
Number of Shares at the beginning of the year	6,47,05,882	6,470.59	64,705,882	6,470.59
Add: Allotment of Equity Share on preferential basis made during the year	-	-	-	-
Number of Shares at the end of the year	6,47,05,882	6,470.59	6,47,05,882	6,470.59

Aggregate number of equity shares issued for consideration other than cash / Bonus shares issued during the year : Nil

Aggregate number of equity shares bought back by the Company during the year : Nil

b) Details of shareholders holding more than 5% shares in the share capital of the company

(₹ Lakhs)

Particulars	As at 31st March 2024		As at 31st March 2023	
	% of Holding	No. of Shares	% of Holding	No. of Shares
Equity Shares with Voting Rights				
Sakthifinance Financial Services Limited	19.19	1,24,20,000	19.19	1,24,20,000
ABT Investments (India) Private Limited	13.49	87,27,400	13.49	87,27,400
Sakthi Financial Services (Cochin) Private Limited	11.06	71,57,128	11.06	71,57,128
Avdhoot Finance and Investment Private Limited	8.69	56,24,208	8.69	56,24,208
Sakthi Management Services (Coimbatore) Limited	6.70	43,35,434	6.70	43,35,434
Bridgewater Investment Corporation Limited	6.88	44,50,000	6.88	44,50,000
The Gounder and Company Auto Limited	6.07	39,25,000	6.07	39,25,000
ABT Finance Limited	5.15	33,31,162	5.15	33,31,162

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

c) Rights, Preferences and Restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the Members at the ensuing annual general meeting. The Board of Directors have, at their meeting held on 25th May 2024, recommended a dividend of **8 per cent, ₹ 0.80 per share** (31st March 2023 : ₹ 0.70 per share) on equity shares. The Company declares and pays dividend in Indian rupees.

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

The proposed dividend for the Financial Year 2023-24 adheres to the ceiling limits on dividend payout ratios for NBFCs, as prescribed by the Reserve Bank of India in Notification RBI/2021-22/59 DOR.ACC.REC.No.23/21.02.067/2021-22 dated 24th June 2021.

Details of Dividends proposed

(₹ Lakhs)

Particulars	31st March 2024	31st March 2023
Face Value per share (₹)	10.00	10.00
Dividend Percentage	8%	7%
Dividend per Share (₹)	0.80	0.70
Dividend on equity shares	517.65	452.94
Total Dividend	517.65	452.94

Note : The dividends proposed by the Board of Directors for the financial year 31st March 2024 shall be paid to share holders subject to the approval of the members of the company at the ensuing Annual General Meeting.

d) For the years ended 31st March 2024 and 31st March 2023

- i) There are no equity shares of the Company held by a holding Company or ultimate holding Company or by subsidiaries or associates of the holding Company or the ultimate holding Company.
- ii) There are no shares reserved for issue under options and contracts / commitments for the sale of shares or divestment.
- iii) There are no securities issued convertible into equity shares.
- iv) There are no calls unpaid and further there are no forfeited shares to report.

e) For the period of five years immediately preceeding 31st March 2024 and 31st March 2023.

- i) There are no equity shares allotted as fully paid up pursuant to contract without payment being received in cash.
- ii) There are no equity shares allotted as fully paid up by way of bonus shares.
- iii) There are no equity shares bought back.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
22. OTHER EQUITY		
Reserves and Surplus		
Capital Reserve		
Balance as at the Opening and Closing of the year	52.61	52.61
Securities Premium		
Balance as at the Opening and Closing of the year	1,429.80	1,429.80
General Reserve		
Balance as at the Opening and Closing of the year	4,436.00	4,436.00
Statutory Reserve as per Section 45-1C of the RBI Act 1934		
Opening Balance	3,792.92	3,543.05
Add : Transfer from Retained Earnings	314.11	249.87
Closing balance	4,107.03	3,792.92
Retained Earnings		
Opening Balance	4,463.43	3,852.17
Add : Profit after tax for the year	1,570.54	1,249.37
	6,033.97	5,101.54
Less: Appropriations		
Equity Dividend (31st March 2023 : ₹ 0.70 per share)	452.94	388.24
Transfer to Statutory Reserve	314.11	249.87
Closing Surplus	5,266.92	4,463.43
Item of Other Comprehensive Income ("OCI")		
(i) Fair value changes in Equity Instruments		
Opening Balance	13.02	(14.20)
Add : Income/(Expenses) for the year	29.87	27.22
Closing Balance	42.89	13.02
(ii) Actuarial changes in Defined benefit obligations		
Opening Balance	28.90	24.37
Add : Income/(Expenses) for the year	2.23	4.53
Closing Balance	31.13	28.90
Closing Balance (i) + (ii)	74.02	41.92
Total	15,366.38	14,216.68

Description of Nature and purpose of each reserves

Capital reserve: Capital reserve is the excess amount received on re-issue of forfeited equity shares in an earlier year.

Securities Premium : The amount received in excess of face value of the equity shares is recognised as Securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act 2013.

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

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

Debenture redemption reserve:

Consequent to the amendment to the Companies (Share Capital and Debentures) Rules 2014, as amended the requirement to create Debenture Redemption Reserve ("DRR") is no longer required for listed NBFCs registered with Reserve Bank of India under Section 45-IA of the RBI Act 1934, for the value of outstanding both public issue of debentures and privately placed debentures.

The Company is required to deposit or invest before 30th day of April of each year, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the Balance sheet date. Accordingly, the Company before the year end / subsequent to the year end has invested a sum of ₹ 2,420 lakhs (Previous Year ₹ 1,748 lakhs) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

Statutory reserve: Every year, the Company transfers a sum of not less than twenty per cent of net profit after tax of that year as disclosed in the statement of profit and loss to its Statutory Reserve as per Section 45-IC of the Reserve Bank of India Act 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) of the Reserve Bank of India Act, 1934:

(1) Every non-banking financial company ("NBFC") shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the statement of Profit and Loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of an NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC

Retained earnings: Retained earnings are the profits that the Company has earned till date less any transfers to statutory reserve, general reserve, dividends distributions paid to members and transfer from debenture redemption reserve.

Other Comprehensive Income: Other Comprehensive Income comprises items of income and expenses that are not recognised in statement of profit and loss as required or permitted by other Ind AS. They comprise the following : (a) Cumulative gains/(losses) on account of remeasurement of post employment benefit obligations (b) Cumulative gains/(losses) on remeasurement of equity instruments measured at fair value through Other Comprehensive Income. Such remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Proposed dividend : The Board of Directors of the Company have at their meeting held on 25th May 2024 recommended a dividend of 8% being ₹ 0.80 per share on the equity shares of the Company, for the year ended 31st March 2024 (₹ 0.70 per share - 31st March 2023) which is subject to the approval of members. Consequently, the proposed dividend amount has not been recognised as a liability in the books in accordance with Ind AS 10. (Also Refer Note 57)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ Lakhs)

Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
23. INTEREST INCOME		
(On Financial Instruments measured at amortised cost)		
Income from Hire purchase operations	19,225.66	18,143.55
Interest from:		
- Loans	340.70	169.97
- Bank deposits	166.13	18.00
- Investments	93.69	145.20
Total	19,826.18	18,476.72
There are no income on Financial Instruments measured at FVTOCI		
24. FEES AND COMMISSION (Service rendered at a point in time)		
- Service Charges	428.64	379.02
- Stamp and documentation charges	82.58	80.45
Total	511.22	459.47
25. SALE OF POWER FROM WIND MILLS		
Income from Wind mill -Sale of Electricity	192.37	173.13
Total	192.37	173.13
26. OTHER INCOME		
- Profit on Sale of Investment	-	10.67
- Miscellaneous income	0.25	2.70
Total	0.25	13.37
27. FINANCE COSTS		
(On Financial Liabilities measured at amortised cost)		
- Deposits	369.65	422.82
- Borrowings	1,360.00	1,534.72
- Debt Securities	5,330.50	4,515.29
- Sub-Ordinated Liabilities	4,048.62	4,064.50
- Lease Liability (Refer Note 48)	18.37	20.51
Bank Charges	101.18	95.99
Debenture Issue Expenses	344.30	272.30
Total	11,572.62	10,926.13
There are no Finance liabilities measured at FVTOCI		
28. IMPAIRMENT ON FINANCIAL INSTRUMENTS		
(On Financial instruments measured at amortised cost)		
Loans (Refer Note 6)	355.40	680.80
Bad Debts	336.69	233.77
Trade Receivables (Refer Note 5)	(18.46)	6.67
Investments	1.41	4.75
Total	675.04	926.07
There are no impairment on Financial Instruments measured at FVTOCI		

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ Lakhs)

Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
29. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	3,342.56	2,917.01
Contributions to Provident Fund	106.05	101.32
Staff Welfare Expenses	160.86	175.76
Gratuity (Refer Note 42)	22.14	20.26
Leave Encashment (Refer Note 42)	33.09	31.86
Total	3,664.70	3,246.21
30. DEPRECIATION AND AMORTIZATION		
Depreciation - Property plant and Equipment (Refer Note 11(a) & 3(f))	260.02	249.20
Depreciation - Investment property (Refer Note 10 (a) & 3 (h))	4.60	4.60
Amortization - Intangibles (Refer Note 11 (d) & 3 (g))	46.49	38.48
Depreciation - Right of use assets (Refer Note No 48)	276.33	254.65
Total	587.44	546.93
31. OTHER EXPENSES		
Rent (Refer Note 48)	34.24	27.32
Rates, Taxes and Licences	231.66	145.81
Stamping on documents	18.24	17.64
Communication	43.90	45.48
Insurance	22.54	15.25
Travelling and Conveyance	398.92	403.08
Printing and Stationery	45.32	49.77
Power and Fuel	52.87	43.64
Advertisements	18.26	13.29
Auditor's Remuneration :		
As Auditor:		
- Audit Fee	16.00	16.00
- Limited Review Fee	11.50	9.00
- Certification Fee*	6.18	12.83
- Reimbursement of Expenses	1.50	2.64
(# excluding ₹ 7.10 lakhs (31st March 2023 ₹ Nil paid for certification and taken as a part of amortised cost of borrowings)		
Legal and Professional Charges	363.32	323.37
Repairs and Maintenance on:		
- Buildings	75.20	71.76
- Machinery	66.34	93.20
- Information Technology	297.47	243.61
- Other Assets	33.92	40.09
Filing Fees	12.73	9.63
Directors' Sitting Fees (Refer Note 43)	32.10	44.70
Corporate Social Responsibility Expenses (Refer Note 37)	43.67	40.06
Loss on Sale of Property, Plant and Equipment	0.23	2.39
Miscellaneous Expenses	89.65	34.66
Total	1,915.76	1,705.22

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ Lakhs)

Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
32. (i) CONTINGENT LIABILITIES		
(i) Claims against the Company not acknowledged as debt;		
a) Income Tax issues	226.99	226.99
Less : Amount paid under protest	<u>42.24</u>	<u>42.24</u>
	184.75	184.75
<p>The Company has disputed Income Tax Demand pertaining to the Assessment year 2012-13 for an amount of ₹ 9.83 Lakhs (31st March 2023 : ₹ 9.83 Lakhs) in relation to disallowance under Section 14A of the Income Tax Act. The matter is pending with Assessing Officer.</p> <p>The Company has disputed Income Tax Demand pertaining to the Assessment year 2016-17 for an amount of ₹ 217.16 Lakhs (31st March 2023 : ₹ 217.16 Lakhs) in relation to certain disallowances under Income Tax Act. The matter is pending before Commissioner of Income Tax (Appeals). During the Financial year 2022-23 the Company has remitted an amount of ₹ 42.24 Lakhs under protest against the demand.</p>		
b) Service Tax Issues	2,082.34	2,082.34
Less : Amount paid under protest	<u>143.30</u>	<u>143.30</u>
	1,939.04	1,939.04
<p>The Company has disputed Service Tax demands in respect of Service Tax liability on finance income for the period from 1st October 2014 to 30th June 2017. The total demand along with penalty but excluding non-determined interest amounts to ₹ 2,082.34 Lakhs (31st March 2023 : ₹ 2,082.34 Lakhs). The Company has been legally advised that such demands are not sustainable. The Company has filed an appeal before Central Excise and Service Tax Appellate Tribunal ("CESTAT"), Chennai and the matter is pending before CESTAT. The Company has pre-deposited an amount of ₹ 143.30 Lakhs (31st March 2023 : ₹ 143.30 Lakhs) under protest.</p>		
c) Consumer Court cases pending	18.35	18.35
<p>There are certain consumer claims pending against the Company, where such claims are disputed and contested by the Company in appropriate forums. The management has estimated that such claims amounts to 18.35 Lakhs (31st March 2023 : ₹ 18.35 Lakhs).</p>		
(ii) Guarantees excluding financial guarantees; and	Nil	Nil
(iii) Other money for which the Company is contingently liable	Nil	Nil
<p>Future cash outflows in respect of above from (i) to (iii) are determinable only on receipt of judgements/decisions/ negotiations pending with various forums/authorities/parties. It is not practicable for the Company to estimate the timings of the Cash Flows if any, Company does not expect any reimbursement in respect of the above contingent liabilities. The Company is of the opinions that above demands/claims are not sustainable and expects to succeed in appeals (wherever applicable). Hence no provision on account of same is made in the financial statements.</p>		
(iv) Commitments		
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for;	Nil	Nil
(b) Uncalled liability on Shares and other Investments partly paid;	Nil	Nil
(c) Other Commitments;	Nil	Nil
(ii) In respect of termination of contracts, wherever there is uncertainty in the performance obligations arising out of such contracts, the Company has not quantified or accounted any income for the reason that there is no certainty of economic benefits flowing to the Company.		
33. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF :		
Travelling Expenses	-	1.01

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ Lakhs)

Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
34. REMITTANCE OF DIVIDEND IN FOREIGN CURRENCY		
Year to which the dividend relates	2022-23	2021-22
No. of non-resident share holders	1	1
No. of shares on which dividend remittance was made	44,50,000	44,50,000
Amount remitted (₹ Lakhs)	24.67	21.15

35. DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

Particulars	31st March 2024	31st March 2023
Profit or Loss on transactions involving Crypto currency or Virtual Currency	-	-
Amount of currency held as at the reporting date	-	-
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency or virtual currency	-	-

36. Additional Regulatory Disclosures (for the year ended 31st March 2024 and 31st March 2023)

- There are no Title deeds of Immovable Properties that were not held in name of the Company.
- The Company measures investment property using cost based measurement.
- There were loans and advances in the nature of loans, which are granted to promoters, directors, KMPs and other related parties (as defined under the Companies Act, 2013), either severally or jointly with any other persons that are repayable on demand or without specifying the terms or period of repayment.

Type of Borrower	31st March 2024		31st March 2023	
	Amount of Loan (or) Advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of Loan (or) Advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Party	1,501.05	1.19%	1,579.08	1.32%

- There were no proceedings that have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.
- In respect of borrowings from banks or financial institutions on the basis of security of current assets, the Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of account.
- The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
- The Company did not have any transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 except the following :

Name of the Struck off company	Balance outstanding as at		Relationship with struck off company
	31st March 2024	31st March 2023	
First Choice Financial Services Private Limited	0.04	0.04	Equity Shareholder
Kothari & Sons (Nominees) Private Limited	0.02	0.02	Equity Shareholder
Kwality General Finance Associates Limited	0.10	0.10	Equity Shareholder
West Mambalam Suga Leasing & Finance Limited	0.02	0.02	Equity Shareholder
Sivnat Invts. & Finance P.Ltd	0.04	0.04	Equity Shareholder
The North K.G.S.B. Co-Op Bank Ltd	0.03	0.03	Equity Shareholder
"The Blind" Society	0.01	0.01	Equity Shareholder
Silpa Avenues Private Limited	0.01	0.01	Equity Shareholder

During the Financial years ended March 31, 2024 and March 31, 2023, the Company did not have any transaction with above equity shareholders, being the companies whose names have been struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956. The shareholding data is as per the record of beneficiary position downloaded by the Registrar and Transfer Agent of the Company from the database maintained by the depositories and reported to the Company for the purpose of this disclosure.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

- h. The Company did not have any charges or satisfaction of charges under the Companies Act, 2013, which are yet to be registered with ROC beyond the statutory period.
- i. The Company as a part of its normal business grants loans and advances, make investment, provides guarantees to its customer, other entitles and persons. These transactions are part of the Companies normal NBFC business, which is conducted ensuring adherence to all regulatory requirements. Other than the transactions described above. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- j. The Company as a part of its normal business accepts deposits and borrowings from its customer, other entitles and persons. These transactions are part of the Companies normal NBFC business, which is conducted ensuring adherence to all regulatory requirements. Other than the transactions described above. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- k. The Company has not entered into any Scheme of Arrangements that has been approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013. Therefore disclosures pertaining to it are not applicable.
- l. The Company has no layers as per the provisions of clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2024 and March 31, 2023.
- m. There are no transactions that are previously not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

37. NOTE ON EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

The following is the information regarding projects/programmes undertaken and expenses incurred on CSR activities during the year ended 31st March 2024:

- i. Amount required to be spent by the company during the year: ₹ 43.12 Lakhs (31st March 2023 : ₹ 40.00 Lakhs)
- ii. Amount spent during the year on: (by way of contribution to the trusts and the projects undertaken)

Particulars	(₹ Lakhs)	
	31st March 2024	31st March 2023
a. Construction / acquisition of any asset	-	-
b. On purposes other than (a) above:	43.67	40.06
Total	43.67	40.06

Particulars	Year ended	
	31st March 2024	31st March 2023
Amount required to be spent by the company during the year	43.12	40.00
Amount of expenditure incurred	43.67	40.06
Shortfall at the end of the year		
Total of previous years shortfall	Nil	Nil
Reason for shortfall	Nil	Nil
Nature of CSR activities		
1. Education	33.21	31.32
2. Health Care	1.51	1.94
3. Others	8.95	6.80
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Indian Accounting Standard	12.00	25.00
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 shall be shown separately.	Nil	Nil

Refer Note 43 on disclosure pursuant to Ind AS 24 - Related Party Disclosures for contributions made to related party.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

38. CAPITAL MANAGEMENT

The company determines the amount of capital required on the basis of factors like funding structure, capital adequacy ratio and leveraging ratios. The capital adequacy ratio working are given below. The capital structure is also monitored on the basis of Capital adequacy ratio.

(₹ Lakhs)

Particulars	As at 31st March 2024			As at 31st March 2023 Ratio (%)	% of Variance	Reason for variance (If above 25%)
	Numerator	Denominator	Ratio (%)			
Capital to Risk weighted Assets Ratio (CRAR)	24,237.59	131,152.53	18.48%	19.68%	-6.10%	NA
Tier - I Capital	18,574.56	131,152.53	14.16%	13.99%	1.23%	NA
Tier - II Capital	5,663.03	131,152.53	4.32%	5.69%	-24.11%	On account of reduction in discounted value of subordinated debts (Unsecured Redeemable, Non-Convertible Debentures) as compared to previous year.
Liquidity Coverage Ratio [Refer note 49.3(vi)]	5,519.21	2,154.55	256.17%	295.97%	-13.45%	On account of reduction in SLR Investments as compared to previous year

Components of Numerator

"Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"Owned fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

"Tier II Capital" includes the following -

- preference shares other than those which are compulsorily convertible into equity;
- revaluation reserves at discounted rate of fifty five percent;
- 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
- hybrid debt capital instruments; and
- Sub-Ordinated debt to the extent the aggregate does not exceed Tier I capital.
- 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.

Components of Denominator

Aggregate Risk Weighted Assets:

Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off-balance sheet assets. Hence, the value of each of the on-balance sheet assets and off-balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

The Company has complied with all regulatory requirements related to capital and capital adequacy ratios as prescribed by RBI.

(₹ Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Tier - I Capital	18,574.56	17,584.59
Tier - II Capital	5,663.03	7,149.11
Total Capital	24,237.59	24,733.70
Aggregate of Risk Weighted Assets	1,31,152.53	1,25,674.33
Tier-I Capital adequacy ratio	14.16%	13.99%
Total Capital adequacy ratio	18.48%	19.68%

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

39. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below show the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

(₹ Lakhs)

Particulars	Notes	As at 31st March 2024			As at 31st March 2023		
		Less than 12 months	More than 12 months	Total	Less than 12 months	More than 12 months	Total
ASSETS							
Financial Assets							
Cash and Cash Equivalents	4	7,478.74	-	7,478.74	3,002.79	-	3,002.79
Bank Balances other than Cash and Cash Equivalents	4A	2,522.02	-	2,522.02	42.91	-	42.91
Receivables	5						
(i) Trade Receivables		186.11	-	186.11	226.21	-	226.21
(ii) Other Receivables		12.22	-	12.22	18.39	-	18.39
Loans	6	57,992.81	62,179.58	1,20,172.39	59,156.74	55,343.36	1,14,500.10
Investments	7	341.05	1,049.02	1,390.07	702.77	641.74	1,344.51
Other Financial Assets	8	1,382.94	-	1,382.94	1,288.55	-	1,288.55
Non-Financial Assets							
Current tax Assets (net)		-	-	-	33.15	-	33.15
Deferred tax Assets (net)	9	-	387.03	387.03	-	395.30	395.30
Investment Property	10	-	266.02	266.02	-	270.61	270.61
Property, Plant and Equipment	11 (a)	-	5,665.91	5,665.91	-	5,844.58	5,844.58
Right of use assets	11 (b)	-	945.70	945.70	-	1,059.12	1,059.12
Intangible Assets under development	11 (c)	-	67.79	67.79	-	-	-
Other Intangible Assets	11 (d)	-	165.31	165.31	-	156.58	156.58
Other Non-Financial Assets	12	353.35	1,500.00	1,853.35	375.19	1,500.00	1,875.19
Total Assets		70,269.24	72,226.36	1,42,495.60	64,846.70	65,211.29	1,30,057.99

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

(₹ Lakhs)

Particulars	Notes	As at 31st March 2024			As at 31st March 2023		
		Less than 12 months	More than 12 months	Total	Less than 12 months	More than 12 months	Total
LIABILITIES AND EQUITY							
Liabilities							
Financial Liabilities							
Payables	13						
(I) Trade Payables							
(i) Total outstanding dues of micro enterprises and small enterprises		0.59	-	0.59	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		226.01	-	226.01	156.15	-	156.15
(II) Other Payables							
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		189.83	-	189.83	193.26	-	193.26
Debt Securities	14	14,165.26	51,454.31	65,619.57	18,321.75	30,470.68	48,792.43
Borrowings (Other than debt securities)	15	7,961.91	4,518.36	12,480.27	13,366.83	1,287.25	14,654.08
Deposits	16	884.92	7,396.55	8,281.47	2,444.17	-	2,444.17
Sub-Ordinated Liabilities	17	21,025.07	10,141.91	31,166.98	13,231.96	28,280.44	41,512.40
Other Financial Liabilities	18	464.52	1,854.14	2,318.66	522.14	862.82	1,384.96
Non-Financial Liabilities							
Current tax Liabilities (net)		3.46	-	3.46	-	-	-
Provisions	19	142.72	-	142.72	135.49	-	135.49
Deferred tax Liabilities (net)		-	-	-	-	-	-
Other Non-Financial Liabilities	20	229.07	-	229.07	97.78	-	97.78
Equity							
Equity Share Capital	21	-	6,470.59	6,470.59	-	6,470.59	6,470.59
Other Equity	22	-	15,366.38	15,366.38	-	1,4216.68	14,216.68
Total Liabilities and Equity		45,293.36	97,202.24	1,42,495.60	48,469.53	81,588.46	1,30,057.99

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

40. DISCLOSURE PURSUANT TO IND AS "7" - Change in Liabilities arising from Financing Activities

(₹ Lakhs)

Particulars	31st March 2023	Cash Flows	Others	31st March 2024
Debt Securities	48,792.43	16,786.80	40.34	65,619.57
Deposits	2,444.17	5,822.96	14.34	8,281.47
Borrowings Other than Debt securities	14,654.08	(2,247.29)	73.48	12,480.27
Sub-Ordinated Liabilities	41,512.40	(9,765.55)	(579.87)	31,166.98
Lease Liabilities	372.92	(131.18)	35.29	277.03
Total	1,07,776.00	10,465.74	(416.42)	1,17,825.32

41. DISCLOSURE PURSUANT TO IND AS "12" INCOME TAX

a. Explanation of Relationship between Tax Expense and Accounting Profit

Sl No	Particulars	FY 2023-24	FY 2022-23
1	Profit before Tax	2,147.79	1,735.97
2	Applicable Income Tax Rate (%)	25.17%	25.17%
3	Expected Income Tax Expense	540.55	436.91
4	Tax effect of adjustments to reconcile expected income tax expense at tax rate to reported income tax expense:		
	Effect of expenses / provisions not deductible in determining taxable profit	453.07	500.55
	Effect of expenses / provisions deductible in determining taxable profit	(421.24)	(262.81)
	Effect of tax incentives and concessions	-	-
	Effect of differential tax rate	-	-
	Effect of interest on tax	-	-
	Tax Effect of Adjustments	-	-
5	Tax Expense/(Income)	572.38	674.65

b. Deferred Tax Asset/(Liabilities) - Major Components

Sl No	Particulars	Balance as at 31st March 2023	Tax Expense/ (Income) charged in P&L Statement	Tax Expense/ (Income) charged in OCI	Balance as at 31st March 2024
		(A)	(B)	(C)	D = (A) - (B+C)
1	Application of Expected Credit Loss on Financial Assets	1,109.27	(76.14)	10.79	1,174.62
2	Employee benefit expenses	34.10	(1.82)	-	35.92
3	Right of Use Assets & Lease Liabilities	5.73	3.03	-	2.70
4	Application of EIR on Financial Liabilities	(50.03)	110.67	-	(160.70)
5	Differences in carrying amount of Property, Plant and Equipment	(703.77)	(38.26)	-	(665.51)
	Deferred Tax Asset / (Liabilities)	395.30	(2.52)	10.79	387.03

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

c. Tax Items in Statement of Profit and Loss

(₹ Lakhs)

Sl No	Particulars	31st March 2024	31st March 2023
1	Current Tax Expense/(Income)	572.38	674.65
2	Deferred Tax Expense/(Income)		
	Amount of deferred tax expense/(income) relating to originating and reversal of temporary difference	(2.52)	(188.05)
	Amount of deferred tax expense/(income) relating to change in tax rates or the imposition of new taxes	-	-
	Income Tax Expense / (Income) recognised in statement of profit and loss	569.86	486.60

d. Tax Items recognised in Other Comprehensive Income

Sl No	Particulars	31st March 2024	31st March 2023
1	Tax Expense		
	- Current Tax Expense	-	-
	- Deferred Tax Expense	10.79	10.68
	Income Tax Expense/(Income) recognised in Other Comprehensive Income	10.79	10.68

e. There is no tax expense charged directly to other equity.

f. Tax u/s 115 BAA of Income Tax Act 1961

Pursuant to the Taxation Laws (Amendment) Ordinance 2019, Finance (No. 2) Act, 2019, the Company has exercised the option permitted Under Section 115BAA of the Income Tax Act 1961 to compute Income Tax at an effective rate (ie., 25.17 %) from the financial year 2019 -20.

42. DISCLOSURE REQUIREMENTS UNDER IND AS 19 ("Employee Benefits")

a. Defined benefit obligation - Gratuity

The Gratuity scheme is a defined benefit plan, that provides for a lumpsum payment upon death while in employment or at the time of separation. Based on rules of the scheme, the benefits are calculated on basis of last drawn salary and the period of service rendered and paid as lumpsum. There is a vesting period of 5 years. The plan involves the following risks that affect the liabilities and cash flows.

1. Interest rates risk:

The defined benefit obligation calculated using a discount rate based on government bonds. If bond yield falls, the defined benefit obligation will tend to increase.

2. Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

3. Demographic risks:

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the DBO depend upon the combination of salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short service employees will be less compared to long service employees.

4. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date

5. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the Gratuity plan.

(₹ Lakhs)

Sl No	Particulars	As at 31st March 2024	As at 31st March 2023
I	Present Value of Defined Benefit Obligation		
	Defined benefit obligation at the beginning of the period	151.95	179.41
	(i) Current Service Cost	22.11	20.24
	(ii) Past Service Cost	-	-
	(iii) Interest Cost	9.81	11.14
	(iv) Re-measurement Loss/(gain) due to :		
	(a) Changes in financial assumptions	0.86	(4.79)
	(b) Changes in demographic assumptions	-	-
	(c) Experience on defined benefit obligation	(4.92)	0.10
	(v) Benefits paid	(30.49)	(54.15)
	Defined benefit obligation as at the end of the year	149.32	151.95
II	Fair Value of Plan Assets		
	Fair Value of Plan Assets at the beginning of the period	143.11	170.72
	(i) Benefits Paid	(30.49)	(54.15)
	(ii) Employer Contribution	16.77	16.81
	(iii) Expected Interest Income on Plan Assets	9.78	11.12
	(iv) Actuarial (Loss)/Gain from Return on Plan Assets	(1.10)	(1.39)
	Fair Value of Plan Assets as at the end of the year	138.07	143.11
	Net (Asset)/Liability Recognised in Balance Sheet (I-II)	11.25	8.84
III	Cost of Defined Benefit Plan for the Year		
	(i) Current Service Cost	22.11	20.24
	(ii) Past Service Cost	-	-
	(iii) Interest Cost	9.81	11.14
	(iv) Expected Interest Income on Plan Assets	(9.78)	(11.12)
	Net Cost recognized in the Statement of Profit and Loss	22.14	20.26
IV	Re-measurement (Loss)/gain due to		
	(a) Changes in financial assumptions	0.86	(4.79)
	(b) Changes in demographic assumptions	-	-
	(c) Experience on defined benefit obligation	(4.92)	0.10
	Actuarial (Loss)/Gain from Return on Plan Assets	1.10	1.39
	Net cost recognised in Other Comprehensive Income	(2.96)	(3.30)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ Lakhs)

Particulars	Note	For the year ended 31st March 2024	For the year ended 31st March 2023
A. Cash flow from Operating activities			
Profit before tax		2,147.79	1,735.97
Adjustment to reconcile profit before tax to net cash flows :			
Non-cash expenses			
Depreciation, amortisation	30	587.44	546.93
Impairment on Financial Instruments	28	355.40	680.88
Bad debts and write-offs	28	336.69	233.77
Remeasurement gain/(loss) on defined benefit plans		2.96	6.06
Impairment on investments	28	1.41	4.75
Impairment on Trade receivables	28	(18.46)	6.67
Amortization of fees and Commission on financial liabilities		184.10	172.69
Income/expenses considered separately			
Income from investing activities		(259.82)	(173.87)
Net gain/loss on derecognition of property, plant and equipment	31	0.23	2.39
Finance costs	27	11,572.62	10,926.13
Operating profit before working capital changes		14,910.36	14,142.37
Movements in Working Capital:			
Decrease/(increase) in loans		(6,364.38)	(5,103.55)
Decrease / (increase) in Trade receivables		58.56	(63.63)
Decrease / (increase) in other receivables		6.17	(1.83)
Decrease / (increase) in other financial assets		(77.47)	444.19
Decrease / (increase) in other non-financial assets		(0.03)	70.04
Increase / (decrease) in Trade Payables		70.45	28.11
Increase / (decrease) in Other Payables		(3.43)	18.13
Increase / (decrease) in other financial liabilities		1,029.59	(27.93)
Increase / (decrease) in other non- financial liabilities		131.29	(1.77)
Increase /(decrease) in Provisions		7.23	12.84
Cash generated / (used in) from operations		(5,142.02)	(4,625.40)
Income taxes paid (net of refunds)		(543.16)	(690.40)
Interest received on Bank deposits	23	166.13	18.00
Finance costs paid		(12,190.06)	(9,007.44)
Net cash flows generated from / (used in) operating activities (A)		(2,798.75)	(162.87)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets	11	(368.02)	(389.43)
Purchase of investments at measured amortised cost		(709.06)	-
Proceeds from sale of investments at measured amortised cost		702.00	1,185.67
Proceeds from sale of property, plant and equipment and intangible assets		0.53	4.11
Interest income received on investment measured at amortised cost	23	93.69	145.20
Increase in earmarked balances with banks		(2,479.11)	1,086.40
Net cash flows generated from / (used in) investing activities (B)		(2,759.97)	2,031.95

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD...)

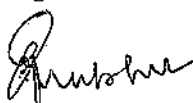
Particulars	Note	(₹ Lakhs)	
		For the year ended 31st March 2024	For the year ended 31st March 2023
C. CASH FLOW FROM FINANCING ACTIVITIES			
Issue Expense of Debt Securities		21.87	(9.09)
Proceeds from borrowings through debt securities		33,784.97	15,600.00
Repayment of borrowings through debt securities		(16,998.17)	(8,407.36)
Proceeds from borrowings through Deposits		8,225.59	-
Repayment of borrowings through Deposits		(2,402.63)	(6,114.07)
Proceeds from borrowings through other than debt securities		8,500.00	-
Repayment of borrowings through other than debt securities		(4,052.93)	(2,421.07)
Proceeds from borrowings through Subordinated liabilities		1,439.15	-
Repayment of borrowings through Subordinated liabilities		(11,204.70)	33.83
(Increase) / decrease in loan repayable on demand		(6,694.36)	1,443.79
Lease liability paid		(131.18)	(53.59)
Dividend paid	21	(452.94)	(388.24)
Net cash flows generated from/(used in) financing activities	(C)	<u>10,034.67</u>	<u>(315.80)</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)		4,475.95	1,553.28
Cash and cash equivalents at the beginning of the year		3,002.79	1,449.51
Cash and cash equivalents as at the end of the year		<u>7,478.74</u>	<u>3,002.79</u>
Net cash provided by / (used in) operating activities includes			
Interest received		19,566.36	18,313.52
Interest paid		(12,190.06)	(9,007.44)
Net cash provided by / (used in) operating activities		<u>7,376.30</u>	<u>9,306.08</u>
Cash and cash equivalents as at the end of the year	4		
i) Cash on hand		384.83	189.80
ii) Cheques, drafts on hand		9.04	106.58
iii) Balances with banks in Current Accounts and Deposits (with original maturity upto three months or less) (in the nature of cash and cash equivalents)		<u>7,084.87</u>	<u>2,706.41</u>
Total		<u>7,478.74</u>	<u>3,002.79</u>

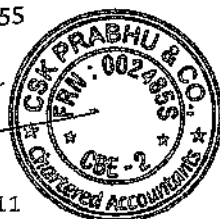
The above Statement of Cash Flows has been prepared under the indirect method as set-out in Ind As-7 "Statement of Cash Flows".

The accompanying Notes form an integral part of the financial statements

As per our report of even date


For **CSK Prabhu & Co.,**
Chartered Accountants
Firm Regn. No. : 0024855


CSK PRABHU
Partner
Membership No. 019811



Place : Coimbatore
Date : 25th May 2024


M. BALASUBRAMANIAM
Vice Chairman and Managing Director
DIN : 00377053


C. SUBRAMANIAM
Company Secretary
Membership No. FCS 6971

For and on behalf of the Board


M. MANICKAM
Chairman
DIN : 00102233


SRINIVASAN ANAND
Chief Financial Officer
Membership No.020694

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

1. Company Overview

Sakthi Finance Limited ("SFL" or "the Company") with Corporate Identification Number L65910TZ1955PLC000145 incorporated on 30th March 1955 under the Indian Companies Act 1913 and domiciled in Coimbatore India, is a Public Limited Company situated in Coimbatore. The Registered Office of the Company is situated at 62, Dr. Nanjappa Road, Coimbatore - 641018.

The Company is a Deposit-taking Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India ("RBI") under Sec 45-IA of the RBI Act 1934 with Certificate of Registration No. 07-00252 dated 8th May 1998. The Company has been classified as an NBFC-Investment and Credit Company ("NBFC-ICC"). Further in terms of Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("RBI-SBR Directions"), the company has been categorised as Middle Layer ("ML") as specified therein. The Company is primarily engaged in the business of Hire Purchase Financing of Commercial Vehicles, Infrastructure Equipment, Machineries, etc. The Equity Shares and Non-Convertible Debentures of the Company are listed on BSE Limited.

The Board of Directors have, at their meeting held on 25th May 2024, approved and authorized the issue of these Financial statements of the Company for the year ended 31st March 2024.

2. Basis of Preparation and Presentation

a. Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules 2015, as amended and notified under Section 133 of the Companies Act 2013 ("the Act") and is in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act as applicable. Further, the Company has complied with the RBI-SBR Directions and other circular(s), as applicable.

Any application / guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The regulatory disclosures, as required under RBI-SBR Directions and other Master Directions/Circular(s), if any, are included in the Notes forming as an integral part of the financial statements.

b. Presentation of Financial Statements

The company presents its balance sheet in the order of liquidity. Financial statements of the Company are

prepared and presented in the format prescribed in Division III of Schedule III to the Act applicable to NBFCs, as notified by the Ministry of Corporate Affairs ("MCA"). Financial assets and financial liabilities are generally reported gross in the balance sheet.

They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances :

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counter parties

c. Basis of Measurement

The financial statements have been prepared on a going concern basis and on historical cost convention, except for certain financial instruments that are measured at Fair Value Through Other Comprehensive Income ("FVTOCI") at the end of each reporting period. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

d. Functional and Presentation Currency

The Financial Statements are presented in Indian Rupees (₹) which is the Company's functional currency. All amounts are rounded off to the nearest lakhs with two decimals except where otherwise indicated.

The aggregation and classification of amounts in the financial statements are based on materiality and similarity between the items. Items of dissimilar nature or function are separately presented unless they are immaterial except when required by law.

e. Key accounting judgments, estimates and assumptions Use of Estimates, Judgments and Estimation uncertainty

The preparation of financial statements of the company involves use of estimates in computation of expected credit loss, making judgments in determination of fair value of financial assets and financial liabilities, assumptions for actuarial changes in defined benefit obligations. The Company based its assumptions and estimates on factors available when the financial statements were prepared.

The use of estimates and assumptions, might have an effect on these financial statements.

The estimates are based on historical experience and other factors that are considered to be relevant. The actual results may differ from these estimates. The company believes that the estimates used in the preparation of financial statements are prudent and reasonable.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

Estimates, judgments and underlying assumptions are reviewed on an on-going basis. Revision of estimates are recognized prospectively.

Existing circumstances and assumptions about future development, however, may change due to market changes or circumstances arising that are beyond the control of the company. In the process of applying the Company's material accounting policies, the management has made reasonable estimates and judgments in relation to the carrying amount of assets and liabilities at each balance sheet date.

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

(i) Business Model Assessment

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

(ii) Defined employee benefit obligations

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

highly sensitive to changes in these assumptions.

All assumptions are reviewed annually.

(iii) Fair value measurement

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

(iv) Impairment of Financial assets

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

(v) Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can reliably be estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed at each Balance Sheet date and revised to take account of changing facts and circumstances.

(vi) Effective Interest Rate ("EIR") method on Financial Assets

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgment regarding the expected

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

behaviour and life-cycle of the instruments as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

(vii) Useful lives and residual values of Property Plant and Equipment, Investment Property and Intangible Assets are reviewed by the Company at the end of each Financial year.

3. Material Accounting Policies

a. Financial Instruments

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Initial recognition and Measurement

Financial assets and Financial liabilities are initially recognized on the date the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities that are measured at amortised cost are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Unlike the other financial assets, Trade receivables are measured at transaction price at which the transaction had taken place.

ii. Classification and subsequent Measurement

The financial assets are classified based on the Company's business model for managing the financial assets and their contractual cash flow characteristics as subsequently measured:

- a) At amortised cost
- b) At Fair Value Through Other Comprehensive Income ("FVTOCI")
- c) At Fair Value Through Profit or Loss ("FVTPL")

The Company classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through profit or loss.

Financial Assets at Amortised Cost

The classification of financial assets such as Cash and Cash Equivalents, Loans, Trade Receivables and investments (other than those classified at FVTOCI) are measured at amortized cost based on the assessment of business model as follows:

Business Model Assessment

An assessment of business model for managing financial assets is fundamental to the classification of a financial asset.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the company's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, value and timing of loan disbursements based on the analysis of disbursements made and realisation of cash flows in previous periods.

The financial assets of the company are held within a business model, whose objective is to hold assets in order to collect contractual cash flows, are managed to realise cash flows by collecting contractual payments over the life of the instrument and within the business model whose objective is achieved by both collecting the contractual cash flows and selling the financial asset.

The Solely Payments of Principal and Interest ("SPPI") test on the principal amount outstanding:

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that meet SPPI test.

For that purpose:

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

The interest income represents the consideration for time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

The SPPI assessment is made in the currency in which the financial asset is denominated.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding.

Financial Assets at FVTOCI

Equity instruments

The Company has made an irrevocable election to classify and measure the equity instruments at FVTOCI to present the subsequent changes in Fair Value under Other Comprehensive Income ("OCI") and the classification is determined on an instrument by instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right to receive the payment has been established, except when the company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

Financial Liabilities at Amortised Cost

The company has classified the debt instruments, redeemable non-convertible preference shares and other borrowed funds at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue of funds and transaction costs that are an integral part of the Effective Interest Rate ("EIR").

Any fees, paid or received, transaction costs and other premiums or discounts that are included in the calculation of the effective interest rate are amortised over the expected life of the financial instrument.

iii. Reclassification of Financial Instrument

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

The Company did not reclassify any of its financial assets or liabilities during the financial year.

Till 31st March 2020, the issue expenses relating to public issue of Non-Convertible Debentures was set off against securities premium. From 1st April 2020 onwards, the amortised issue expenses are written off in the statement of profit and loss.

Recognition of Financial Instrument

- Loans and Advances are initially recognised when the agreements are entered into with borrowers.

- Investments are initially recognised on the settlement / delivery date.
- Debt securities, deposits and borrowings are initially recognised when funds received or date of allotment whichever is appropriate,
- Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument.

iv. Derecognition of Financial Instrument

Financial Assets

The Company derecognises the Financial Asset when and only when:

- The contractual rights to receive the cash flows from the financial asset have expired.
- The Company also derecognizes the Financial Asset if it has both transferred the Financial Asset and the transfer qualifies for derecognition. The Company has transferred the Financial Asset, if and only if, either:
 - The Company has transferred its right to receive cash flows from the Financial asset or
 - It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

A transfer qualifies for derecognition only if either :

- the Company has transferred substantially all the risks and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between:

- the carrying amount (measured at the date of derecognition) and
 - the consideration received,
- is recognised in the statement of profit and loss.

Financial Liabilities

The Company derecognises the financial liability when and only when it is extinguished i.e. when the contractual obligation is discharged or cancelled or expired.

A financial liability is considered as extinguished when there is an exchange between the Company and the lender with substantially different terms of the original financial liability or when there is a substantial modification of the terms of existing financial liability or part thereof.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

On derecognition of a financial liability, the difference between:

- a. the carrying amount and
- b. the consideration paid,

is recognised in the statement of profit and loss.

v. Impairment of Financial Assets

The Company records allowance for expected credit losses for all loans, other financial assets not held at fair value through profit or loss ("FVTPL"), referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The impairment loss allowance is provided based on the Expected Credit Loss ("ECL") model.

The ECL is based on the credit losses expected to arise over the life of the financial asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Company has formulated a policy to perform an assessment, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. When determining whether the risk of default on a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information which takes into account the Company's historical credit loss experience, current economic conditions, forward looking information.

The expected credit loss is a product of Exposure at Default ('EAD'), Probability of Default ('PD') and Loss Given Default ('LGD'). The Company has devised an internal model to evaluate the LGD and PD based on the parameters set out in Ind AS 109. EAD represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets are held by the Company. LGD is an estimate of loss from a transaction given that a default occurs. PD is defined as the probability of whether the borrowers will default on their obligations in the future.

The Company incorporates forward-looking information into both assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents the most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. The Company regularly reviews its models in the context of actual loss experience and makes adjustments when such differences are significantly material. Adjustments including reversal of ECL are recognised through the statement of profit and loss.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month's ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers' ability to pay and accordingly change the 12 month's ECL to a lifetime ECL. The Company does the assessment of significant increase in credit risk at a borrower level. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

The financial assets have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial asset as detailed below:

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

Stage 1

Financial assets, where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination, are classified under this Stage.

The Company classifies all standard loans and loans up to 30 days overdue under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 and 3. The Company provides 12 month's ECL for Stage 1 assets.

Stage 2

Financial assets, where there has been a significant increase in credit risk since initial recognition but do not have a objective evidence of impairment are classified under this Stage. 30 Days Past Due is considered under Stage 2. The Company provides Lifetime ECL for Stage 2 assets.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified under this Stage. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. For exposures that have become credit impaired, a life time ECL is recognized, a 100% PD is considered and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Definition of default

If the borrower is past due for more than 90 days on any material credit obligation to the Company or the borrower is unlikely to pay his credit obligations to the Company in full, it is considered as default.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

ECL on Investment in Government securities

The Company has invested in Government Securities. No ECL has been applied on these investments as there is no history of delay in servicing of interest/ repayments. The Company does not expect any delay in interest/redemption servicing in future.

Simplified approach for trade/other receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/ other receivables that do not contain a significant financing component.

vi. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right in the event of default to set off the amounts which must not be contingent.

b. Collateral Valuation and repossession

To mitigate its credit risks on financial assets, the Company seeks to use collateral such as movable and immovable assets, guarantees, etc, wherever applicable. To the extent possible, the Company uses active market data and external valuers for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models or through external valuers.

The Company physically repossesses and takes into custody properties or other assets to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. Assets held under legal repossession processes are not recorded in the balance sheet as it does not meet the recognition criteria in other standards and disclosed in the notes to Financial Statements.

c. Write-offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof, as per write-off policy of the Company. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the statement of profit and loss.

d. Undrawn Loan Commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the borrower. They are not recognised in the Financial Statements. The Company did not have any undrawn loan commitments in the current financial year or the preceding year.

e. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

1. in the principal market for the asset or liability; or
2. in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market is accessible by the company on the measurement date. The Company measures the fair value of an asset or liability using the assumption that market participants would use when pricing the asset or liability.

The price is either directly observable or estimated using another valuation technique. The Company had adopted valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value by maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The company applied the fair value hierarchy for the inputs to valuation techniques used to measure fair value. The three levels of hierarchy are given below:

Level 1	Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to, at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regard to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
Level 2	Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.
Level 3	Those that include one or more unobservable input that is significant to the measurement as a whole

The Company determines appropriate classes of assets and liabilities on the basis of the following:

- a. the nature, characteristics and risks of the asset or liability; and
- b. the level of the fair value hierarchy within which the fair value measurement is categorized.

The company evaluates the levelling at each reporting period on an instrument by instrument basis and reclassifies instruments when necessary based on the facts at the end of the period.

f. Property, Plant and Equipment ("PPE")

The Company has elected to use fair value for Land, Building and Plant & Machinery and carrying value for all other property, plant & equipment, Intangible assets as the deemed cost on the date of transition to Ind AS..

The Company recognises an item of Property, Plant and Equipment when:

- a. it is probable that future economic benefits associated with the item will flow to the Company; and
- b. the cost of the item can be measured reliably.

The cost of assets comprises its purchase price, freight, duties, taxes and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent expenditures related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance if it is probable that future economic benefits will flow to the Company from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Property, Plant and Equipment is carried at cost less accumulated depreciation and any accumulated impairment losses.

Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.

Depreciation

Depreciation is calculated by using the straight-line method to write down the cost of Property, Plant and Equipment (other than freehold land) to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II to the Act except for leasehold improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. The depreciation charge for each period is recognised in the statement of profit and loss for the period..

Particulars	Useful life as prescribed in Schedule II to the Companies Act 2013	Useful life estimated by the Company
Buildings	60 years	60 years
Plant and Machinery	15 years	15 years
Plant - Windmills	22 years	22 years
Furniture and Fixtures	10 years	10 years
Vehicles	8 years	8 years
Office Equipments	5 years	10 years
Computers	3 years	6 years

The Management has considered the useful life of office equipments and computers as 10 years and 6 years respectively.

Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year in which the asset is derecognized.

g. Intangible Assets and Amortisation

Intangible assets are carried at its cost less any accumulated amortisation and accumulated impairment losses, if any.

The intangible assets comprise computer software which is amortized over its estimated useful life, under straight line method. The amortisation charge is calculated by using the straight line method to write down the cost of intangible assets over their estimated useful life of 6 years as per Management's estimate. There are no items of intangible assets with "indefinite" lives.

Amortization is recognised as an expense in the statement of profit and loss for the period. The Company has a practice of reviewing the method and period of amortisation as at the end of each financial year.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the intangible assets (calculated as the difference between

the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year in which the asset is derecognized.

h. Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation or both. Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any. When significant parts of the investment property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

The company, based on technical assessment made by management, depreciates the building over its estimated useful life of 60 years. The management believes that these estimated useful life is realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in Note 10. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer.

i. Impairment of Non-Financial Assets

The Company reviews the carrying amounts of PPE, Investment Property and Intangible assets to determine, if there is an indication that those assets have suffered any impairment loss. In case of any such indication those non-financial assets are tested for impairment so as to determine the impairment loss if any, at the end of each reporting period.

j. Employee Benefits

Short Term Employee Benefits

Short-term employee benefits are recognised as expense when the related service is provided. A liability for salaries and wages, Bonus, leave encashment is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution Plan

Employees Provident Fund ("EPF") and Employees State Insurance ("ESI")

Retirement benefits such as employees provident fund and employees state insurance comes under the defined contribution plan for which the Company

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

make contributions to such schemes administered by government organisations set up under the applicable statute and are recognised as an expense when an employee renders related service.

Defined Benefit Plans

Gratuity

The obligation in respect of defined benefit plans, which covers Gratuity is provided for on the basis of an actuarial valuation at the end of each financial year by an Independent Actuary using Projected Unit Credit method. The Company makes contribution to a Gratuity Fund administered and managed by Life Insurance Corporation of India ("LIC").

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields as at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/termination benefits.

The Company recognises the changes in the net defined benefit obligation such as service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) under employee benefit expenses and net interest expense or income in the Statement of Profit and Loss in the line item, Employee Benefits Expenses.

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

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Other Long-Term Benefits

Leave Encashment, Compensated Absences and Sick Leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to

certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

The service cost, interest on defined benefit liability and remeasurements of defined benefit liability is recognised in the statement of profit or loss.

k. Revenue Recognition

i. Recognition of Interest Income on loans

The Company recognises interest income using Effective Interest rate Method "EIR" on all financial assets (loans) measured at amortised cost.

EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the gross carrying amount of a financial asset. The future cash flows are estimated using the contractual terms of the instrument.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets ('Stage 3'), the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest levied on customers for delay in repayments/ non-payment of contractual cash flows is recognised on realization, since the probability / certainty of collecting such monies is established when the customer pays.

Interest income from Government securities is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

ii. Dividend Income

Dividend income on equity shares is recognized when the Company's right to receive the payment is established by the reporting date and no significant uncertainty as to its collectability exists.

iii. Other Operating Income

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

satisfactory completion of performance obligations. The Company recognises income on recoveries of financial assets written off on realisation basis.

iv. Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

Operating leases are leases where the Company does not transfer substantially all of the risks and benefits of ownership of the asset.

v. Fees and Commission Income

The Company recognises service and administration charges towards rendering financial services to its customers on satisfactory completion of performance obligation at a point in time. Cheque Bouncing charges levied on customers for non-payment of instalment on the contractual date is recognised on realization, since the probability/certainty of collecting such monies is established only when the customer pays. Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realization, since the probability / certainty of collecting such monies is established only when the customer pays.

vi. Sale of Power from Windmills

Income from power generation is recognized as per the Power Purchase Agreements entered into with State Electricity Board and on supply of power to the grid on satisfaction of performance obligation.

vii. Net gain/loss on fair value changes

The Company designates certain financial assets for subsequent measurement at FVTOCI. The Company recognises gains/loss on fair value change of financial assets measured at FVTOCI.

L. Foreign Currency Transaction

The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company have been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are translated at the prevailing closing spot rate. Non-monetary items are measured in terms of historical cost in foreign currency and are not retranslated.

Exchange differences, if any, that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

m. Borrowing Costs

Borrowing costs include interest expense calculated using the "EIR" as per Ind AS 109 on 'Financial instruments' and interest in respect of lease liability is recognised in accordance with Ind AS 116.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

n. Finance costs

Finance costs include Interest Expenses computed by applying the "EIR" on the respective financial instruments measured at amortised cost. Financial Instruments include outstanding liabilities. Finance Costs are charged to the Statement of Profit and Loss.

o. Income Taxes

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income)

i. Current tax

Current tax is the amount of tax payable to (recovered from) the taxation authorities on the taxable income for the year determined in accordance with the provisions of the Income Tax Act 1961 and Income Computation and Disclosure Standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted by the end of reporting date. Current tax relating to items recognised outside the statement of profit and loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity.

ii. Deferred Tax

Deferred tax is the tax effect on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements as at the reporting date.

Deferred tax liability is recognised for all taxable temporary differences and deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Company reviews the carrying amount of a deferred tax asset as at the end of each reporting period and reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

Deferred tax relating to items recognized outside profit or loss is recognised either in other comprehensive income or in other equity.

p. Goods and Services Input Tax Credit

Input Tax credit is accounted for in the books in the period when the underlying service/supply received is accounted to the extent permitted as per the applicable regulatory laws and when there is no uncertainty in availing/utilising it. The ineligible input credit is charged off to the respective expense or capitalised as part of asset cost as applicable..

q. Leases

As a Lessee

The Company's asset class taken under lease consists of lease for Office Premises.

The Company has applied Ind AS 116 'Leases' for all lease contracts except for short term leases and leases for which underlying asset is of low value on modified retrospective approach.

Right of Use Asset is initially measured as at the sum of initial measurement of the lease liability and any lease payments made at or before the date of commencement of lease, adjusted by any lease incentives received. On subsequent period, the Right of Use Asset is measured at cost less accumulated depreciation and any accumulated impairment losses with adjustment for remeasurement of lease liability.

Lease Liability is initially measured at the present value of the lease payments that are not paid as at the date of recognition discounted at the Company's incremental borrowing rate. The lease liability is measured in subsequent periods using the effective interest rate method. Right of Use asset is depreciated in accordance with the requirements of Ind AS 16 Property, Plant and Equipment, using straight line method from the commencement date to the end of the lease term. The lease term over which the company has contracted operating lease agreements range from up to 11 months and to many years.

The Company's class of underlying asset comprises only leases taken for office premises. The company has elected not to apply the requirements of Ind AS 116 "Leases" to short-term leases of all such class of assets that have a lease term of 12 months or less. The Company has elected not to apply the requirements of Ind AS 116 "Leases" to leases for which the underlying asset is of low value on a lease by lease basis. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

As a Lessor

The Company recognises the lease payments from operating lease as income on the basis of contractual terms between the Lessee and the Company.

r. Provisions Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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, is disclosed as a contingent liability. Contingent liabilities are also 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.

Contingent assets are not recognised in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

s. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

deposits with an original maturity upto three months, which are subject to an insignificant risk of change in value.

t. Statement of Cash Flow

Statement of Cash flow are reported using the indirect method as set out in Ind-AS 7 "Statement of Cash Flows", whereby the net profit before tax 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 expenses associated with investing or financing cash flows. The statement of cash flows from operating, investing and financing activities of the Company are segregated and presented.

u. Earnings Per Share ("EPS")

Basic earnings per share is 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.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for shares issued during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3A. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies New Standards or amendments to the existing Standards under Companies (Indian Accounting Standards) Amendment Rules, as issued from time to time. During the year ended 31st March 2024, MCA has not notified any new Standards or amendments to the existing Standards applicable to the Company.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

(₹ Lakhs)

V	Significant Actuarial Assumptions		
	(i) Discount Rate	7.18%	7.31%
	(ii) Expected Return on Plan Assets	7.18%	7.31%
	(iii) Salary Escalation Rate	4.00%	4.00%
	(iv) Attrition Rate	19.00%	19.00%
	(v) Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
VI	Sensitivity Analysis for significant actuarial assumption	Impact on defined benefit obligation	Impact on defined benefit obligation
	(i) Discount Rate		
	+ 100 Basis Rate	-6.12	-6.36
	- 100 Basis Rate	6.71	6.96
	(ii) Salary Growth		
	+ 100 Basis Rate	6.44	6.66
	- 100 Basis Rate	-5.96	-6.17
	(iii) Attrition Rate		
	+ 100 Basis Rate	0.34	0.51
	- 100 Basis Rate	-0.40	-0.57

Expected payment for future years

Particulars	As at 31st March 2024	As at 31st March 2023
Within the next 12 months	31.73	26.16
Between 2 and 5 years	55.55	66.95
Between 5 and 10 years	33.87	32.54
Beyond 10 years	28.17	26.30
Total Expected Payments	149.32	151.95

Notes :

- The Company expects to contribute ₹ 30.39 Lakhs to the fund in the next financial year.
- The weighted average duration of the defined benefit obligation as at 31st March 2024 is 5.49 years (31st March 2023: 5.46 years).
- The estimate of future salary increase takes into account inflation, promotions, productivity gains and other relevant factors.
- Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
- The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).
- The above sensitivity analysis are based on change in an assumption which is holding all the other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant actuarial assumptions the same method of present value of defined benefit obligations calculated with Projected unit credit method at the end of the reporting period has been applied while calculating defined benefit liability recognised in the balance sheet.
- The method and type of assumptions used in preparing the sensitivity analysis does not change as compared to the prior period.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

b. Other Long Term Benefits - Leave Encashment

The leave encashment is long term benefit plan, that provides for a lumpsum payment upon death of employee or at the time of separation. Based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count and paid as lumpsum.

The benefit involves the following risks that affect the liabilities and cash flows.

1. Interest rates risk :

The defined benefit obligation calculated using a discount rate based on government bonds. If bond yield falls, the defined benefit obligation will tend to increase.

2. Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

3. Demographic risks:

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the DBO depend upon the combination of salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short service employees will be less compared to long service employees.

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the Leave encashment plan. (₹ Lakhs)

Sl No	Particulars	As at 31st March 2024	As at 31st March 2023
I	Present Value of Defined Benefit Obligation		
	Defined benefit obligation at the beginning of the year	59.24	60.96
	(i) Current service cost	15.30	13.48
	(ii) Interest cost	3.18	2.90
	(iii) Re-measurement Loss/(gain) due to :	-	-
	(a) Changes in financial assumptions	0.30	(1.54)
	(b) Changes in demographic assumptions	-	-
	(c) Experience on defined benefit obligation	14.31	17.02
	(iv) Benefits paid	(29.95)	(33.58)
	Defined benefit obligations as at the end of the year	62.38	59.24
II	Cost of Defined Benefit Plan for the Year		
	(i) Current service cost	15.30	13.48
	(ii) Interest cost	3.18	2.90
	(iii) Others	14.61	15.48
	Net Cost recognized in the Statement of Profit and Loss	33.09	31.86
III	Significant Actuarial Assumptions		
	(i) Discount Rate	7.18%	7.31%
	(ii) Expected Return on, Plan Assets	0.00%	0.00%
	(iii) Salary Escalation Rate	4.00%	4.00%
	(iv) Attrition Rate	19.00%	19.00%
	(v) Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

(₹ Lakhs)

Sl No	Particulars	As at 31st March 2024	As at 31st March 2023
IV	Sensitivity Analysis for significant actuarial assumption	Impact on defined benefit obligation	Impact on defined benefit obligation
	(i) Discount Rate		
	+ 100 Basis Rate	-2.22	-2.03
	- 100 Basis Rate	2.42	2.22
	(ii) Salary Growth		
	+ 100 Basis Rate	2.18	1.99
	- 100 Basis Rate	-2.03	-1.85
	(iii) Attrition Rate		
	+ 100 Basis Rate	0.05	0.07
	- 100 Basis Rate	-0.07	-0.10

Expected payment for future years

Particulars	As at 31st March 2024	As at 31st March 2023
Within the next 12 months	10.38	10.28
Between 2 and 5 years	19.25	17.80
Between 5 and 10 years	9.01	8.69
Beyond 10 years	23.74	22.47
Total Expected Payments	62.38	59.24

Notes :

1. The Company has not funded its Compensated Absences Liability and the same continues to remain as unfunded as at 31st March 2024 and 31st March 2023.
2. The estimate of future salary increase takes into account inflation, promotions, productivity gains and other relevant factors.
3. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

c. Defined Contribution Plan

A defined Contribution plan is a plan under which the Company pays fixed contributions and where there is no legal or constructive obligation to pay further contributions.

Contribution by the Company to Statement of Profit and Loss on account of Defined Contribution Plans are as follows:

a) Provident Fund contribution (See Note 29)	106.05	101.32
b) Employees State Insurance Scheme (included in staff welfare expenses in Note 29)	6.92	9.49

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

43. Disclosure pursuant to Ind AS "24" - Related Party Disclosure

Nature of Relationships

A	Enterprises in which the Key Management Personnel and close relatives of members of Key Management Personnel exercise significant influence	ABT Ltd. ABT Finance Ltd. ABT Foundation Ltd. ABT Industries Ltd. ARC Retreading Co. Pvt. Ltd. N Mahalingam & Co Nachimuthu Industrial Association Ramanandha Adigalar Foundation Sakthifinance Financial Services Ltd. Sakthifinance Financial Services (Cochin) Private Ltd Sakthifinance Holdings Ltd. Sakthi Realty Holdings Ltd. Sakthi Sugars Ltd. Sakthi Auto Components Ltd Sakthi Properties (Coimbatore) Ltd Sri Chamundeswari Sugars Ltd. Sri Sakthi Textiles Ltd. Sakthi Pelican Insurance Broking Private Limited The Gounder and Company Auto Ltd Sakthi Foundation Suddha Sanmarga Nilayam The Vanavarayar Foundation Trust Sakthi Digital Limited
B	Key Management Personnel	Dr M Manickam, Chairman Sri M Balasubramaniam, Vice Chairman and Managing Director Sri M Srinivaasan, Director Dr A Selvakumar, Independent Director Sri P S Gopalakrishnan, Independent Director Smt Priya Bhansali, Independent Director Sri K P Ramakrishnan, Independent Director Dr S Veluswamy, Director Sri Srinivasan Anand, Chief Financial Officer Sri C Subramaniam, Company Secretary
C	Close relatives of members of Key Management Personnel	Smt Karunambal Vanavaraayar, Sister of Dr M Manickam, Sri M Balasubramaniam and Sri M Srinivaasan Sri M Harihara Sudhan, Son of Dr M Manickam Smt Vinodhini Balasubramaniam, Wife of Sri M Balasubramaniam Smt Samyuktha Vanavarayar, daughter of Sri M Balasubramaniam Selvi Shruthi Balasubramaniam, daughter of Sri M Balasubramaniam Selvan Amrit Vishnu Balasubramaniam, Son of Sri M Balasubramaniam Smt Bhavani Gopal, Wife of P S Gopalakrishnan Selvi Anusha Bhansali, Daughter of Smt.Priya Bhansali Smt Lalitha Ramakrishnan, Wife of Sri K P Ramakrishnan

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

Transactions / Material Transactions with Related Parties made during the year

(₹ Lakhs)

Sl No	Nature of Transactions	Related parties where significant influence is exercised where controls exist	Key Management Personnel	Close Relatives of members of Key Management Personnel	For the year ended 31st March 2024	For the year ended 31st March 2023
1	Income					
	Rent received					
	Sakthifinance Financial Services Ltd	44.79	-	-	44.79	8.61
	ABT Industries Ltd	24.60	-	-	24.60	23.43
	Sakthi Pelican Insurance Broking Pvt Ltd	4.68	-	-	4.68	4.46
	Income from HP Operations					
	Sakthi Foundation	2.93	-	-	2.93	11.14
	Suddha Sanmarga Nilayam	0.38	-	-	0.38	1.14
	Interest Income					
	ABT Industries Ltd.	71.32	-	-	71.32	30.97
	Other Income					
	Sakthi Pelican Insurance Broking Pvt Ltd	25.96	-	-	25.96	-
	Reimbursement of Expenses / Income					
	ABT Industries Ltd	4.63	-	-	4.63	6.73
2	Expenses					
	Purchase of fuel and others					
	N.Mahalingam & Co	14.38	-	-	14.38	15.09
	Purchase of Intangible Assets					
	Sakthi Digital Limited	5.55	-	-	5.55	-
	Reimbursement of Expenses (Electricity / Internet charges)					
	ABT Industries Ltd	7.81	-	-	7.81	3.55
	Sakthifinance Financial Services Ltd.	0.98	-	-	0.98	0.94
	Rent paid					
	Smt.Vinodhini Balasubramaniam	-	-	2.40	2.40	2.40
	Sri M. Srinivaasan	-	123.33	-	123.33	117.53
	ARC Retreading Company Pvt Ltd	2.31	-	-	2.31	2.23
	N.Mahalingam & Co	12.60	-	-	12.60	14.16
	Sakthifinance Financial Services Ltd.	9.38	-	-	9.38	-
	Resource Mobilisation Charges					
	Sakthifinance Financial Services Ltd.	679.84	-	-	679.84	272.12
	ABT Industries Ltd	5.67	-	-	5.67	-
	Printing charges					
	Nachimuthu Industrial Association	20.22	-	-	20.22	13.40
	Sakthi Sugars Ltd. (Om Sakthi)	3.36	-	-	3.36	2.32
	Sakthi Foundation	1.37	-	-	1.37	1.13
	Professional Charges					
	Ramanandha Adigalar Foundation	-	-	-	-	22.89
	Corporate Social Responsibility Expenses					
	Sri Ramanandha Adigalar Foundation	12.00	-	-	12.00	25.00

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

(₹ Lakhs)

Sl No	Nature of Transactions	Related parties where significant influence is exercised where controls exist	Key Management Personnel	Close Relatives of members of Key Management Personnel	For the year ended 31st March 2024	For the year ended 31st March 2023
	Short term Employee Benefits - Remuneration					
	Sri M.Balasubramaniam	-	49.80	-	49.80	43.80
	Dr S.Veluswamy	-	-	-	-	32.62
	Sri Srinivasan Anand	-	26.10	-	26.10	25.79
	Sri S.Venkatesh	-	-	-	-	15.88
	Sri C.Subramaniam	-	20.03	-	20.03	3.65
	Selvan Amrit Vishnu B	-	-	10.28	10.28	3.15
	Short term Employee Benefits-Perquisites					
	Sri M.Balasubramaniam	-	-	-	-	0.75
	Provident Fund Contributions					
	Sri M.Balasubramaniam	-	4.32	-	4.32	4.32
	Dr S.Veluswamy	-	-	-	-	2.30
	Sri S.Venkatesh	-	-	-	-	0.99
	Sri C.Subramaniam	-	1.15	-	1.15	0.19
	Selvan Amrit Vishnu B	-	-	0.22	0.22	0.07
	Commission					
	Sri M.Balasubramaniam **	-	77.72	-	77.72	75.25
	Sitting Fees - Non-Executive Directors					
	Sri M.Manickam	-	3.00	-	3.00	4.30
	Sri M.Srinivaasan	-	2.70	-	2.70	4.50
	Dr S.Veluswamy	-	2.80	-	2.80	3.30
	Sitting Fees - Independent Directors					
	A Selvakumar	-	10.40	-	10.40	12.60
	P S Gopalakrishnan	-	2.40	-	2.40	4.50
	Priya Bhansali	-	4.40	-	4.40	7.00
	K P Ramakrishnan	-	6.40	-	6.40	8.50
	Reimbursement of Travelling Expense - Non-Executive Directors					
	M.Manickam	-	0.15	-	0.15	0.27
	M.Srinivaasan	-	0.15	-	0.15	0.24
	S.Veluswamy	-	0.15	-	0.15	0.27
	Reimbursement of Travelling Expense - Independent Directors					
	A Selvakumar	-	0.15	-	0.15	0.27
	P S Gopalakrishnan	-	0.15	-	0.15	0.24
	Priya Bhansali	-	0.15	-	0.15	0.27
	K P Ramakrishnan	-	0.15	-	0.15	0.27
	** subject to the approval of members at the ensuing Annual General Meeting					

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

(₹ Lakhs)

Sl No	Nature of Transactions	Related parties where significant influence is exercised where controls exist	Key Management Personnel	Close Relatives of members of Key Management Personnel	For the year ended 31st March 2024	For the year ended 31st March 2023
3	Assets					
	Loans and advances given					
	Sri S.Venkatesh	-	-	-	-	2.00
	ABT Industries Ltd	500.00	-	-	500.00	350.00
	Loans and advances repaid					
	ABT Industries Ltd	(500.00)	-	-	(500.00)	(350.00)
	Sri S.Venkatesh	-	-	-	-	(4.79)
	Outstanding as at the year end					
	Loans and Advances					
	Sakthi Properties (Coimbatore) Ltd	850.00	-	-	850.00	850.00
	Sakthi Sugars Ltd	1,500.00	-	-	1,500.00	1,500.00
	Sakthi Foundation	1.05	-	-	1.05	37.13
	Suddha Sanmarga Nilayam	-	-	-	-	4.59
	Sakthifinance Financial Services Ltd	-	-	-	-	14.24
	Sakthi Pelican Insurance Broking Pvt. Ltd	-	-	-	-	10.83
	ABT Industries Ltd	-	-	-	-	30.97
	Sri S.Venkatesh	-	-	-	-	6.38
	Rent / Other reimbursement receivables					
	Sakthifinance Financial Services Ltd	3.13	-	-	3.13	23.62
	ABT Industries Ltd.	26.15	-	-	26.15	20.00
	Sakthi Pelican Insurance Broking Pvt. Ltd	26.32	-	-	26.32	0.34
4	Liabilities:					
	Transactions during the year					
	Investment in NCDs:					
	ABT Finance Ltd	(8.00)	-	-	(8.00)	(4.46)
	Sakthifinance Financial Services Ltd.	(0.77)	-	-	(0.77)	197.10
	Sakthi Financial Services Cochin Pvt Ltd	(125.00)	-	-	(125.00)	(7.16)
	Smt Samyuktha Vanavaraayar	-	-	15.00	15.00	-
	Selvi Shruthi Balasubramaniam	-	-	15.00	15.00	(38.00)
	Smt Karunambal Vanavaraayar	-	-	(76.00)	(76.00)	300.00
	Sri P S Gopalakrishnan	-	-	-	-	25.00
	Smt Lalitha Ramakrishnan	-	-	(6.00)	(6.00)	1.00
	Smt Vinodhini Balasubramaniam	-	-	200.00	200.00	-
	Selvan Amrit Vishnu Balasubramaniam	-	-	10.00	10.00	-
	Selvi Anusha Bhansali	-	-	(10.00)	(10.00)	-
	Investment in Deposits:					
	Smt Bhavani Gopal	-	-	5.00	5.00	-
	Subscription in SD Bonds					
	Smt.Vinodhini Balasubramaniam	-	-	(10.00)	(10.00)	-
	Selvi Shruthi Balasubramaniam	-	-	(10.00)	(10.00)	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

(₹ Lakhs)

Sl No	Nature of Transactions	Related parties where significant influence is exercised where controls exist	Key Management Personnel	Close Relatives of members of Key Management Personnel	For the year ended 31st March 2024	For the year ended 31st March 2023
	Subscription in Redeemable Cumulative Preference Shares ("RCPS") :					
	Sakthi Financial Services Cochin Pvt Ltd	-	-	-	-	(50.20)
	Outstanding as at the year end					
	Investment in NCDs:					
	ABT Finance Ltd	-	-	-	-	8.00
	Sakthifinance Financial Services Ltd.	246.08	-	-	246.08	246.85
	Sakthi Financial Services Cochin Pvt Ltd	24.90	-	-	24.90	149.90
	Sri P S Gopalakrishnan	-	35.00	-	35.00	35.00
	Smt Vinodhini Balasubramaniam	-	-	280.00	280.00	80.00
	Smt Samyuktha Vanavaraayar	-	-	210.00	210.00	195.00
	Selvi Shruthi Balasubramaniam	-	-	55.00	55.00	40.00
	Selvan Amrit Vishnu Balasubramaniam	-	-	22.00	22.00	12.00
	Smt Bhavani Gopal	-	-	10.00	10.00	10.00
	Smt Lalitha Ramakrishnan	-	-	25.00	25.00	31.00
	Sri Hariharasudhan Manickam	-	-	2.00	2.00	2.00
	Selvi Anusha Bhansafi	-	-	-	-	10.00
	Smt Karunambal Vanavaraayar	-	-	524.00	524.00	600.00
	Subscription in SD Bonds:					
	Smt.Vinodhini Balasubramaniam	-	-	-	-	10.00
	Selvi Shruthi Balasubramaniam	-	-	-	-	10.00
	Subscription in deposits:					
	Smt Bhavani Gopal	-	-	5.00	5.00	-
	Subscription in Redeemable Cumulative Preference Shares ("RCPS") :					
	Sakthi Financial Services Cochin Pvt Ltd	166.50	-	-	166.50	166.50
	Liabilities for Expenses Payable:					
	ARC Retreading Company Pvt Ltd	0.21	-	-	0.21	0.19
	Nachimuthu Industrial Association	0.59	-	-	0.59	-
	N.Mahalingam and Co	2.05	-	-	2.05	2.07
	Sakthi Sugars Ltd.	0.41	-	-	0.41	-
	Sakthi Digital Limited	5.55	-	-	5.55	-
	Sakthi Foundation	0.10	-	-	0.10	-
	Commission payable to Sri M.Balasubramaniam	-	77.72	-	77.72	75.25
	Sri M.Srinivaasan	-	6.01	-	6.01	5.66

Terms and conditions of transaction with related parties:

- All transactions are in the ordinary course of business on terms equivalent to those that prevail in an arm's length transaction.
- The Company has not granted loans or advances that is repayable on demand or without specifying any terms or period of repayment to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, for the financial years ended 31st March 2024 and 31st March 2023.
- There have been no guarantees provided or received to/from any related party on trade receivables or trade payables

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

4. For the year ended 31st March, 2024, and 31st March 2023 the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party.
5. During the year ended 31st March 2024, and 31st March 2023 the Company has not written off any receivables due from related parties.
6. There were no termination benefits and share based payment to any Key Management Personnel (KMP) during the year ended 31st March 2024 and 31st March 2023.
7. Outstanding balances as at the year ended are unsecured and settlement takes place in cash / transfer of assets.
8. For the year 31st March 2024 and 31st March 2023, there are no amounts incurred for provision of Key Management Personnel services that are provided by a separate entity.
9. The provisions relating to Post Employment Benefits (Gratuity) and Other Long Term Benefits (Leave encashment) are determined based on actuarial valuation for the Company as a whole. Accordingly such benefits provided to individual Key Management Personnel is not disclosed above.

44. Disclosure pursuant to Ind AS "33" - Earnings Per Share (Refer Note 3(u))

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit for the year attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

For the year ended 31st March 2024 and 31st March 2023 the Company had no convertible Equity and Debt Instruments

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
a) Weighted average number of equity shares of ₹ 10 each (For Basic and Diluted EPS)		
(i) Number of shares at the beginning of the year	6,47,05,882	6,47,05,882
(ii) Number of shares at the end of the year	6,47,05,882	6,47,05,882
(b) Weighted average number of shares outstanding during the year (nos) (For Basic and Diluted EPS)	6,47,05,882	6,47,05,882
(c) Net Profit after tax available for equity shareholders (₹ lakhs)	1,570.54	1,249.37
Basic and diluted earnings per share (Face Value: ₹10 per share) (₹)	2.43	1.93

45. FINANCIAL RISK MANAGEMENT FRAMEWORK

The company is engaged in finance business and like any other NBFC is exposed to risks such as credit risk, liquidity risk, market risk, operational risks etc. The company follows pro-active risk management practices to mitigate these risks. The risk management policies are periodically reviewed by the Risk Management Committee and Audit Committee.

Credit Risk

Credit risk is the risk that arises when the borrowers of the company are unable to meet the financial obligations.

The Company has a comprehensive and well-defined Credit policy, which encompasses a credit approval process for all businesses along with guidelines for mitigating the risks associated with them. The appraisal process includes a detailed risk assessment of the borrowers, physical verifications and field visits. The company has a robust post sanction monitoring process supervision and follow-up to identify portfolio trends and early warning signals. This enables the company to implement necessary changes to the credit policy, whenever the need arises. Also being in asset finance, the company's lending is secured by adequate collaterals from the borrowers. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The difference in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income

Expected Credit Loss ("ECL")

As a result of adoption of IndAs , the company has followed Ind As 109 for the calculation of expected credit loss. The measurement of ECL involves three main components Viz.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

Exposure at default (EAD), Probability of Default (PD) and Loss Given Default (LGD) and weightages have been decided based on industry best practices and judgement. ECL is measured based on various stages of assets and by applying PD and LGD to arrive at impairment loss.

Exposure at Default ("EAD")

Exposure at Default (EAD) is defined as the sum of Principal outstanding and interest accrued at the reporting date.

Probability of Default ("PD")

The Probability of Default is an estimate of the likelihood of an account getting into default over a given time horizon. The PD model reflects the probability of default, taking into consideration the residual tenor of each contract and it relies not only on historical information and the current economic environment, but also considers forward-looking information such as the forecasts on the macroeconomic factors like GDP, Inflation rate etc.

Loss Given Default ("LGD")

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Definition of Default

If the borrower is past due for more than 90 days on any material credit obligation to the Company; or the borrower is unlikely to pay his credit obligations to the Company in full, it is considered as default.

The Company categorises loan assets into stages primarily based on the Days of Past Due Status.

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days past due

Write-offs (Refer Note 3(c))

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

The following table provides an overview of the gross carrying amount of loan assets stage-wise :

(₹ Lakhs)

Particulars	31st March 2024				31st March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	97,578.13	15,116.22	6,997.89	1,19,692.24	99,679.78	9,200.48	5,942.21	1,14,822.47
New business - net of recovery	63,194.85	8,484.79	735.11	72,414.75	64,381.52	10,522.00	800.64	75,704.16
Transfer due to change in credit worthiness								
Stage 1	4,033.25	(3,693.03)	(340.22)	-	1,747.12	(1,591.87)	(155.25)	-
Stage 2	(5,761.16)	5,803.65	(42.49)	-	(3,230.29)	3,248.42	(18.13)	-
Stage 3	(1,382.71)	(650.50)	2,033.21	-	(1,546.77)	(916.36)	2,463.13	-
Financial Assets that have been derecognised	(53,505.17)	(10,066.63)	(2,478.57)	(66,050.37)	(63,353.94)	(5,337.71)	(1,908.98)	(70,600.63)
Write off during the year	(24.98)	(2.83)	(308.88)	(336.69)	(99.29)	(8.74)	(125.73)	(233.76)
Balance at the end of the year	1,04,132.21	14,991.67	6,596.05	1,25,719.93	97,578.13	15,116.22	6,997.89	1,19,692.24

The following table provides an overview of the Expected Credit Loss, stage-wise :

Particulars	31st March 2024				31st March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	167.16	1,149.30	3,875.68	5,192.14	478.79	95.53	3,936.95	4,511.27
New business - net of recovery	196.00	616.27	138.35	950.62	145.77	862.26	170.80	1,178.83
Transfer due to change in credit worthiness								
Stage 1	14.55	(11.58)	(2.97)	-	0.28	(0.28)	-	-
Stage 2	(503.18)	507.40	(4.22)	-	(218.50)	219.31	(0.81)	-
Stage 3	(423.24)	(239.95)	663.19	-	(379.50)	(253.85)	633.35	-
Financial Assets that have been derecognised	987.77	(852.36)	(413.65)	(278.24)	142.28	227.54	(672.55)	(302.73)
Write off during the year	(0.07)	(0.83)	(316.08)	(316.98)	(1.96)	(1.23)	(192.04)	(195.23)
Balance at the end of the year	438.99	1,168.25	3,940.30	5,547.54	167.16	1,149.28	3,875.70	5,192.14

Stage	31st March 2024			31st March 2023		
	Gross Value	Impairment Allowance	Net Carrying Value	Gross Value	Impairment Allowance	Net Carrying Value
Stage 1	1,04,132.21	438.99	1,03,693.22	97,578.13	167.16	97,410.97
Stage 2	14,991.67	1,168.25	13,823.42	15,116.22	1,149.28	13,966.94
Stage 3	6,596.05	3,940.30	2,655.75	6,997.89	3,875.70	3,122.19
Total	1,25,719.93	5,547.54	1,20,172.39	1,19,692.24	5,192.14	1,14,500.10

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

Geographical break-up of portfolio - Net Stock on Hire (excluding loan repayable on demand and other loans) (₹ Lakhs)

Particulars	FY 2024	FY 2023
Tamil Nadu & Puducherry	97,998	95,355
Kerala	19,967	17,046
Karnataka	2,991	3,132
Andhra	3,329	2,963
Total	1,24,285	1,18,496

Portfolio composition - Net Stock on Hire (excluding loan repayable on demand and other loans)

Particulars	FY2024	FY2023
Commercial Vehicles	1,09,284	1,06,088
Cars & Jeeps	9,204	7,671
Construction Equipment	4,960	3,967
Machinery	800	709
Consumer Durables	37	61
Total	1,24,285	1,18,496

Liquidity Risk

Liquidity risk is the risk related to cash flows and the inability to meet the company's liabilities as and when they become due. It arises from the mismatches in the maturity pattern to cope with a decline in liabilities or increase in assets.

The Company monitors these risks through appropriate risk limits. Asset Liability Management Committee ("ALCO") reviews these risks and related trends and helps adopt various strategies related to assets and liabilities, in line with company's risk management framework.

The contracted cash flow arising out of the financial liabilities and financial assets as at 31st March 2024 is furnished hereunder :

Particulars	Note	Up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial Liabilities								
Deposits	16 & 18	202.26	-	884.92	4,373.83	3,022.73	-	8,483.74
Borrowings	14,15,17&18	19,712.11	5,427.63	18,731.04	35,664.32	26,757.86	3,692.41	1,09,985.37
Foreign Currency Assets		-	-	-	-	-	-	-
Foreign Currency Liabilities		-	-	-	-	-	-	-
Total		19,914.37	5,427.63	19,615.96	40,038.15	29,780.59	3,692.41	1,18,469.11
Financial Assets								
Cash and cash equivalents	4	384.83	-	-	-	-	-	384.83
Bank balances	4A	9,035.93	-	580.00	-	-	-	9,615.93
Loans	6	15,507.83	16,244.81	26,240.17	54,816.13	7,115.82	247.63	1,20,172.39
Investments	7	341.05	-	-	150.27	-	898.75	1,390.07
Other financial assets		-	-	-	-	-	-	-
Total		25,269.64	16,244.81	26,820.17	54,966.40	7,115.82	1,146.38	1,31,563.22

The contracted cash flow arising out of the financial liabilities and financial assets as at 31st March 2023 is furnished hereunder :

Particulars	Note	Up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial Liabilities								
Deposits	16 & 18	703.90	798.18	1,200.87	-	-	-	2,702.95
Borrowings	14,15 & 17	7,694.98	10,033.47	27,283.59	46,568.11	13,439.27	-	1,05,019.42
Foreign Currency Assets		-	-	-	-	-	-	-
Foreign Currency Liabilities		-	-	-	-	-	-	-
Total		8,398.88	10,831.65	28,484.46	46,568.11	13,439.27	-	1,07,722.37

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

The contracted cash flow arising out of the financial liabilities and financial assets as at 31st March 2023 is furnished hereunder: (cont..)

(₹ Lakhs)

Particulars	Note	Up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial Assets								
Cash and cash equivalents	4	189.80	-	-	-	-	-	189.80
Bank balances	4A	2,855.90	-	-	-	-	-	2,855.90
Loans	6	16,070.63	15,895.67	27,190.46	49,351.90	5,767.96	223.48	1,14,500.10
Investments	7	-	217.14	485.62	491.92	-	149.83	1,344.51
Other financial assets		672.65	167.17	381.23	634.58	-	2,186.25	4,041.88
Total		19,788.98	16,279.98	28,057.31	50,478.40	5,767.96	2,559.56	1,22,932.19

Market Risk

Market Risk is the risk arising in financial instruments due to changes in market variables such as interest rates, liquidity etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

Interest Rate Risk

Interest Rate Risk is the possibility of loss arising from changes in the value of financial instruments as result of changes in market variables such as interest rates and other asset prices. The company's exposure to market risk is a function of asset liability management activities. Except the borrowings from banks, the interest rates of which are linked to MCLR, other borrowings are fixed rate instruments. The Company has not availed any foreign currency borrowings. The major portion of lending is at fixed rates.

The interest rate profile of the interest bearing financial instruments is as follows

Particulars	Note	As at 31st March 2024	As at 31st March 2023
Financial assets			
Fixed rate instruments			
Loans	6	1,25,719.93	1,19,692.24
Investments	7	1,200.34	1,194.69
Bank Balances	4A	-	-
Variable rate Instruments		-	-
Total		1,26,920.27	1,20,886.93
Financial Liabilities			
Fixed rate instruments			
Debt securities	14 & 18	65,729.95	48,831.16
Borrowings (other than debt securities)	15	7,216.73	2,696.17
Deposits	16 & 18	8,483.74	2,702.95
Sub-Ordinated liabilities	17 & 18	30,022.63	40,038.88
Preference Shares	17 & 18	2,059.02	1,508.30
Variable rate instruments			
Bank Borrowings	15	5,263.55	11,957.91
Total		1,18,775.62	1,07,735.37

As the fixed rate instruments are carried at amortised cost, their carrying amount will not vary because of changes in market interest rate.

A cash flow sensitivity analysis for variable rate instruments, indicating the possible change in Profit and Loss / equity for 1% change in interest rate is furnished hereunder:

Particulars	31st March 2024		31st March 2023	
	1 % increase in interest rate	1 % decrease in interest rate	1 % increase in interest rate	1 % decrease in interest rate
Variable rate instruments- carrying amount	+53	(53.00)	+60	(60.00)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems or from external events.

The operational risks of the company are managed through comprehensive internal control systems and procedures and key back up processes.

Further submission of exceptional reports for procedural lapses at the branches level, risk-based audits on a regular basis across all business units/functions and IT disaster recovery plans are put in place for evaluating key operational risks the processes of which are meant to adequately mitigate them on an on-going basis.

46. Disclosures Pursuant To Ind AS "108" - Operating Segments

a. The Company is primarily engaged in the business of asset financing. All other activities are not significant and incidental to the main business. This, in the context of Ind AS 108 on "Operating Segments" notified by the Companies (Indian Accounting Standards) Rules 2016, is considered to constitute a single primary segment and there are no other separate reportable segments identified.

i) Information about geographical areas

The Company operates within India. Therefore, it neither generates any revenue from outside India nor has any non current assets located outside India for the financial years ended 31st March 2024 and 31st March 2023.

ii) Information about major customers

No single external customer contributes 10% or more to the revenues of the Company for the financial years ended 31st March 2024 and 31st March 2023.

b. Disclosures pursuant to Ind As"23" - Borrowing Costs

There were no borrowing costs capitalized during the years ended 31st March 2024 and 31st March 2023 and hence disclosure of capitalization rate used to determine the amount of borrowing costs eligible for capitalization is not applicable.

c. The Company has no discontinuing operations during the financial years ended 31st March 2024 and 31st March 2023

47. Disclosure pursuant to Ind AS "113"

Fair Valuation principle :

a. Financial Assets designated at Fair value through Other Comprehensive Income

(₹ Lakhs)

Particulars	Fair Value hierarchy	As at 31st March 2024	As at 31st March 2023
Investment in Equity Instruments (Quoted)	Level 1	163.88	111.47
Investment in Equity Instruments (Un-Quoted)	Level 3	38.41	38.35

b.i. Financial assets and financial liabilities measured at amortised cost as at 31st March 2024

Particulars	Notes	Carrying Amount	Fair Value			Total
			Level 1	Level 2	Level 3	
Financial Assets						
Cash and Cash Equivalents	4	7,478.74	7,478.74	-	-	7,478.74
Bank Balances other than Cash and Cash Equivalents	4A	2,522.02	2,522.02	-	-	2,522.02
Trade Receivables	5	198.33	-	231.02	-	231.02
Loans	6	120,172.39	-	-	120,172.39	120,172.39
Investments	7	1,200.34	1,202.65	-	-	1,202.65
Other Financial Assets	8	1,382.94	-	1,382.94	-	1,382.94
Financial Liabilities						
Payables	13					
(I) Trade Payables		226.60	-	226.60	-	226.60
(II) Other Payables		189.83	-	189.83	-	189.83
Debt Securities	14	65,619.57	53,924.96	11,694.61	-	65,619.57
Borrowings (Other than debt securities)	15	12,480.27	12,480.27	-	-	12,480.27
Deposits	16	8,281.47	-	-	8,281.47	8,281.47
Sub-Ordinated Liabilities	17	31,166.98	-	-	31,166.98	31,166.98
Other Financial Liabilities	18	2,318.66	-	2,318.66	-	2,318.66

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

b.ii. Financial assets and financial liabilities measured at amortised cost as at 31st March 2023

(₹ Lakhs)

Particulars	Notes	Carrying Amount	Fair Value			Total
			Level 1	Level 2	Level 3	
Financial Assets						
Cash and Cash Equivalents	4	3,002.79	3,002.79	-	-	3,002.79
Bank Balances other than Cash and Cash Equivalents	4A	42.91	42.91	-	-	42.91
Trade Receivables	5	244.60	-	295.75	-	295.75
Loans	6	1,14,500.10	-	-	1,14,500.10	1,14,500.10
Investments	7	1,194.69	1,214.31	-	-	1,214.31
Other Financial Assets	8	1,288.55	-	1,288.55	-	1,288.55
Financial Liabilities						
Payables	13					
(I) Trade Payables		156.15	-	156.15	-	156.15
(II) Other Payables		193.26	-	193.26	-	193.26
Debt Securities	14	48,792.43	36,388.08	12,404.35	-	48,792.43
Borrowings (Other than debt securities)	15	14,654.08	14,654.08	-	-	14,654.08
Deposits	16	2,444.17	-	-	2,444.17	2,444.17
Sub-Ordinated Liabilities	17	41,512.40	12,281.44	-	29,230.96	41,512.40
Other Financial Liabilities	18	1,384.96	-	1,009.87	375.09	1,384.96

c. Financial assets and Financial Liabilities measured at Fair Value through Profit or Loss as at 31st March 2024 and as at 31st March 2023

The Company did not measure any of its Financial Assets and Financial Liabilities at Fair Value through Profit or Loss.

Note:

The Management assessed that cash and cash equivalents, bank balances other than cash and cash equivalents, receivables, other financial assets, payables, and other financial liabilities approximates their carrying amount largely due to short term maturities of these instruments.

There were no transfers between level 1 and level 2 for any asset or liabilities during the year.

48. Disclosure pursuant to Ind AS "116" Leases

In cases of leases where the Company is a lessee (Operating Lease)

The Company's lease asset class primarily consist of land and buildings taken on lease for Corporate office and Branch office premises used for operating activities. Certain agreements provide for cancellation by either party or certain agreements contain clause for escalation or renewal of agreements. There were no non-cancellable operating lease agreements as at 31st March 2024 and 31st March 2023. There are no restrictions imposed by lease arrangements.

(₹ Lakhs)

Particulars	31st March 2024	31st March 2023
(a) Depreciation charge for Right-of-Use Assets (included in depreciation and amortization expense)	276.33	254.65
(b) Interest expense on Lease Liabilities (included in finance cost)	18.37	20.51
(c) Expense relating to short-term leases and low-value assets (included in other expenses)	34.24	27.32
(d) Expense relating to variable lease payments not included in lease liabilities (included in other expenses)	-	-
(e) Income on remeasurement of lease(s)	-	-
(f) Income from sub-lease right of use assets	29.28	27.89
(g) Gains or Losses from Sale and lease back transactions	-	-
(h) Total cash flow for leases	294.64	266.80
(i) Addition to right of use assets	162.93	220.17

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

(₹ Lakhs)

Lease liability movement	31st March 2024	31st March 2023
As at 1st April 2023 and 1st April 2022	372.92	386.18
Add : Addition during the year	163.46	222.28
Interest on lease liability	35.29	40.34
Less : Deletions during the year	-	9.08
Lease rental payments	294.64	266.80
As at 31st March 2024 and 31st March 2023	277.03	372.92

Maturity Analysis of lease liability	31st March 2024	31st March 2023
Less than 1 year	145.60	241.90
1-3 years	141.44	132.00
3-5 years	32.19	49.49
More than 5 years	-	2.71
Total future undiscounted cash outflow on lease liability	319.23	426.10

The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

In cases of leases where the Company is a lessor (Operating Lease)

The Company has given buildings on operating lease for commercial purposes and recognises the income as per the contractual terms of lease. Income from operating lease in the statement of profit and loss is ₹ 18.37 lakhs (31st March 2023 ₹ 20.51 lakhs). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. There were no non-cancellable operating lease agreements as at 31st March 2024 and 31st March 2023.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

49. Disclosures under RBI Directions

49.1 Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (No. RBI/DOR/2023-24/106 DOR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023, as amended. (₹ Lakhs)

Sl No	Particulars	As at 31st March 2024		As at 31st March 2023	
		Amount outstanding	Amount Overdue #	Amount outstanding	Amount Overdue #
(1)	Liabilities Side: Loans and advances availed by the Non Banking Financial Company inclusive of interest accrued thereon but not paid:				
	(a) Debentures : Secured	65,729.95	110.38	48,831.16	38.73
	: Unsecured (Other than falling within the meaning of Public deposit)	-	-	-	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	4,884.67	-	2,408.38	-
	(d) Inter-Corporate loans and borrowing	2,332.05	-	287.79	-
	(e) Commercial paper	-	-	-	-
	(f) Public Deposits	8,483.74	202.27	2,702.95	258.78
	(g) Sub-Ordinated Debts	31,775.15	608.17	41,534.17	21.78
	(h) Other Loans - Cash Credit	5,263.55	-	11,957.91	-
(2)	Break-up of (1) (f) and (g) above (Outstanding Public deposits inclusive of interest accrued thereon but not paid):				
	(a) In the form of Unsecured Debentures	12,962.06	-	12,281.44	-
	(b) In the form of Partly secured Debentures (i.e.) debentures where there is a shortfall in the value of security	-	-	-	-
	(c) Other Public Deposits	8,483.74	202.27	2,702.95	258.78
	# Represents unclaimed deposits and interest accrued thereon				
(3)	Assets Side: Break-up of Loans and Advances including bills receivables (Other than those included in (4) below):		Amount outstanding		Amount outstanding
	(a) Secured		-		-
	(b) Unsecured		1,434.59		1,196.34
(4)	Break-up of Leased Assets and Stock on Hire and Other assets counting towards AFC activities:				
	(1) Lease Assets including lease rentals under Sundry Debtors				
	(a) Financial Lease		-		-
	(b) Operational Lease		-		-
	(2) Assets on Hire including Hire charges under Sundry Debtors				
	(a) Stock on Hire		1,24,177.53		1,18,441.63
	(b) Repossessed Assets		107.81		54.25
	(3) Other Loans counting towards AFC activities				
	(a) Loans where assets have been repossessed		-		-
	(b) Loans other than (a) above		-		-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

(₹ Lakhs)

(5) Break-up of Investments:	As at 31st March 2024	As at 31st March 2023
Current Investments :		
1. Quoted		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2. Unquoted		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
Long Term Investments :		
1. Quoted		
(i) Shares : (a) Equity	163.88	111.47
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	1,200.34	1,194.69
(v) Others	-	-
2. Unquoted :		
(i) Shares : (a) Equity	38.41	38.41
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

(₹ Lakhs)

(6) Borrower group-wise classification of assets financed as in 3 and 4 above							
Category	31st March 2024 (Amount net of provisions)			31st March 2023 (Amount net of provisions)			
	Secured	Unsecured	Total	Secured	Unsecured	Total	
1. Related parties							
(a) Subsidiaries	-	-	-	-	-	-	
(b) Companies in the same group	-	-	-	-	-	-	
(c) Other related parties	1.05	-	1.05	41.72	30.97	72.69	
2. Other than related parties	1,18,736.75	1,434.59	1,20,171.34	1,13,262.02	1,165.39	1,14,427.41	
Total	1,18,737.80	1,434.59	1,20,172.39	1,13,303.74	1,196.36	1,14,500.10	
(7) Investor group-wise classification of all Investments (Current and non-Current Long term) in shares and securities (both quoted and unquoted)							
Category		Market value /	Book value	Market value /	Book value		
		Break up or	(Net of	Break up or	(Net of		
		fair value or	provisions)	fair value or	provisions)		
		NAV		NAV			
		31st March 2024		31st March 2023			
1. Related parties							
(a) Subsidiaries		-	-	-	-		
(b) Companies in the same group		199.18	186.68	146.77	146.77		
(c) Other related parties		-	-	-	-		
2. Other than related parties		1,203.45	1,203.39	1,197.82	1,197.74		
Total		1,402.63	1,390.07	1,344.59	1,344.51		
(8) Other information							
Particulars		Amount		Amount			
(i) Gross Non Performing Assets		6,596.04		6,997.89			
(a) Related parties		-		-			
(b) Other than Related parties		6,596.04		6,997.89			
(ii) Net Non Performing Assets		3,206.68		3,420.94			
(a) Related parties		-		-			
(b) Other than Related parties		3,206.68		3,420.94			
(iii) Assets acquired in satisfaction of debt		-		-			

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

49.2 Balance Sheet disclosures as required under Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (No. RBI/DOR/2023-24/106 DOR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023, as amended (₹ Lakhs)

Sl No	Particulars	31st March 2024	31st March 2023
1	Capital to Risk (Weighted) Assets Ratio		
	CRAR (%)	18.48	19.68
	CRAR - Tier I Capital (%)	14.16	13.99
	CRAR - Tier II Capital (%)	4.32	5.69
	Amount of Sub-Ordinated debt considered as Tier-II capital	2,224.53	4,374.12
	Amount raised by issue of Perpetual Debt Instruments	-	-
2	Investments		
	Value of Investments		
	Gross Value of Investments		
	In India	1,402.63	1,344.57
	Outside India	-	-
	Provisions for Diminution in value of investments		
	In India	12.56	0.06
	Outside India	-	-
	Net Value of Investments		
	In India	1,390.07	1,344.51
	Outside India	-	-
	Movement of provisions held towards diminution in value of investments		
	Opening balance	0.06	0.06
	Add : Provisions made during the year	12.50	-
	Less: Write-off / write-back of excess provisions during the year	-	-
	Closing balance	12.56	0.06
3	Derivatives		
	Forward Rate Agreement / Interest Rate Swap	-	-
	Exchange Traded Interest Rate (IR) Derivatives	-	-
	Disclosures on Risk Exposure in Derivatives Qualitative Disclosure:-	-	-
	The Company has no derivatives transactions	-	-
4	Disclosures relating to Securitisation		
	SPV and Minimum Retention Requirements	-	-
	Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction	-	-
	Details of Assignment transactions undertaken by NBFCs	-	-
	Details of non-performing financial assets purchased / sold	-	-
	Details of non-performing financial assets purchased	-	-
	Details of Non-performing Financial Assets sold	-	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

(₹ Lakhs)

5 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31st March 2024													
Sl No	Particulars	Note	Upto 0 - 7 days	Upto 8 - 14 days	Upto 15 - 30 days	Over 1 Month upto 2 Month	Over 2 Months upto 3 Months	Over 3 Months & upto 6 Months	Over 6 Months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
(i)	Deposits	16 & 18	40.45	60.68	101.13	-	-	-	884.92	4,373.83	3,022.73	-	8,483.74
(ii)	Advances	6	2,360.81	1,046.56	1,728.01	5,187.50	5,184.95	16,244.81	26,240.17	54,816.13	7,115.82	247.63	1,20,172.39
(iii)	Investments	7	-	-	-	341.05	-	-	-	150.27	-	898.75	1,390.07
(iv)	Borrowings		1,464.35	630.63	4,798.59	6,825.32	5,993.21	5,427.63	18,731.04	35,664.32	26,757.86	3,692.43	1,09,985.38
(v)	Foreign Currency Assets		-	-	-	-	-	-	-	-	-	-	-
(vi)	Foreign Currency Liabilities		-	-	-	-	-	-	-	-	-	-	-
Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31st March 2023													
Sl No	Particulars	Note	Upto 0 - 7 days	Upto 8 - 14 days	Upto 15 - 30 days	Over 1 Month upto 2 Month	Over 2 Months upto 3 Months	Over 3 Months & upto 6 Months	Over 6 Months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
(i)	Deposits	16 & 18	51.76	77.63	129.39	295.82	149.30	798.18	1,200.87	-	-	-	2,702.95
(ii)	Advances	6	2,374.36	1,146.46	1,807.44	5,318.02	5,424.35	15,895.67	27,190.46	49,351.90	5,767.95	223.49	1,14,500.10
(iii)	Investments	7	-	-	-	-	-	217.14	485.62	491.92	-	149.83	1,344.51
(iv)	Borrowings		43.91	18.15	298.93	4,926.60	2,407.39	10,033.47	27,283.59	46,568.12	13,439.26	-	1,05,019.42
(v)	Foreign Currency Assets		-	-	-	-	-	-	-	-	-	-	-
(vi)	Foreign Currency Liabilities		-	-	-	-	-	-	-	-	-	-	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

(₹ Lakhs)

Sl No	Particulars	31st March 2024	31st March 2023															
6	Exposures																	
(i)	Exposure to Real Estate Sector	-	-															
(ii)	Exposure to Capital Market	-	-															
a	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	163.88	111.47															
b	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-															
c	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-															
d	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-															
e	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-															
f	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-															
g	Bridge loans to companies against expected equity flows / issues	-	-															
h	All exposures to Venture Capital Funds (both registered and unregistered)	-	-															
	Total Exposure to Capital Market	163.88	111.47															
(iii)	Details of financing of parent company products	Nil	Nil															
(iv)	Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the NBFC	Nil	Nil															
(v)	Unsecured Advances	1,434.59	1,196.36															
7	Miscellaneous																	
(i)	Registration obtained from other financial sector regulators	NA	NA															
(ii)	Disclosure of Penalties imposed by RBI and other regulators - Refer Note 58	16.00	0.02															
(iii)	Related Party Transactions - Refer Note 43																	
(iv)	Ratings assigned by credit rating agencies and migration of ratings during the year																	
	<table border="1"> <thead> <tr> <th>Sl No.</th> <th>Particulars</th> <th>ICRA Ltd</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Deposits</td> <td>(ICRA) BBB Stable</td> </tr> <tr> <td>(ii)</td> <td>Debentures</td> <td>(ICRA) BBB Stable</td> </tr> <tr> <td>(iii)</td> <td>Long-Term Borrowings</td> <td>(ICRA) BBB Stable</td> </tr> <tr> <td>(iv)</td> <td>Short-Term Borrowings</td> <td>(ICRA) A2</td> </tr> </tbody> </table>	Sl No.	Particulars	ICRA Ltd	(i)	Deposits	(ICRA) BBB Stable	(ii)	Debentures	(ICRA) BBB Stable	(iii)	Long-Term Borrowings	(ICRA) BBB Stable	(iv)	Short-Term Borrowings	(ICRA) A2		
Sl No.	Particulars	ICRA Ltd																
(i)	Deposits	(ICRA) BBB Stable																
(ii)	Debentures	(ICRA) BBB Stable																
(iii)	Long-Term Borrowings	(ICRA) BBB Stable																
(iv)	Short-Term Borrowings	(ICRA) A2																
	Migration of ratings during the year : NIL																	
(v)	Remuneration to Directors																	
	Ref. Page No. 40 of Corporate Governance Report 2024																	

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

(₹ Lakhs)

Sl No	Particulars	31st March 2024	31st March 2023
(vi)	Management Ref. Management and Discussion and Analysis report on Page No. 29		
(vii)	Net Profit or Loss for the period, prior period items and changes in accounting policies	Nil	Nil
8	Other Disclosures		
(i)	Provisions and Contingencies Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss		
a	Provisions for diminution in value of Investment	1.41	4.75
b	Provision towards NPA	355.40	680.88
c	Provision for Standard Assets	-	-
d	Provision made towards Income Tax	577.25	486.60
e	Other Provision and Contingencies (with details)	(18.46)	6.67
(ii)	Draw down from Reserves	-	-
(iii)	Concentration of Deposits, Advances, Exposures and NPAs		
a	Concentration of Deposits: Total Deposits of twenty largest depositors	556.55	278.26
	Percentage of Deposits of twenty largest depositors to Total Deposits	6.63%	10.29%
b	Concentration of Advances: Total Advances to twenty largest borrowers	2,116.34	1,383.63
	Percentage of Advances to twenty largest borrowers to Total Advances	1.70%	1.17%
c	Concentration of Exposures: Total Exposure to twenty largest borrowers / customers	1,955.08	1,170.97
	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	1.57%	0.99%
d	Concentration of NPAs: Total Exposure to top four NPA accounts	94.24	137.13
e	Sector-wise NPAs	% NPAs to Total Advances in that sector	
(i)	Agriculture & allied activities	3.19%	3.43%
(ii)	MSME – Engineering	-	-
(iii)	Corporate borrowers - Textiles	-	-
(iv)	Services - Others	7.05%	6.79%
(v)	Unsecured personal loans	-	-
(vi)	Auto loans - Transport	4.99%	5.70%

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

(₹ Lakhs)

Sl No	Particulars	31st March 2023	31st March 2022
f	Movement of NPAs		
(i)	Net NPAs to Net Advances (%)	2.62%	2.99%
(ii)	Movement of NPAs (Gross)		
	Opening balance	6,997.89	5,942.21
	Additions during the year	3,067.46	3,468.82
	Reductions during the year	3,469.31	2,413.14
	Closing balance	6,596.04	6,997.89
(iii)	Movement of Net NPAs		
	Opening balance	3,420.94	2,355.20
	Additions during the year	2,540.88	2,822.79
	Reductions during the year	2,755.14	1,757.05
	Closing balance	3,206.68	3,420.94
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	Opening balance	3,576.95	3,587.01
	Provisions made during the year	526.59	646.04
	Write-off / write-back of excess provisions	714.18	656.10
	Closing balance	3,389.36	3,576.95
(v)	Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)	Nil	Nil
(vi)	Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)	Nil	Nil
9	Disclosure of Complaints		
a	No. of complaints pending at the beginning of the year	-	-
b	No. of complaints received during the year	49	486
c	No. of complaints redressed during the year	49	486
d	No. of complaints pending at the end of the year	-	-

49.3 Disclosures as required under Appendix VI-A Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (No. RBI/DOR/2023-24/106 DOR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023, as amended.

Public disclosure on Liquidity Risk:

i. Funding concentration based on significant counterparty (both deposits and Borrowings)

Sl No	Type of Instruments	No. of Significant counter parties	Amount (₹ lakhs)	% of total deposits	% of total liabilities
1	Borrowings As at 31st March 2024	4	14,814.82	176.56	12.28
2	Borrowings As at 31st March 2023	3	12,939.00	541.65	11.83

ii. Top 20 Large Deposits (amount ₹ in Lakhs) and % of Total Deposits

Sl No	Descriptions	Amount (₹ lakhs)	% of total deposits
1	Total for Top 20 Large Deposits as at 31st March 2024	556.55	6.63%
2	Total for Top 20 Large Deposits as at 31st March 2023	278.00	11.65%

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

iii. Top 10 Borrowings (amount ₹ in Lakhs) and % of Total Borrowings

Sl No	Descriptions	Amount (₹ lakhs)	% of total Borrowings
1	Total for Top 10 Borrowings as at 31st March 2024	18,568.30	16.81%
2	Total for Top 10 Borrowings as at 31st March 2023	14,715.00	14.93%

iv. Funding concentration based on significant instrument / products

Sl No	Name of the Instrument / Products	31st March 2024		31st March 2023	
		Amount (₹ lakhs)	% of total Liabilities	Amount (₹ lakhs)	% of total Liabilities
1	Redeemable Non-Convertible Debentures - Public Issue	51,699.20	42.84	33,856.00	30.95
2	Sub-Ordinated Debts	13,943.11	11.56	23,397.00	21.39
3	Redeemable Non-Convertible Debentures - Secured Retail	10,737.97	8.90	11,966.00	10.94
4	From Bank: Cash Credit and Demand Loans	5,256.16	4.37	10,738.00	9.82
5	Non-Convertible Debentures - Secured	11,451.79	9.49	12,023.00	10.99
6	Fixed Deposits	8,390.85	6.95	2,389.00	2.18
7	Term Loans - Financial Institutions and Banks	4,901.30	4.06	2,437.00	2.23
8	Redeemable Cumulative Preference Shares	1,770.15	1.47	1,500.00	1.37
9	Term Loans - Corporates	2,320.74	1.92	286.00	0.26
	Total	1,10,471.27	91.56	98,592.00	90.13

v. Stock Ratios:

a. Commercial Papers as a % of Total Public Funds, Total Liabilities and Total Assets

Sl No	Name of the Instrument / Products	31st March 2024		31st March 2023	
		Amount (₹ lakhs)	% of total deposits	Amount (₹ lakhs)	% of total deposits
1	Commercial Paper Outstanding	NA	NA	NA	NA
2	% to Total Public Funds	-	-	-	-
3	% to Total Liabilities	-	-	-	-
4	% to Total Public Assets	-	-	-	-

b. Non-Convertible Debentures (with original maturities of less than 1 year) as a % of Total Public Funds, total Liabilities and Total Assets

Sl No	Name of the Instrument / Products	31st March 2024	31st March 2023
1	Non-Convertible Debentures (on maturities of less than 1 year)	-	-
2	% to Total Public Funds	-	-
3	% to Total Liabilities	-	-
4	% to Total Assets	-	-

c. Other Short term Liabilities, if any as a percentage of Total Public Funds, Total Liabilities and Total Assets

Sl No	Name of the Instrument / Products	31st March 2024	31st March 2023
1	Other Short term Liabilities	20,508.07	11,957.91
2	% to Total Public Funds	20.93%	11.13%
3	% to Total Liabilities	17.00%	10.93%
4	% to Total Assets	14.39%	9.20%

vi. Institutional set-up of liquidity risk management

The Board of Directors of the Company have an overall responsibility for the management of all types of risks, including liquidity risk, to which the Company is exposed in the normal course of its business. Further, the Board of Directors have constituted a Risk Management Committee ("RMC"), as mandated by RBI, for the effective supervision, evaluation,

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are presently held as may be necessary. Moreover, the Board of Directors have also constituted an Asset Liability Management Committee ("ALM"), for the management of the Company's short and long-term funding and meeting liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves and surplus, accessing undrawn bank facilities and obtaining funding from various other sources, as may be feasible. ALM provides guidance and direction in terms of interest rate, liquidity, funding sources etc. ALM meetings are held as may be required. The minutes of ALM meetings are placed before the Board of Directors at their next meeting for their perusal / approval / ratification.

Definition of terms as used in the table above:

a) Significant counter party:

A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

b) Significant instrument/product:

A "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities.

c) Total liabilities:

Total liabilities include all external liabilities (other than equity).

d) Public funds:

"Public funds" includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of commercial papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue. It includes total borrowings outstanding under all types of instruments/products.

e) Other short-term liabilities:

All short-term borrowings other than CPs and NCDs with original maturity less than 12 months.

Disclosure on Liquidity Coverage Ratio ("LCR")

The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio ("LCR"), which aim to ensure that an NBFC maintains an adequate level of unencumbered ("HQLAs") which can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

The LCR is computed as per the formula given below:

$LCR = \text{Stock of High-Quality Liquid Assets ("HQLAs")} / \text{Total Net Cash Outflows over the next 30 calendar days}$

HQLAs consist of Cash (would mean cash on hand and demand deposits with Scheduled Commercial Banks), Investment in Central and State Government Securities, and highly-rated Corporate Bonds and Commercial papers, including those of Public Sector Enterprises, as adjusted after assigning the haircuts as prescribed by RBI.

Total net cash outflows are arrived after taking into consideration total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days.

As prescribed by RBI, total net cash outflows over the next 30 days = Stressed Outflows [Min (stressed inflows; 75% of stressed outflows)]. Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow).

The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The ALM oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board.

The Company maintains a robust funding profile with no undue concentration of funding sources. In order to ensure a diversified borrowing mix, concentration of borrowing through various sources is monitored. Further, the Company has prudential limits on investments in different instruments to maintain a healthy investment profile. Any potential collateral calls from the same forms a miniscule part of cash outflows. There is no currency mismatch in the LCR. The above is periodically monitored and reviewed by ALM.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

For the year ended 31st March 2024

Major source of borrowings for the Company are Non-Convertible Debentures, Term loans from Banks, and Public deposits. Details of funding concentration from Significant counter party are given in Note 49 (3)

(₹ Lakhs)

S. No.	Particulars	Apr-Jun 2023		Jul - Sep 2023		Oct-Dec 2023		Jan - Mar 2024	
		Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)
1	High Quality Liquid Assets Total High Quality Liquid Assets (HQLA)	3,204.54	2,965.54	2,287.79	2,048.79	2,646.36	2,466.99	5,659.52	5,519.21
	Cash Outflows:								
2	Deposits (for deposit taking companies)	324.81	373.54	429.07	493.43	438.02	503.72	252.26	290.10
3	Unsecured wholesale funding	16.86	19.39	16.86	19.39	1,217.69	1,400.34	2,799.74	3,219.70
4	Secured wholesale funding	2,259.88	2,598.87	3,161.35	3,635.56	1,018.27	1,171.01	979.32	1,126.22
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposure and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	1,054.10	1,212.21	948.86	1,091.19	1,056.96	1,215.50	1,633.73	1,878.79
6	Other contractual funding obligations	-	-	-	-	-	-	389.68	448.14
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	TOTAL CASH OUTFLOWS	3,655.65	4,204.01	4,556.14	5,239.57	3,730.94	4,290.58	6,054.73	6,962.95
	Cash Inflows:								
9	Secured Lending	5,258.06	3,943.55	5,733.53	4,300.15	6,640.27	4,986.20	6,397.39	4,798.05
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other cash inflows	3,054.83	2,291.12	4,322.52	3,241.89	627.21	470.41	13.80	10.35
12	TOTAL CASH INFLOWS	8,312.89	6,234.67	10,056.05	7,542.04	7,267.48	5,450.61	6,411.19	4,808.40
13	TOTAL HQLA		2,965.54		2,048.79		2,466.99		5,519.21
14	TOTAL NET CASH OUTFLOWS		1,051.00		1,309.89		1,072.65		2,154.55
15	LIQUIDITY COVERAGE RATIO (%)		282.16%		156.41%		229.99%		256.17%
	Components of HQLA								
	- Cash on Hand		210.04		186.68		188.74		204.07
	- Balances with Banks		1,799.50		906.11		1,560.76		4,753.90
	- Government Securities		1,195.00		1,195.00		896.86		701.55
	- Commercial Paper		-		-		-		-
	TOTAL		3,204.54		2,287.79		2,646.36		5,659.52

*Unweighted values are being calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

#Weighted values are being calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

For the year ended 31st March 2023

Major source of borrowings for the Company are Non-Convertible Debentures, Term loans from Banks, and Public deposits. Details of funding concentration from Significant counter party are given in Note 49 (3)

(₹ Lakhs)

S. No.	Particulars	Apr-Jun 2022		Jul - Sep 2022		Oct-Dec 2022		Jan - Mar 2023	
		Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)
1	High Quality Liquid Assets Total High Quality Liquid Assets (HQLA)	2,932.38	2,511.58	2,978.02	2,599.95	1,963.05	1,652.24	1,659.28	1,420.28
	Cash Outflows:								
2	Deposits (for deposit taking companies)	809.97	931.47	914.72	1,051.92	776.15	892.57	502.84	578.27
3	Unsecured wholesale funding	19.42	22.33	18.67	21.47	17.92	20.61	17.69	20.34
4	Secured wholesale funding	2,250.11	2,587.62	816.89	939.43	681.17	783.35	446.88	513.91
5	Additional requirements, of which								
(i)	Outflows related to derivative exposure and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	849.26	976.65	539.55	620.48	745.75	857.61	701.69	806.95
6	Other contractual funding obligations	-	-	-	-	-	-	-	-
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	TOTAL CASH OUTFLOWS	3,928.76	4,518.07	2,289.83	2,633.30	2,220.99	2,554.14	1,669.10	1,919.47
	Cash Inflows:								
9	Secured Lending	5,311.38	3,983.54	5,430.92	4,073.19	6,274.97	4,706.23	6,128.85	4,596.64
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other cash inflows	1,376.66	1,032.50	749.95	562.47	10.57	7.93	9.01	6.76
12	TOTAL CASH INFLOWS	6,688.04	5,016.04	6,180.87	4,635.66	6,285.54	4,714.16	6,137.86	4,603.40
13	TOTAL HQLA		2,511.58		2,599.95		1,652.24		1,420.28
14	TOTAL NET CASH OUTFLOWS		1,129.52		658.33		638.53		479.87
15	LIQUIDITY COVERAGE RATIO (%)		222.36%		394.93%		258.76%		295.97%
	Components of HQLA								
	- Cash on Hand		262.93		286.59		263.85		234.17
	- Balances with Banks		565.45		801.09		145.15		230.11
	- Government Securities		2,104.00		1,890.33		1,554.05		1,195.00
	- Commercial Paper		-		-		-		-
	TOTAL		2,932.38		2,978.01		1,963.05		1,659.28

*Unweighted values are being calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

#Weighted values are being calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

49.4 In terms of RBI Circular No. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 in relation to the Resolution Framework for COVID-19-related Stress, disclosure is as follows: (₹ Lakhs)

Type of Borrowers	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year ended 30th September 2023	Of such accounts, aggregate debt that slipped into NPA during the half-year	Of such accounts amount written off during the half-year	Of such accounts amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ended 31st March 2024
Personal Loans	88.80	21.88	-	54.01	12.91
Corporate Loans	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	88.80	21.88	-	54.01	12.91

49.5 Disclosure as required under Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (No. RBI/DOR/2023-24/106 DOR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023, as amended:

A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109

For the year ended 31st March 2024

(₹ Lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	1,04,132.22	438.98	1,03,693.24	520.66	(81.68)
	Stage 2	14,991.67	1,168.27	13,823.40	74.96	1,093.31
Sub-Total		1,19,123.89	1,607.25	1,17,516.64	595.62	1,011.63
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,276.88	997.61	2,279.27	326.08	671.53
Doubtful - up to 1 year	Stage 3	473.56	209.63	263.93	229.36	(19.73)
1 to 3 years	Stage 3	179.68	97.53	82.15	169.13	(71.60)
More than 3 years	Stage 3	74.11	43.71	30.40	72.99	(29.28)
Sub-Total for doubtful assets		727.35	350.87	376.48	471.48	(120.61)
Loss	Stage 3	2,591.82	2,591.82	-	2,591.82	-
Sub-Total for NPA		6,596.05	3,940.30	2,655.75	3,389.38	550.92
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms		-	-	-	-	-
Sub-Total		-	-	-	-	-
Total	Stage 1	1,04,132.22	438.98	1,03,693.24	520.66	(81.68)
	Stage 2	14,991.67	1,168.27	13,823.40	74.96	1,093.31
	Stage 3	6,596.05	3,940.30	2,655.75	3,389.38	550.92
	Total	1,25,719.94	5,547.55	1,20,172.39	3,985.00	1,562.55

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

Note : In terms of the requirement as per Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (No. RBI/DOR/2023-24/106 DOR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023, as amended, Non-Banking Finance Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the corporation exceeds the total provision required under IRACP (including standard asset provisioning), as at 31st March 2024 and accordingly, no amount is required to be transferred to impairment reserve.

(₹ Lakhs)

For the year ended 31st March 2023

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Performing Assets Standard	Stage 1	97,578.13	167.16	97,410.97	487.89	(320.73)
	Stage 2	15,116.22	1,149.30	13,966.92	75.58	1,073.72
Sub-Total		1,12,694.35	1,316.46	1,11,377.89	563.47	752.99
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,591.33	884.65	2,706.68	393.71	490.94
Doubtful - up to 1 year	Stage 3	618.55	272.28	346.27	428.84	(156.56)
1 to 3 years	Stage 3	98.69	40.07	58.62	72.40	(32.33)
More than 3 years	Stage 3	16.19	5.55	10.64	8.86	(3.31)
Sub-Total for doubtful assets		733.43	317.90	415.53	510.10	(192.20)
Loss	Stage 3	2,673.13	2,673.13	-	2,673.13	-
Sub-Total for NPA		6,997.89	3,875.68	3,122.21	3,576.94	298.74
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	-	-	-	-	-	-
Sub-Total		-	-	-	-	-
Total	Stage 1	97,578.13	167.16	97,410.97	487.89	(320.73)
	Stage 2	15,116.22	1,149.30	13,966.92	75.58	1,073.72
	Stage 3	6,997.89	3,875.68	3,122.21	3,576.94	298.74
	Total	1,19,692.24	5,192.14	1,14,500.10	4,140.41	1,051.73

Note : In terms of the requirement as per Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (No. RBI/DOR/2023-24/106 DOR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023, as amended Non-Banking Finance Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the corporation exceeds the total provision required under IRACP (including standard asset provisioning), as at 31st March 2023 and accordingly, no amount is required to be transferred to impairment reserve.

49.6 In terms of RBI Circular RBI/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated 12 November 2021, on "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications", the Company has revised its process of NPA classification by flagging of the borrower accounts as overdue as part of the day-end process for the due date.

49.7 Disclosure pursuant to Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (No. RBI/DOR/2023-24/106 DOR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023, as amended is given below:

Particulars	31st March 2024		31st March 2023	
	Sanctioned during the year	Outstanding balance	Sanctioned during the year	Outstanding balance
Directors and their relatives	-	-	-	-
Entities associated with directors and their relatives	500.00	-	350.00	72.69
Senior Officers and their relatives	-	-	2.00	6.38

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

49.8 Disclosures as required by Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (No. RBI/DOR/2023-24/106 DOR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023, as amended:

1) Compliance with Scale Based Regulations ("SBR")

The SBR was notified by the Reserve Bank of India ("RBI") effective 1st October 2022. The RBI has classified the Company as NBFC in Middle Layer ("ML"). We have ensured full compliance with various requirements prescribed under SBR for NBFC-ML within the specified timelines including adopting policy for enhanced regulatory framework, Policy on Internal Capital Adequacy Assessment Process ("ICAAP"), complying with exposure norms, setting limits for sensitive sector exposure etc.

2) Exposure to real estate sector

(₹ Lakhs)

Particulars	31st March 2024	31st March 2023
i) Direct exposure		
a) Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	-	-
b) Commercial Real Estate Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures:		
i. Residential	-	-
ii. Commercial Real Estate	-	-
ii) Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	-	-

3) Exposures to capital market

(₹ Lakhs)

Particulars	31st March 2024	31st March 2023
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	163.88	111.47
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v) Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock-brokers and market makers	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	-	-
Total exposure to capital market	163.88	111.47

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

4) Sectoral exposures

(₹ Lakhs)

Sectors	31st March 2024			31st March 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	3,338.71	106.66	3.19%	3,136.00	107.45	3.43%
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
i. Transport Operators	1,03,960.36	5,189.99	4.99%	94,265.86	5,377.30	5.70%
ii. Others	-	-	-	-	-	-
Total of Services (i+ii)	1,03,960.36	5,189.99	4.99%	94,265.86	5,377.30	5.70%
4. Personal Loans	-	-	-	-	-	-
5. Others	18,420.86	1,299.39	7.05%	22,290.37	1,513.14	6.79%

5) Intra-group exposures

Particulars	31st March 2024	31st March 2023
i) Total amount of intra-group exposures	1,687.73	1,719.46
ii) Total amount of top 20 intra-group exposures	1,687.73	1,719.46
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	1.34%	1.44%

6) Unhedged foreign currency exposures

Particulars	31st March 2024	31st March 2023
Details of Unhedged Foreign Currency Exposures	Nil	Nil
Policies to manage currency induced risk	Nil	Nil

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

7) Related Party Disclosures

(₹ Lakhs)

Related Party Items	Parent (as per ownership or control)		Promoter Group		Key Management Personnel		Directors		Relatives of Key Management Personnel		Others		Total	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023	31st March 2024	31st March 2023	31st March 2024	31st March 2023	31st March 2024	31st March 2023	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Balance Outstanding at the end of the year														
Borrowings	-	-	437.48	571.25	-	-	-	-	1,163.00	1,035.00	-	-	1,600.48	1,606.25
Deposits	-	-	-	-	-	-	-	-	5.00	-	-	-	5.00	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	1,529.28	1,588.84	-	6.38	-	-	-	-	877.37	902.90	2,406.65	2,498.12
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	5.55	-	5.55	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Outstanding during the year														
Borrowings			437.48	563.25					1,014.00	875.00	-	-	1,451.48	1,438.25
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	1,500.00	1,500.00	-	-	-	-	-	-	850.00	850.00	2,350.00	2,350.00
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others			-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances given (Asset)	-	-	500.00	350.00	-	-	-	-	-	-	-	-	500.00	350.00
Advance for Property, Plant and Equipment (Asset)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances repaid (Asset)	-	-	500.00	350.00	-	-	-	-	-	-	-	-	500.00	350.00
Investment in NCD (Liability)	-	-	-	197.10	-	-	-	-	524.00	600.00	-	-	524.00	797.10
Investment in Preference Shares (Liability)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent Paid	-	-	-	-	-	-	123.33	117.53	-	-	-	-	123.33	117.53
Resource Mobilisation Charges	-	-	685.50	272.12	-	-	-	-	-	-	-	-	685.50	272.12

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

8) Disclosure of Complaints

S. No	Particulars	31st March 2024	31st March 2023
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	-	-
2	Number of complaints received during the year	49	486
3	Number of complaints disposed during the year	49	486
3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	-	-
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2	Of 5, number of complaints resolved through conciliation / mediation / advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

9) Top five grounds of complaints received from customers

Grounds of complaints, (i.e. complaints relating to) (1)	Number of complaints pending at the beginning of the year (2)	Number of complaints received during the year (3)	% increase/ decrease in the number of complaints received over the previous year (4)	Number of complaints pending at the end of the year (5)	Of 5, number of complaints pending beyond 30 days (6)
31st March 2024					
Ground - 1 - NOC Related	-	8	(95.92%)	-	-
Ground - 2 - Statement of Account (SOA) Related	-	-	(100.00%)	-	-
Ground - 3 - Process Related	-	4	(92.98%)	-	-
Ground - 4 - Settlement Related	-	23	(50.00%)	-	-
Ground - 5 - AHC Related	-	3	(92.31%)	-	-
Ground - 6 Resources	-	9	NA	-	-
Others	-	2	(97.37%)	-	-
Total	-	49	(89.92%)	-	-
31st March 2023					
Ground - 1 - NOC Related	-	196	NA	-	-
Ground - 2 - Statement of Account (SOA) Related	-	72	NA	-	-
Ground - 3 - Process Related	-	57	NA	-	-
Ground - 4 - Settlement Related	-	46	NA	-	-
Ground - 5 - AHC Related	-	39	NA	-	-
Others	-	76	NA	-	-
Total	-	486	NA	-	-

Note :

Customer Complaints : The Company has been maintaining the details for the Customer Complaints from October 2021. Accordingly, the percentage for the figures (2023 vs 2022) are not strictly comparable and therefore percentage (%) increase / (decrease) in the number of Complaints for 31st March 2023 is mentioned as "NA".

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

10) Breach of covenant

There were no instances of default or breaches of covenant in respect of loan availed or debt securities issued during the financial years ended 31st March 2024 and 31st March 2023

11) Divergence in Asset Classification and Provisioning

- a) The additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 % of the reported profits before tax and impairment loss on financial instruments for the reference period. Not applicable
- b) The additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of the reported Gross NPAs for the reference period.

(₹ Lakhs)

S.No	Particulars	Amount
1	Gross NPAs as on 31st March 2023* as reported by the NBFC	RBI has Conducted inspection on the Company with reference to year ended 31st March 2023. However the Company had not received any audit observations from RBI upto date of this report and hence the information pertaining to the same is not furnished.
2	Gross NPAs as on 31st March 2023 as assessed by the Reserve Bank of India/ NHB	
3	Divergence in Gross NPAs (2-1)	
4	Net NPAs as on 31st March 2023 as reported by the NBFC	
5	Net NPAs as on 31st March 2023 as assessed by Reserve Bank of India/ NHB	
6	Divergence in Net NPAs (5-4)	
7	Provisions for NPAs as on 31st March 2023 as reported by the NBFC	
8	Provisions for NPAs as on 31st March 2023 as assessed by Reserve Bank of India/ NHB	
9	Divergence in provisioning (8-7)	
10	Reported Profit before tax and impairment loss on financial instruments for the year ended 31st March 2023	
11	Reported Net Profit after Tax (PAT) for the year ended 31st March 2023	
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended 31st March 2023 after considering the divergence in provisioning	

The additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of the reported Gross NPAs for the reference period.

(₹ Lakhs)

S.No	Particulars	Amount
1	Gross NPAs as on 31st March 2022* as reported by the NBFC	5,942.21
2	Gross NPAs as on 31st March 2022 as assessed by the Reserve Bank of India/ NHB	6,643.10
3	Divergence in Gross NPAs (2-1)	700.89
4	Net NPAs as on 31st March 2022 as reported by the NBFC	2,005.26
5	Net NPAs as on 31st March 2022 as assessed by Reserve Bank of India/ NHB	2,552.15
6	Divergence in Net NPAs (5-4)	546.89
7	Provisions for NPAs as on 31st March 2022 as reported by the NBFC	3,936.95
8	Provisions for NPAs as on 31st March 2022 as assessed by Reserve Bank of India/ NHB	4,090.95
9	Divergence in provisioning (8-7)	154.00
10	Reported Profit before tax and impairment loss on financial instruments for the year ended 31st March 2022	2,326.41
11	Reported Net Profit after Tax (PAT) for the year ended 31st March 2022	951.88
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended 31st March 2022 after considering the divergence in provisioning (Refer note below)	951.88

* 31st March 2022 is the close of the reference period in respect of which divergences were assessed.

Note : The adjusted notional net profit for the year ended 31st March 2022 is disclosed as the same as reported Net Profit After Tax despite the divergence in provisioning (as per IRACP) amounting to ₹ 154.00 Lakhs. This is in view of the fact that the Company as on 31st March 2022 is holding ₹ 488.72 Lakhs excess provision in Expected Credit Loss ("ECL") as per IND AS 109 compared to provisioning as per IRACP norms.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

50. Disclosure under clause 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	31st March 2024	31st March 2023
a) Loans and advances in the nature of loans to subsidiaries	-	-
Name of the Company		
Amount		
b) Loans and advances in the nature of loans to associates	-	-
Name of the Company		
Amount		
c) Loans and advances in the nature of loans to firms/companies in which directors are interested	-	-
ABT Industries Limited	-	30.97
Sakthi Foundation	1.05	37.13
Suddha Sanmarga Nitayam	-	4.59
d) Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	-	-

51. Disclosure under clause 53(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Debentures are secured by way of a first and *pari passu* charge in favour of the Debenture Trustee, Catalyst Trusteeship Limited at 'GDA House', First Floor, Plot No.85, Bhusari Colony (Right), Paud Road, Pune.

52. There are no items of income and expenditure of exceptional nature for the financial year ended 31st March 2024 and 31st March 2023.

53. Disclosure under Code on Social Security, 2020

The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

54. The Company does not fall under the definition of large corporate as per SEBI Master Circular No. SEBI/HQ/DDHS/PoD1/CIR/2023-24 dated 22nd May 2024 and as such furnishing of necessary disclosures do not arise.

55. There were no whistle blower complaints received by the Company during the financial year ended March 31, 2024 and March 31, 2023. (Refer Note 21 of Board's Report and Refer Note 26(c) of Corporate Governance Report).

56. The Company has maintained proper books of accounts in electronic mode in servers physically located in India and further the Company has complied with the process of taking daily back-up of books of accounts as per Notification No. G.S.R. 624(E) dated 5th August 2023 issued by Ministry of Corporate Affairs.

57. There have been no events after the reporting date that require disclosure in these financial statements. The Board of Directors of the Company have recommended a dividend of 8% being ₹ 0.80 per share on the equity shares of the Company, for the year ended 31st March 2024 (₹ 0.70 per share - 31st March 2023) which is subject to approval of shareholders. Consequently, the proposed dividend has not been recognised as a liability in the books in accordance with IND AS 10.

58. Disclosure of penalties imposed by RBI and other regulators

During the year ended 31st March 2024, Reserve Bank of India (RBI) has imposed a monetary penalty of ₹ 6.00 lakhs on account of instances of non-compliance with the KYC-RBI-Master Directions - Know Your Customer Directions 2016, as amended for failure to Categorize customers as low, medium and high risk categories and to carry out periodic updation of KYC for high risk customers for the financial year 2021-22. The Company has paid the penalty amount of ₹ 6.00 lakhs to Reserve Bank of India on 29th January 2024.

59. No fraud by the Company or on the Company has been noticed or reported in relation to the Financial Year 2023-24 and 2022-23.

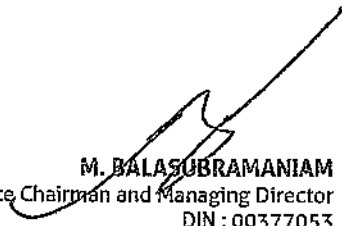
NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (CONTD.)

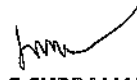
60. The Company has used the borrowings from banks, financial institutions and Debts securities for the specific purpose for which it was taken as at 31st March 2024 and 31st March 2023.
61. The Company has not raised any funds from green deposits during the financial years ended 31st March 2024 and 31st March 2023.
62. The Company has not sponsored any off-balance sheet SPV, which are required to be consolidated as per accounting norms.
63. Previous year figures have been regrouped, reclassified and rearranged, wherever necessary, to conform to current year presentation. There are no significant regroupings / reclassifications for the year under report.

As per our report attached
For CSK Prabhu & Co.,
Chartered Accountants
Firm Regn. No. : 002485S


CSK PRABHU
Partner
Membership No. 01981
Coimbatore
25th May 2024





M. BALASUBRAMANIAM
Vice Chairman and Managing Director
DIN : 00377053


C. SUBRAMANIAM
Company Secretary
Membership No. FCS 6971

For and on behalf of the Board


M. MANICKAM
Chairman
DIN : 00102233


SRINIVASAN ANAND
Chief Financial Officer
Membership No. 020694



INDEPENDENT AUDITOR'S REPORT

To the Members of Sakthi Finance Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the Financial Statements of Sakthi Finance Limited ("the Company"), which comprise the balance sheet as at 31 March 2023, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters (continued)

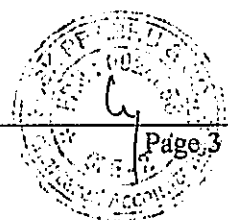
Description of Key Audit Matter

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>4.1 Asset Classification</p> <p>Accuracy in identification and categorization of receivables from financing activities (loans) as performing and non-performing assets and in ensuring appropriate asset classification, existence and valuation of security/collaterals, income recognition, provisioning/ write-off thereof and completeness of disclosure including compliance with applicable guidelines/directions issued by Reserve Bank of India ("RBI").</p> <p>As part of our risk assessment, we determined that accuracy of asset classification has bearing on the Financial Statements as a whole. Given the complexity of the matter, we determined this to be a Key Audit Matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We have assessed the systems and processes laid down by the company to appropriately identify and classify the receivables from financing activities including those in place to ensure appropriate asset classification, income recognition and provisioning/ write-off, including non-performing assets, existence and valuation of security/collaterals as per applicable RBI guidelines/directions. • The audit approach includes testing the existence and effectiveness of the control environment laid down by the management and conducting detailed substantive verification on selected samples of continuing and new transactions in accordance with the principles laid down in the Standards on Auditing and other guidance issued by the Institute of Chartered Accountants of India ("ICAI"). • Agreements entered into regarding significant transactions including related to Loan Receivables have been examined to ensure compliance. • We have also reviewed the reports generated from management information systems, audit/ inspection reports issued by the internal auditors and RBI. • The impact of all significant external and internal events including those if any, subsequent to Balance Sheet date have been taken into consideration for the above purposes. • Compliance with material disclosure requirements prescribed by RBI guidelines and other statutory requirements have been verified.



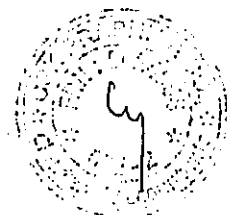
INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>4.2 Impairment of Loans (Expected Credit Losses) (Refer to the Accounting Policies in Note 2.g.(v) to the Financial Statements and Note 45 to the Financial Statements).</p> <p>Management's judgements in the calculation of impairment allowances have significant impact on the Financial Statements.</p> <p>The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with Expected Credit Loss ("ECL") model as required by Ind AS 109 relating to "Financial Instruments." Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset.</p> <p>The key areas of judgement include:</p> <ol style="list-style-type: none"> 1. Categorization of loans into Stage 1, 2 and 3 based on identification of: <ol style="list-style-type: none"> a. Exposures with significant increase in credit risk since their origination and b. Individually impaired / default exposures and determination of Exposure at Default ('EAD'). 2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate ECL. 3. The impact of different forward-looking information including future macro-economic factors in the determination of ECL. <p>These judgements require new models to be built and implemented to measure the expected credit losses on certain financial assets measured at amortized cost. Management has made a number of interpretations and assumptions when designing and implementing models that are compliant with the standards.</p> <p>The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.</p> <p>In view of such high degree of Management's judgement involved in estimation of ECL, it is considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We obtained understanding of management's assessment of impairment of loans including the Ind AS 109 implementation process, impairment allowance policy and ECL modelling methodology. • We assessed the design and implementation and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions. • We also assessed the approach of the Company for categorization of the loans into various stages reflecting the inherent risk in the respective loans. • For a sample of financial assets, we tested the correctness of stage-wise categorization, reasonableness of PD, accuracy of LGD and ECL computation. • We also assessed the appropriateness of the impairment methodology adopted by the management including the presentation and disclosure requirements. This included assessing the appropriateness of key judgements. We tested the accuracy of key data inputs and calculations used in this regard. <p>Based on the above work performed, management's assessment of impairment loss allowance and related disclosures are considered to be reasonable.</p>



INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>4.3 Information technology system</p> <p>The dependence of Information technology (“IT”) system is run throughout the operating cycle of the company. Hence the reliability on Company’s key financial accounting and reporting processes are tied with the effectiveness and efficiency of IT systems, IT controls over the voluminous transactions, process around such information systems and the usage of information from such systems. We observed that any probability of deficiencies in control over IT systems such as validation failures, incorrect input data, improper segregation of duties, unauthorized access to IT system, lack of monitoring may result in the financial accounts and report being misstated.</p> <p>In view of the same, we have considered this as Key Audit Matter and had focus on IT systems and controls, user access management, segregation of duties, system reconciliation controls and system application controls due to the complexity of the IT environment, huge daily operational volume across numerous locations and the reliance on automated and IT dependent manual controls.</p>	<p>Our audit procedures focused on the following:</p> <ul style="list-style-type: none"> • IT infrastructure and applications relevant to the financial reporting. • Evaluating the IT policy and procedures of the Company in accordance with accepted standards, guidelines, practices and External Information Security (“IS”) Audit performed in respect thereof. • Reviewing the organizational structure with job description, managerial policy and deployment of IT resources with respect to segregation of duties in IT environment to ensure that unauthorized data entry cannot take place and unauthorized programs are not allowed to run. • The aspects covered in the IT systems General Control audit were: <ul style="list-style-type: none"> (i) User Access Management (ii) System maintenance controls have been ensured by understanding the design and the operating effectiveness of such controls in the system; • Understanding updates that were made to the IT landscape during the audit period and assessing the relevant information for financial reporting. • Application level embedded controls have been reviewed by performing validation checks, test check on logical access controls, a run through test to ensure non-manipulation of transaction entered into the system and other compensatory controls, wherever applicable.



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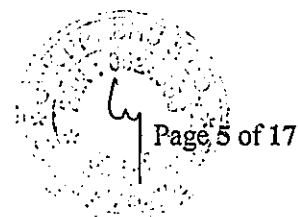
INDEPENDENT AUDITOR'S REPORT

Information other than the Financial Statements and auditor's report thereon

5. The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Financial Statements and our auditor's report thereon.
6. The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
8. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Financial Statements

9. The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the Financial position, Financial performance including Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended.
10. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
11. In preparing the Financial Statements, Management and Board of Directors' are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.
12. The Board of Directors is also responsible for overseeing the Company's financial reporting process.




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INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards of Auditing "SAs" will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.
14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
 - Conclude on the appropriateness of Management's and Board of Directors' use of the going concern basis of accounting in preparation of Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


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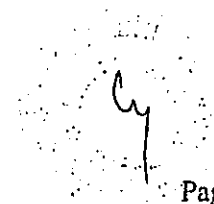
INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

18. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
19. (A) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company in electronic mode on servers physically located in India, so far as it appears from our examination of those books and further the process of taking daily back-up is in place. Refer Note 56 to the Financial Statements.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e. On the basis of the written representations received from the directors as on 31 March 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.



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INDEPENDENT AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements (continued)

- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its Financial Statements - Refer Note 32(i) to the financial statements.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund ("IEPF") by the Company except for ₹ 500 that has not been transferred to IEPF for the reason described in Note 18 to the financial statements.
 - d) (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 36(i) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(ii) The Management has also represented that, to the best of its knowledge and belief, as disclosed in Note 36(j) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
 - e) (i) The Equity dividend recommended for the previous year, declared and paid by the Company during the current year, is in accordance with Section 123 of the Act, to the extent it applies to declaration and payment of dividend.
(ii) The interim dividend declared and paid by the Company on Redeemable, Cumulative, Preference Shares during the current year is in accordance with Section 123 of the Act, to the extent it applies to declaration and payment of dividend.

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Sakthi Finance Limited

INDEPENDENT AUDITOR'S REPORT

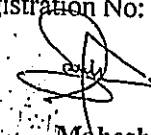
Report on Other Legal and Regulatory Requirements (continued)

- (iii) As stated in Note 57 to the financial statements, the Board of Directors of the Company have recommended an equity dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. Such equity dividend recommended by the Board of Directors is in accordance with Section 123 of the Act, to the extent it applies to declaration of dividend.
- f) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/provided by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/provided to directors is within the limits laid down under Section 197 of the Act.

Coimbatore
26 May 2023

for CSK Prabhu & Co.
Chartered Accountants
Firm's Registration No: 002485S



Mahesh Prabhu
Partner
Membership No: 214194
UDIN: 23214194BGYQPT8995

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 18 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the Financial Statements for the year ended 31 March 2023, we report the following:

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Investment Properties.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) On the basis of our examination of the records of the Company, Property, Plant and Equipment have been physically verified by the management at reasonable intervals and further no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) On the basis of our examination of the records of the Company and conveyance deeds/lease agreements and such other documents provided to us, the title deeds of all the immovable properties, disclosed in the Financial Statements, are held in the name of the company. Refer Note 36(a) to the Financial Statements. In respect of immovable properties taken on lease and disclosed as right-of-use assets in the Financial Statements, the lease agreements are in the name of the company.
- (d) On the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings that have been initiated or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and the rules made thereunder. Refer Note 36(d) to the financial statements.
- (ii) (a) The Company is engaged in the business of providing loans and does not have any physical inventories. Accordingly, reporting under Clause 3(ii)(a) of the Order is not applicable.
- (b) During the year, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets (HP Loan/Finance Receivables). Based on our examination of the records of the Company, the applicable quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company. Refer Note 36(e) to the Financial Statements.
- (iii) (a) The Company is registered with Reserve Bank of India under Section 45-IA as a Non-Banking Financial Company and its principal business is to give loans. Therefore, the provisions of Clause (iii)(a)(A) and Clause (iii)(a)(B) of the Order are not applicable.
- (b) In our opinion and according to the information and explanations given to us, wherever applicable, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.

- (c) On the basis of our examination of the records of the Company, in our opinion, in respect of loans and advances in the nature of loans given, the schedule of repayment of principal and payment of interest has been stipulated. Since the Company is a Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India ("RBI") and carrying on the principal business of giving loans to customers, and in view of the voluminous nature of loan transactions generated in the normal course of the Company's business, it is not practicable to furnish the entity-wise details of the loan amount, due date for payment and extent of delay (as suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) and hence have not been reported. Further, except for loans where there are delays or defaults in repayment of principal and/or interest as at the balance sheet date, in respect of which the Company has disclosed the loan asset classification/staging in Note 49.5 to the financial statements in accordance with the Indian Accounting Standards ("Ind AS") and the guidelines issued by the RBI, the parties are repaying the principal amounts, as stipulated and are also regular in payment of interest, as applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is a Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India ("RBI") and carrying on the principal business of giving loans and the same are as per the loan agreements entered into with the borrowers and there are amounts of Principal and Interest overdue for more than ninety days, in respect of such loans and advances in the nature of loans given. Such amounts overdue for more than ninety days in loan account receivables are identified and disclosed by the Company as Stage-3/ Non-Performing Assets ("NPAs"), in accordance with the provisions of the applicable Accounting Standards as disclosed in Note 49.5 to the Financial Statements and as per Accounting Policy described in Note 2.g.(v) to the Financial Statements and in accordance with the relevant guidelines of RBI respectively. The Company has explained to us that reasonable steps have been taken by the company for recovery of the principal and interest and the relevant Reserve Bank of India ("RBI") Guidelines/Directions have been followed in this respect. The total amount overdue for more than ninety days identified as at 31 March 2023 is as follows: Number of such Overdue Receivables is 2,252 cases (Previous Year 2,229 cases), Principal Amount Overdue is Rs.3,470.53 Lakhs (Previous Year: Rs.3,738.65 Lakhs), Interest Amount Overdue is Rs.738.07 Lakhs (Previous Year: Rs.778.13 Lakhs) and Total Amount Overdue is Rs.4,208.60 Lakhs (Previous Year: Rs.4,516.78 Lakhs).
- (e) Since the Company's principal business is to give loans, reporting under Clause (iii)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment excepting for staff loans/advances which are granted without specifying any terms or period of repayment. The aggregate amount of such loans as at 31st March 2023 stood at Rs.89.42 lakhs (Previous Year: Rs.92.48 lakhs) representing 0.07% (Previous Year 0.08%) to the Total Loans granted. There were no loans granted to Promoters, Related Parties as defined in Clause (76) of

Section 2 of the Act which are repayable on demand or without specifying any terms or period of repayment, excepting for receivables as explained by the management to be in the ordinary course of business of the Company and not in the nature of loans.

- (iv) According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act. The other provisions of Section 186 of the Act are not applicable to the Company as the Company is a Non-Banking Financial Company Registered with RBI.
- (v) In our opinion and according to the information and explanations given to us, the company is a Deposit taking Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India. In respect of the deposits accepted by the company or amounts which are deemed to be deposits, the company has complied with the directions issued by the Reserve Bank of India. The provisions of Section 73 to 76 of the Act, and any other relevant provisions of the Act and the rules made thereunder with regard to deposits accepted from the public are not applicable to the company. We are informed by the management that no order has been passed by National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the company in respect of the aforesaid deposits.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act for the activities of the company. Accordingly, Clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion and according to the information and explanations given to us and based on the records examined by us, the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable with the appropriate authorities. There are no arrears of outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, duty of excise, Value Added Tax or Cess or other statutory dues, as applicable, which have not been deposited on account of any dispute, except as mentioned below: Refer Note 32(i) to the Financials Statements.

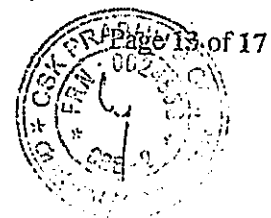
Name of the statute	Nature of dues	Amount (₹ Lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Income tax	9.83*	2011-12	Assessing Officer

Sakthi Finance Limited
Annexure A to the Independent Auditor's Report

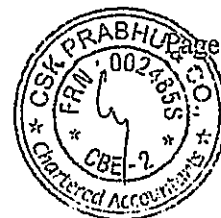
Income Tax Act, 1961	Income tax	174.92 (Gross Demand 217.16 * Less: Amount deposited under protest 42.24)	2015-16	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service tax	1939.04 (Gross Demand 2082.34 * Less: Amount deposited under protest 143.30)	October 2009 to June 2017	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)

* excluding appropriate Interest not determined

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that there are no transactions that are previously not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, the requirement to report on Clause 3(viii) of the Order is not applicable.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared as wilful defaulter by any bank or financial institution or other lender or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and the procedures performed by us and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year. The Company does not have any subsidiaries, associates or joint ventures to report.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies as the Company does not have subsidiaries, associates or joint ventures. Hence, the requirement to report on Clause (3)(ix)(f) of the Order is not applicable.
- (x) (a) The Company has raised moneys by way of further public offer of Non-Convertible Debentures during the current financial year. According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the company has utilized such moneys raised for the purpose for which the funds were raised.



- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year under report.
- (xi) (a) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the course of the audit. Further we have not been informed of any such case by the management.
- (b) During the year and up to the date of this report, no report under Section 143(12) of the Act has been filed by secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to information and explanations given to us and as represented to us by the management, there were no whistle blower complaints received by the Company during the year which are to be considered while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company. Accordingly, Clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the Financial Statements, as required by the applicable accounting standards. (Refer Note 43 of Financial Statements)
- (xiv) (a) Based on the information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered all the internal audit reports issued to the Company for the period under audit.
- (xv) According to the information and explanations given to us and in our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, Clause 3(xv) of the Order is not applicable.
- (xvi) (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the registration thereunder has been obtained by the Company as Non-Banking Financial Company-Deposit-taking, Investment and Credit Company.
- (b) According to the information and explanations given to us, the company has not conducted any Non-Banking Financial activities without a valid Certificate of Registration ("CoR") from the Reserve Bank of India as per the Reserve Bank of India Act, 1934, wherever applicable. The Company has not conducted any Housing Finance activities.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India. Accordingly, Clause 3(xvi)(c) of the Order is not applicable.
- (d) Based on the information and explanations provided to us by the management of the Company,



CSK Prabhu & Co

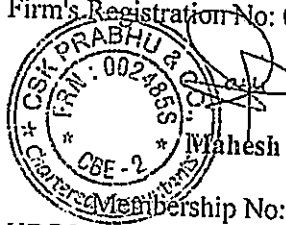
Sakthi Finance Limited

Annexure A to the Independent Auditor's Report

the Group does not have any CICs as part of the Group.

- (xvii) The Company has not incurred cash losses during the current financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of Statutory Auditors of the Company during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities (Refer Note 38 and Note 45 (Liquidity Risk) to the financial statements), other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) On the basis of information and explanations given to us by the Company, in respect of other than on-going projects, as at balance sheet date, the Company has no unspent amounts that are required to be transferred to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of Section 135 of the said Act.
- (b) On the basis of information and explanations given to us by the Company, the Company has no on-going projects as at the balance sheet date. The Company has no amounts remaining unspent under sub-section (5) of Section 135 of the Companies Act, requiring to be transferred to special account in compliance with the provision of sub-section (6) of Section 135 of the Act (Refer Note 37 to the financial statements).
- (xxi) According to information and explanations given to us, the company does not have any Subsidiary/Associate/Joint Venture and therefore is not required to prepare and present consolidated Financial Statements pursuant to the provisions of any statute. Accordingly, reporting under Clause (xxi) of para 3 of the Order is not applicable.

Coimbatore
26 May 2023

for CSK Prabhu & Co
Chartered Accountants
Firm's Registration No: 002485S

Mahesh Prabhu
Partner
Membership No: 214194
UDIN: 23214194BGYQPT8995

CSK Prabhu & Co

Sakthi Finance Limited

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act
(Referred to in paragraph 19(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

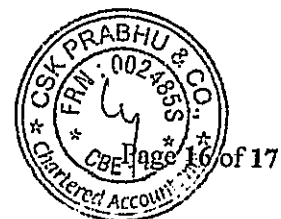
1. We have audited the internal financial controls with reference to Financial Statements of Sakthi Finance Limited ("the Company") as at 31 March 2023 in conjunction with our audit of the Financial Statements of the Company as at and for the year ended on that date.
2. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Financial Statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

3. The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements were established and maintained and whether such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.



CSK Prabhu & Co

Sakthi Finance Limited

Annexure B to the Independent Auditor's Report

Auditor's Responsibility (continued)

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Financial Statements.

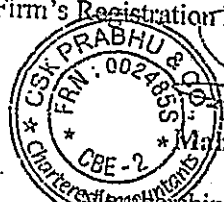
Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Coimbatore
26 May 2023

for CSK Prabhu & Co
Chartered Accountants
Firm's Registration No: 002485S

* CSK PRABHU & Co *
* FIRM : 002485S *
* CBE - 2 *
* Chartered Accountants *
Manesh Prabhu
Partner
Membership No: 214194
UDIN: 23214194BGYQPT8995

SAKTHI FINANCE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2023

Particulars	Note	(₹ Lakhs)	
		As at 31st March 2023	As at 31st March 2022
ASSETS			
Financial Assets			
Cash and Cash Equivalents			
Bank Balances other than Cash and Cash Equivalents	3	3,002.79	1,449.51
Derivative Financial Instruments	4	42.91	1,129.31
Receivables		-	-
(i) Trade Receivables	5		
(ii) Other Receivables		226.21	169.25
Loans		18.39	16.56
Investments	6	1,14,500.10	1,10,311.20
Other Financial Assets	7	1,344.51	2,487.88
Non-Financial Assets	8	1,288.55	1,712.91
Current tax Assets (net)			
Deferred tax Assets (net)		33.15	17.40
Investment Property	9	395.30	217.94
Property Plant and Equipment	10	270.61	275.21
Right of use assets	11 (a)	5,844.58	5,946.63
Intangible Assets under development	11 (b)	1,059.12	1,093.60
Other Intangible Assets	11 (c)	-	-
Other Non-Financial Assets	11 (d)	156.58	179.46
Total Assets	12	1,875.19	1,936.14
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
(I) Trade Payables	13		
(i) Total outstanding dues of micro enterprises and small enterprises		-	0.28
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		156.15	127.76
(II) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			
Debt Securities		193.26	175.13
Borrowings (Other than debt securities)	14	48,792.43	41,560.04
Deposits	15	14,654.08	15,565.69
Subordinated Liabilities	16	2,444.17	8,540.60
Other Financial Liabilities	17	41,512.40	39,530.77
	18	1,384.96	1,426.14

BALANCE SHEET AS AT 31ST MARCH 2023 (CONTD...)

(₹ Lakhs)

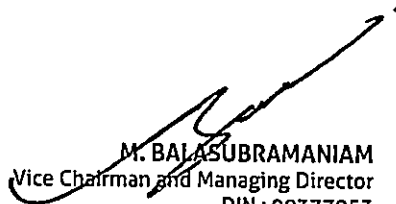
Particulars	Note	As at 31st March 2023	As at 31st March 2022
Non-Financial Liabilities			
Provisions	19	135.49	122.65
Other Non-Financial Liabilities	20	97.78	99.55
EQUITY			
Equity Share Capital	21	6,470.59	6,470.59
Other Equity	22	14,216.68	13,323.80
Total Liabilities and Equity		1,30,057.99	1,26,943.00
The accompanying Notes form an integral part of the Financial Statements	1 -59		


As per our report of even date
For CSK Prabhu & Co.,
Chartered Accountants
Firm Regn. No.: 0024855



MAHESH PRABHU
Partner
Membership No. 214194




M. BALASUBRAMANIAM
Vice Chairman and Managing Director
DIN : 00377053


C. SUBRAMANIAM
Company Secretary
Membership No. FCS 6971

For and on behalf of the Board



M. MANICKAM
Chairman
DIN : 00102233



SRINIVASAN ANAND
Chief Financial Officer
Membership No.020694

Place : Coimbatore
Date : 26th May 2023

SAKTHI FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

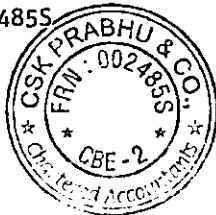
Particulars	Note	For the year ended 31st March 2023	For the year ended 31st March 2022
REVENUE FROM OPERATIONS			
Interest Income	23	18,476.72	17,566.97
Lease Rental Income		30.94	29.62
Fees and Commission Income	24	459.47	321.49
Sale of power from Wind Mills	25	173.13	177.88
Recovery of Bad Debts		40.34	37.75
Total Revenue from operations		19,180.60	18,133.71
Other Income	26	13.37	1.40
Total Income		19,193.97	18,135.11
Expenses			
Finance Costs	27	10,926.13	10,775.85
Fees and commission expense		107.44	183.02
Impairment on financial instruments	28	926.07	1,034.37
Employee Benefit Expenses	29 & 43	3,246.21	2,895.60
Depreciation and Amortization Expense	10, 11, 30	546.93	491.07
Other Expenses	31	1,705.22	1,463.16
Total Expenses		17,458.00	16,843.07
Profit before Exceptional and Extraordinary Items and Tax		1,735.97	1,292.04
Exceptional Items		-	-
Profit before Tax		1,735.97	1,292.04
Tax Expense:			
- Current Tax	41	486.60	340.16
- Deferred Tax		674.65	601.09
		(188.05)	(260.93)
Profit for the year		1,249.37	951.88
Other Comprehensive Income	22		
(A) Items that will not be reclassified to profit or loss			
- Fair value changes in Equity Instruments		36.38	22.78
- Actuarial Changes in Defined benefit obligation		6.06	13.95
- Income Tax relating to items that will not be reclassified to profit or loss		(10.68)	(3.51)
Sub Total (A)		31.76	33.22
(B) Items that will be reclassified to profit or loss			
Total Other Comprehensive Income (A+B)		31.76	33.22
Total Comprehensive Income		1,281.13	985.10
Earnings per Equity Share	2(ab) & 44		
Face Value per Equity Share (₹)		10.00	10.00
- Basic (₹)		1.98	1.52
- Diluted (₹)		1.98	1.52
The accompanying Notes form an integral part of the financial statements	1-59		

As per our report of even date

For CSK Prabhu & Co.,

Chartered Accountants

Firm Regn. No. : 0024855

MAHESH PRABHU

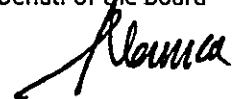
Partner

Membership No. 214194

Place : Coimbatore

Date : 26th May 2023

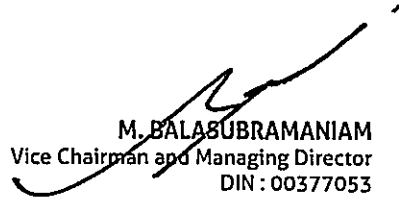
For and on behalf of the Board



M. MANICKAM

Chairman

DIN : 00102233



M. BALASUBRAMANIAM
Vice Chairman and Managing Director
DIN : 00377053



C. SUBRAMANIAM

Company Secretary

Membership No. FCS 6971



SRINIVASAN ANAND

Chief Financial Officer

Membership No.020694

SAKTHI FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023
A. EQUITY SHARE CAPITAL - (Issued, Subscribed and fully paid-up) (Refer Note 21)

Current reporting year and previous reporting year

(₹ Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Balance at the beginning of the current reporting year	6,470.59	6,470.59
Changes in Equity Share Capital due to prior period errors	-	-
Restated Balance at the beginning of the current reporting year	6,470.59	6,470.59
Changes in equity share capital during the current year	-	-
Balance at the end of the current reporting year	6,470.59	6,470.59

B. OTHER EQUITY (Refer Note 22)
(1) Current reporting year (1st April 2022 to 31st March 2023)

(₹ Lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus					Items of Other Comprehensive Income					Money received against share warrants	Total	
			Capital Reserve	Securities Premium	General Reserve	Other Reserves (as per Section 45-1C of RBI Act, 1934)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation			Actuarial changes in defined benefit obligations
Balance at the beginning of the current reporting period 1st April 2022	-	-	52.61	1,429.80	4,436.00	3,543.05	3,852.17	-	(14.20)	-	-	-	24.37	-	13,323.80
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	52.61	1,429.80	4,436.00	3,543.05	3,852.17	-	(14.20)	-	-	-	24.37	-	13,323.80
Total Comprehensive Income for the year	-	-	-	-	-	-	1,249.37	-	27.22	-	-	-	4.53	-	1,281.12
Dividends	-	-	-	-	-	-	(388.24)	-	-	-	-	-	-	-	(388.24)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve	-	-	-	-	-	249.87	(249.87)	-	-	-	-	-	-	-	-
Issue Expenses on Preferential Issue of Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2023	-	-	52.61	1,429.80	4,436.00	3,792.92	4,463.43	-	13.02	-	-	-	28.90	-	14,216.68

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD...)

(2) Previous reporting year (1st April-2021 TO 31st March 2022)

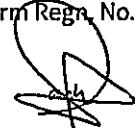
(₹ Lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus					Items of Other Comprehensive Income					Money received against share warrants	Total	
			Capital Reserve	Securities Premium	General Reserve	Other Reserves (as per Section 45-IC of RBI Act, 1934)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation			Actuarial changes in defined benefit obligations
Balance at the beginning of the current reporting period 1st April 2021	-	-	52.61	1,429.80	4,436.00	3,352.67	3,478.91	-	(36.98)	-	-	-	13.93	-	12,726.94
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	52.61	1,429.80	4,436.00	3,352.67	3,478.91	-	(36.98)	-	-	-	13.93	-	12,726.94
Total Comprehensive Income for the year	-	-	-	-	-	-	951.88	-	22.78	-	-	-	10.44	-	985.10
Dividends	-	-	-	-	-	-	(388.24)	-	-	-	-	-	-	-	(388.24)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve	-	-	-	-	-	190.38	(190.38)	-	-	-	-	-	-	-	-
Issue Expenses on Preferential Issue of Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2022	-	-	52.61	1,429.80	4,436.00	3,543.05	3,852.17	-	(14.20)	-	-	-	24.37	-	13,323.80

See accompanying Notes to the Financial Statements

As per our report of even date

For CSK Prabhu & Co.,
Chartered Accountants
Firm Regn. No. : 002485S



MAHESH PRABHU
Partner
Membership No. 214194



Place : Coimbatore
Date : 26th May 2023

For and on behalf of the Board



M. BALASUBRAMANIAM
Vice Chairman and Managing Director
DIN : 00377053



M. MANICKAM
Chairman
DIN : 00102233



C. SUBRAMANIAM
Company Secretary
Membership No. FCS 6971



SRINIVASAN ANAND
Chief Financial Officer
Membership No.020694

SAKTHI FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

Particulars	Note	For the year ended 31st March 2023	For the year ended 31st March 2022
A. Cash flow from Operating activities			
Profit before tax		1,735.97	1,292.04
Adjustment to reconcile profit before tax to net cash flows :			
Non-cash expenses			
Depreciation, amortisation	30	546.93	491.07
Impairment on Loan Assets	28	680.88	878.54
Bad debts and write-offs	28	233.77	157.35
Remeasurement gain/(loss) on defined benefit plans		6.06	13.95
Impairment on investments	28	4.75	3.17
Impairment on Trade receivables	28	6.67	(4.69)
Amortization of fees and Commission on financial liabilities		172.69	268.34
Income/expenses considered separately			
Income from investing activities		(173.87)	(377.04)
Net gain/loss on derecognition of property, plant and equipment	31	2.39	0.12
Finance costs	27	10,926.13	10,775.85
Operating profit before working capital changes		14,142.37	13,498.70
Movements in Working Capital:			
Decrease/(increase) in Loans		(5,103.55)	(1,993.36)
Decrease / (increase) in Trade receivables		(63.63)	17.85
Decrease / (increase) in Other receivables		(1.83)	(13.04)
Decrease / (increase) in Other financial assets		444.19	134.35
Decrease / (increase) in Other non-financial assets		70.04	(1,587.65)
Increase / (decrease) in Trade Payables		28.11	(15.84)
Increase / (decrease) in Other Payables		18.13	23.65
Increase / (decrease) in Other financial liabilities		(27.93)	(300.77)
Increase / (decrease) in Other non- financial liabilities		(1.77)	31.09
Increase / (decrease) in Provisions		12.84	4.56
Cash generated from operations		(4,625.40)	(3,699.16)
Income taxes paid (net of refunds)		(690.40)	(665.78)
Interest received on Bank deposits	23	18.00	158.80
Finance costs paid		(9,007.44)	(9,082.00)
Net Cash flows from / (used in) operating activities (A)		(162.87)	210.56
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets	11	(389.43)	(324.69)
Proceeds from sale of investments at amortised cost		1,185.67	200.00
Proceeds from sale of property, plant and equipment and intangible assets		4.11	0.03
Interest income received from investment at amortised cost	23	145.20	218.24
Increase in earmarked balances with banks		1,086.40	(753.52)
Net cash flows from / (used in) investing activities (B)		2,031.95	(659.94)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD...)

(₹ Lakhs)

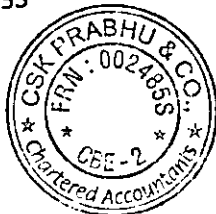
Particulars	Note	For the year ended 31st March 2023	For the year ended 31st March 2022
C. CASH FLOW FROM FINANCING ACTIVITIES			
Issue Expense of Debt Securities		(9.09)	(12.78)
Proceeds from Debt securities		15,600.00	18,779.68
Repayment of Debt securities		(8,407.36)	(5,990.96)
Repayment of Deposits		(6,114.07)	(8,601.79)
Repayment of Other than debt securities		(2,421.07)	(3,528.23)
Proceeds from Subordinated liabilities		-	5,090.47
Repayment of Subordinated liabilities		33.83	(763.89)
(Increase) / Decrease in loan repayable on demand		1,443.79	(4,050.93)
Lease liability paid		(53.59)	1.45
Dividend paid	21	(388.24)	(388.24)
Net cash flows from financing activities (C)		(315.80)	534.78
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)		1,553.28	85.40
Cash and Cash Equivalents at the beginning of the year		1,449.51	1,364.11
Cash and cash equivalents as at the year ended		3,002.79	1,449.51
Net cash provided by / (used in) Operating Activities includes:			
Interest received		18,313.52	17,189.93
Interest paid		(9,007.44)	(9,082.00)
Net cash provided by / (used in) operating activities		9,306.08	8,107.93
Cash and cash equivalents as at the year ended	3		
i) Cash in hand		189.80	270.41
ii) Cheques on hand		106.58	48.71
iii) Balances with banks (of the nature of cash and cash equivalents)		2,706.41	1,130.39
Total		3,002.79	1,449.51

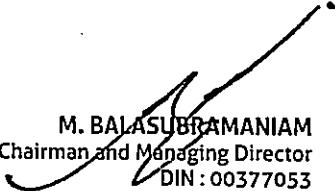
The above Cash Flow Statement has been prepared under the indirect method as set-out in Ind As-7 "Statement of Cash Flows".

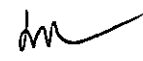
As per our report of even date
For CSK Prabhu & Co.,
Chartered Accountants
Firm Regn. No. : 0024855



MAHESH PRABHU
Partner
Membership No. 214194




M. BALASUBRAMANIAM
Vice Chairman and Managing Director
DIN : 00377053


C. SUBRAMANIAM
Company Secretary
Membership No. FCS 6971

For and on behalf of the Board


M. MANICKAM
Chairman
DIN : 00102233


SRINIVASAN ANAND
Chief Financial Officer
Membership No. 020694

Place : Coimbatore
Date : 26th May 2023

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

1. Company Overview

Sakthi Finance Limited ("SFL" or "the Company") with Corporate Identification No L65910TZ1955PLC000145 incorporated on 30th March 1955 under the Indian Companies Act 1913 and domiciled in Coimbatore, is a Public Limited Company situated in Coimbatore. The Registered Office of the Company is situated at 62, Dr. Nanjappa Road, Coimbatore - 641018.

The Company is a Systemically Important Deposit-taking Non-Banking Financial Company ("NBFC") registered under Sec 45-IA of the Reserve Bank of India ("RBI") Act 1934 under certificate No. 07-00252 dated 8th May 1998. Pursuant to RBI Circular dated 22nd February 2019, the Company has been classified as an NBFC Investment and Credit Company ("NBFC-ICC"). The Company is primarily engaged in the business of Hire Purchase Financing of Commercial Vehicles, Infrastructure Equipment, Machineries, etc. The Equity Shares and Non-Convertible Debentures of the Company are listed on BSE Limited.

The Board of Directors have, at their meeting held on 26th May 2023, approved and authorized the issue of these Financial statements of the Company for the year ended 31st March 2023.

2. Summary of Significant Accounting Policies

a. Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules 2015, as amended and notified under Section 133 of the Companies Act 2013 ("the Act") and is in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act as applicable. Further, the Company has also complied with the Master Direction on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016 ("the NBFC Master Directions"), as amended and the notification on implementation of Indian Accounting Standards vide circular RBI/2019-20/170DOR(NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 ('RBI Notification on Implementation of Ind AS') issued by RBI.

Any application / guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The regulatory disclosures, as required by NBFC Master Directions, are included in the Notes forming as an

integral part of the financial statements, are prepared as per RBI Notification on "Implementation of Ind AS" dated 13th March 2020.

b. Basis of Preparation and Measurement

The financial statements have been prepared on a going concern basis and on historical cost convention, except for certain financial instruments that are measured at Fair Value Through Other Comprehensive Income ("FVTOCI") at the end of each reporting period. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

c. Presentation of Financial Statements

The company presents its balance sheet in the order of liquidity. Financial statements of the Company are prepared and presented in the format prescribed in the Division III of Schedule III to the Act applicable to NBFCs, as notified by the Ministry of Corporate Affairs ("MCA"). Financial assets and financial liabilities are generally reported gross in the balance sheet.

They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances.

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counter parties.

d. Functional and Presentation Currency

The Financial Statements are presented in Indian Rupees (₹) which is the Company's functional currency. All amounts are rounded off to the nearest lakhs with two decimals except where otherwise indicated.

The aggregation and classification of amounts in the financial statements are based on materiality and similarity between the items. Items of dissimilar nature or function are separately presented unless they are immaterial except when required by law.

e. Significant accounting judgments, estimates and assumptions

Use of Estimates, Judgments and Estimation uncertainty

The preparation of financial statements of the company involves use of estimates in computation of expected credit loss, making judgments in determination of fair value of financial assets and financial liabilities, assumptions for actuarial changes in defined benefit obligations. The Company based its assumptions and estimates on factors available when the financial statements were prepared.

The use of estimates and assumptions, which might have an effect on these financial statements.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

The estimates are based on historical experience and other factors that are considered to be relevant. The actual results may differ from these estimates. The company believes that the estimates used in the preparation of financial statements are prudent and reasonable.

Estimates, judgments and underlying assumptions are reviewed on an on-going basis. Revision of estimates are recognized prospectively.

Existing circumstances and assumptions about future development, however, may change due to market changes or circumstances arising that are beyond the control of the company. In the process of applying the Company's accounting policies, the management has made reasonable estimates and judgments in relation to the carrying amount of assets and liabilities at each balance sheet date.

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

(i) Business Model Assessment

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

(ii) Defined employee benefit obligations

The cost of the defined benefit gratuity and leave encashment plan and the present value of the gratuity and leave encashment obligation are

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

(iii) Fair value measurement

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

(iv) Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

(v) Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can reliably be estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed at each Balance Sheet date and revised to take account of changing facts and circumstances.

(vi) Effective Interest Rate ("EIR") method on Financial Assets

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgment regarding the expected behaviour and life-cycle of the instruments as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

(vii) Useful lives and residual values of Property Plant and Equipment, Investment Property and Intangible Assets are reviewed by the Company at the end of each Financial year.

f. New Accounting Standards issued but not yet effective / Recent Accounting Development

Ministry of Corporate Affairs ("MCA") has notified the following new amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2023.

(i) Ind AS - 1 Presentation of Financial Instruments

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information together with other information is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

(ii) Ind AS - 8 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

(iii) Ind AS - 12 Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give

rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

(iv) Ind AS - 102 Share Based Payments

The amendment regarding the change in the placement of a footnote aims in providing better clarity and context within the standard. The Company does not expect this amendment to have any significant impact in its financial statements.

(v) Ind AS - 107 Financial Instruments: Disclosures

The amendment aims to modify the disclosure requirements complementary to the amendments proposed in Ind AS 1. The Company does not expect this amendment to have any significant impact in its financial statements.

g. Financial Instruments

i. Initial Recognition and Measurement

Financial assets and Financial liabilities are initially recognized on the date the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities that are measured at amortised cost are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Unlike the other financial assets, Trade receivables are measured at transaction price at which the transaction had taken place.

ii. Classification and subsequent Measurement

The financial assets are classified based on the Company's business model for managing the financial assets and their contractual cash flow characteristics as subsequently measured:

a) At amortised cost

b) At Fair Value Through Other Comprehensive Income ("FVTOCI")

c) At Fair Value Through Profit or Loss ("FVTPL")

The Company classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through profit or loss.

Financial Assets at Amortised Cost

The classification of financial assets such as Cash and Cash Equivalents, Loans, Trade Receivables and investments (other than those classified at

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

FVTOCI) are measured at amortized cost based on the assessment of business model as follows:

Business Model Assessment

An assessment of business model for managing financial assets is fundamental to the classification of a financial asset.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the company's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, value and timing of loan disbursements based on the analysis of disbursements made and realisation of cash flows in previous periods.

The financial assets of the company are held within a business model, whose objective is to hold assets in order to collect contractual cash flows, are managed to realise cash flows by collecting contractual payments over the life of the instrument and within the business model whose objective is achieved by both collecting the contractual cash flows and selling the financial asset.

The Solely Payments of Principal and Interest ("SPPI") test on the principal amount outstanding:

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that meet SPPI test.

For that purpose:

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

The interest income represents the consideration for time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

The SPPI assessment is made in the currency in which the financial asset is denominated.

The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding.

Financial Assets at FVTOCI

Equity instruments

The Company has made an irrevocable election to classify and measure the equity instruments at FVTOCI to present the subsequent changes in Fair Value under Other Comprehensive Income ("OCI") and the classification is determined on an instrument by instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right to receive the payment has been established, except when the company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

Financial Liabilities at Amortised Cost

The company has classified the debt instruments, redeemable non-convertible preference shares and other borrowed funds at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue of funds and transaction costs that are an integral part of the Effective Interest Rate ("EIR").

Any fees, paid or received, transaction costs and other premiums or discounts that are included in the calculation of the effective interest rate are amortised over the expected life of the financial instrument.

iii. Reclassification of Financial Instrument

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

The Company did not reclassify any of its financial assets or liabilities during the financial year.

Till 31st March 2020, the issue expenses relating to public issue of Non-Convertible Debentures was set off against securities premium. From 1st April 2020 onwards, the amortised issue expenses are written off in the statement of profit and loss.

Recognition of Financial Instrument

- Loans and Advances are initially recognised when the when agreements are entered into with borrowers.
- Investments are initially recognised on the settlement / delivery date.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

- Debt securities, deposits and borrowings are initially recognised when funds received or date of allotment whichever is appropriate,
- Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument.

iv. Derecognition of Financial Instrument

Financial Assets

The Company derecognises the Financial Asset when and only when:

- The contractual rights to receive the cash flows from the financial asset have expired.
- The Company also derecognizes the Financial Asset if it has both transferred the Financial Asset and the transfer qualifies for derecognition. The Company has transferred the Financial Asset, if and only if, either:
- The Company has transferred its right to receive cash flows from the Financial asset or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

A transfer qualifies for derecognition only if either :

- a. the Company has transferred substantially all the risks and rewards of the asset, or
- b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between:

- a. the carrying amount (measured at the date of derecognition) and
- b. the consideration received is recognised in the statement of profit and loss.

Financial Liabilities

The Company derecognises the financial liability when and only when it is extinguished i.e. when the contractual obligation is discharged or cancelled or expired.

A financial liability is considered as extinguished when there is an exchange between the Company and the lender with substantially different terms of the original financial liability or when there is a substantial modification of the terms of existing financial liability or part thereof.

On derecognition of a financial liability, the difference between:

- a. the carrying amount and

- b. the consideration paid is recognised in the statement of profit and loss.

v. Impairment of Financial Assets

The Company records allowance for expected credit losses for all loans, other financial assets not held at fair value through profit or loss ("FVTPL"), referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The impairment loss allowance is provided based on the Expected Credit Loss ("ECL") model.

The ECL is based on the credit losses expected to arise over the life of the financial asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Company has formulated a policy to perform an assessment, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. When determining whether the risk of default on a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information which takes into account the Company's historical credit loss experience, current economic conditions, forward looking information.

The expected credit loss is a product of Exposure at Default ('EAD'), Probability of Default ('PD') and Loss Given Default ('LGD'). The Company has devised an internal model to evaluate the LGD and PD based on the parameters set out in Ind AS 109. EAD represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets are held by the Company. LGD is an estimate of loss from a transaction given that a default occurs. PD is defined as the probability of whether the borrowers will default on their obligations in the future.

The Company incorporates forward-looking information into both assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

measurement of ECL. Based on the consideration of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents the most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. The Company regularly reviews its models in the context of actual loss experience and makes adjustments when such differences are significantly material. Adjustments including reversal of ECL are recognised through the statement of profit and loss.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month's ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers' ability to pay and accordingly change the 12 month's ECL to a lifetime ECL. The Company does the assessment of significant increase in credit risk at a borrower level. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

The financial assets have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial asset as detailed below:

Stage 1

Financial assets, where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the

reporting date and that are not credit impaired upon origination, are classified under this Stage.

The Company classifies all standard loans and loans up to 30 days overdue under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 and 3. The Company provides 12 month's ECL for Stage 1 assets.

Stage 2

Financial assets, where there has been a significant increase in credit risk since initial recognition but do not have a objective evidence of impairment are classified under this Stage. 30 Days Past Due is considered under Stage 2. The Company provides Lifetime ECL for Stage 2 assets.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified under this Stage. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. For exposures that have become credit impaired, a lifetime ECL is recognized, a 100% PD is considered and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Definition of default

If the borrower is past due for more than 90 days on any material credit obligation to the Company or the borrower is unlikely to pay his credit obligations to the Company in full, it is considered as default.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

ECL on Investment in Government securities

The Company has invested in Government Securities. No ECL has been applied on these investments as there is no history of delay in servicing of interest/ repayments. The Company does not expect any delay in interest/redemption servicing in future.

Simplified approach for trade/other receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/ other receivables that do not contain a significant financing component.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

vi. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right in the event of default to set off the amounts which must not be contingent.

h. Collateral Valuation and Repossession

To mitigate its credit risks on financial assets, the Company seeks to use collateral such as movable and immovable assets, guarantees, etc, wherever applicable. To the extent possible, the Company uses active market data and external valuers for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models or through external valuers.

The Company physically repossesses and takes into custody properties or other assets to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. Assets held under legal repossession processes are not recorded in the balance sheet as it does not meet the recognition criteria in other standards and disclosed in the notes to Financial Statements.

i. Write-offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof, as per write-off policy of the Company. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the statement of profit and loss.

j. Undrawn Loan Commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the borrower. They are not recognised in the Financial Statements. The Company did not have any undrawn loan commitments in the current financial year or the preceding year.

k. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

1. in the principal market for the asset or liability; or
2. in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market is accessible by the company on the measurement date. The Company measures the fair value of an asset or liability using the assumption that market participants would use when pricing the asset or liability.

The price is either directly observable or estimated using another valuation technique. The Company had adopted valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value by maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The company applied the fair value hierarchy for the inputs to valuation techniques used to measure fair value. The three levels of hierarchy are given below:

Level 1	Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to, at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regard to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
Level 2	Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.
Level 3	Those that include one or more unobservable input that is significant to the measurement as a whole

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

The Company determines appropriate classes of assets and liabilities on the basis of the following:

- a. the nature, characteristics and risks of the asset or liability; and
- b. the level of the fair value hierarchy within which the fair value measurement is categorized.

The company evaluates the levelling at each reporting period on an instrument by instrument basis and reclassifies instruments when necessary based on the facts at the end of the period.

l. Property, Plant and Equipment ("PPE")

The Company has elected to use fair value for Land, Building and Plant and Machinery and carrying value for all other property, plant and equipment, Intangible assets as the deemed cost at the date of transition to Ind AS.

The Company recognises an item of Property, Plant and Equipment when:

- a. it is probable that future economic benefits associated with the item will flow to the Company; and
- b. the cost of the item can be measured reliably.

The cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent expenditures related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance if it is probable that future economic benefits will flow to the Company from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Property, Plant and Equipment is carried at cost less accumulated depreciation and any accumulated impairment losses.

Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.

Depreciation

Depreciation is calculated by using the straight-line method to write down the cost of Property, Plant and Equipment (other than freehold land) to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II to the Act except for leasehold improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period

of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. The depreciation charge for each period will be recognised in the statement of profit and loss for the period.

Particulars	Useful life as prescribed in Schedule II to the Companies Act 2013	Useful life estimated by the Company
Buildings	60 years	60 years
Plant and Machinery	15 years	15 years
Plant - Windmills	22 years	22 years
Furniture and Fixtures	10 years	10 years
Vehicles	8 years	8 years
Office Equipments	5 years	10 years
Computers	3 years	6 years

The Management has considered the useful life of office equipments and computers as 10 years and 6 years respectively.

Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the statement of profit and loss in the year in which the asset is derecognized.

m. Intangible Assets and Amortisation

Intangible assets are carried at its cost less any accumulated amortisation and accumulated impairment losses, if any.

The intangible assets comprise computer software which is amortized over its estimated useful life, under straight line method. The amortisation charge is calculated by using the straight line method to write down the cost of intangible assets over their estimated useful life of 6 years as per Management's estimate.

Amortization is recognised as an expense in the statement of profit and loss for the period. The Company has a practice of reviewing the method and period of amortisation at the end of each financial year.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the intangible assets (calculated as the difference between the net disposal proceeds and the carrying amount of

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

the asset) is recognised in other income / netted off from any loss on disposal in the statement of profit and loss in the year in which the asset is derecognized.

n. Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation or both. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any. When significant parts of the investment property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

The company, based on technical assessment made by management, depreciates the building over its estimated useful life of 60 years. The management believes that these estimated useful life is realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in Note 10. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer.

o. Impairment of Non-Financial Assets

The Company reviews the carrying amounts of PPE, Investment Property and Intangible assets to determine, if there is an indication that those assets have suffered any impairment loss. In case of any such indication those non-financial assets are tested for impairment so as to determine the impairment loss if any, at the end of each reporting period.

p. Segment Reporting

The Company's main business is financing by way of loans in India. All other activities are not significant and incidental to the main business. Thus in the context of Ind AS 108 - "Operating Segment" is considered to constitute single reportable segment.

q. Employee Benefits

Short Term Employee Benefits

Short-term employee benefits are recognised as expense when the related service is provided. A liability for salaries and wages, Bonus, leave encashment is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution Plan

Employees Provident Fund ("EPF") and Employees State Insurance ("ESI")

Retirement benefits such as employees provident fund and employees state insurance comes under the defined contribution plan for which the Company make contributions to such schemes administered by government organisations set up under the applicable statute and are recognised as an expense when an employee renders related service.

Defined Benefit Plans

Gratuity

The obligation in respect of defined benefit plans, which covers Gratuity is provided for on the basis of an actuarial valuation at the end of each financial year by an Independent Actuary using Projected Unit Credit method. The Company makes contribution to a Gratuity Fund administered and managed by Life Insurance Corporation of India ("LIC").

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/termination benefits.

The Company recognises the changes in the net defined benefit obligation such as service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) under employee benefit expenses and net interest expense or income in the Statement of Profit and Loss in the line item, Employee Benefits Expenses.

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

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

Other Long-Term Benefits

Leave Encashment, Compensated Absences and Sick Leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

The service cost, interest on defined benefit liability and remeasurements of defined benefit liability is recognised in the statement of profit or loss.

r. Revenue Recognition

i. Recognition of Interest Income on loans

The Company recognises interest income using EIR on all financial assets measured at amortised cost.

EIR is the rate that exactly discounts estimated future cash flows of the financial instruments through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount. The future cash flows are estimated using the contractual terms of the instrument.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets ('Stage 3'), the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest levied on customers for delay in repayments/ non-payment of contractual cash flows is recognised on realization, since the probability / certainty of collecting such monies is established when the customer pays.

Interest Income from Government securities is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

ii. Dividend Income

Dividend income on equity shares is recognized when the Company's right to receive the payment is established by the reporting date and no significant uncertainty as to its collectability exists.

iii. Other Operating Income

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as

set out in Ind AS 115 'Revenue from contracts with customers. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. The Company recognises income on recoveries of financial assets written off on realisation basis.

iv. Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

Operating leases are leases where the Company does not transfer substantially all of the risks and benefits of ownership of the asset.

v. Fees and Commission Income

The Company recognises service and administration charges towards rendering financial services to its customers on satisfactory completion of performance obligation at a point in time. Cheque Bouncing charges levied on customers for non-payment of instalment on the contractual date is recognised on realization, since the probability/ certainty of collecting such monies is established only when the customer pays. Foreclosure charges are collected from loan customers for early payment/ closure of loan and are recognised on realization, since the probability / certainty of collecting such monies is established only when the customer pays.

vi. Sale of Power from Windmills

Income from power generation is recognized as per the Power Purchase Agreements entered into with State Electricity Board and on supply of power to the grid on satisfaction of performance obligation.

vii. Net gain/loss on fair value changes

The Company designates certain financial assets for subsequent measurement at FVTOCI. The Company recognises gains/loss on fair value change of financial assets measured at FVTOCI.

s. Foreign Currency Transaction

The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company have been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

Transactions in currencies other than the Company's functional currency are recorded on initial recognition

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are translated at the prevailing closing spot rate. Non-monetary items are measured in terms of historical cost in foreign currency and are not retranslated.

Exchange differences, if any, that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

t. Borrowing Costs

Borrowing costs include interest expense calculated using the "EIR" as per Ind AS 109 on 'Financial Instruments' and interest in respect of lease liability is recognised in accordance with Ind AS 116.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

u. Finance costs

Finance costs include Interest Expenses computed by applying the "EIR" on the respective financial instruments measured at amortised cost. Financial Instruments include outstanding liabilities. Finance Costs are charged to the Statement of Profit and Loss.

v. Income Taxes

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income)

i. Current tax

Current tax is the amount of tax payable to (recovered from) the taxation authorities on the taxable income for the year determined in accordance with the provisions of the Income Tax Act 1961 and Income Computation and Disclosure Standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted by the end of reporting date. Current tax relating to items recognised outside the statement of profit and loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity.

ii. Deferred Tax

Deferred tax is the tax effect on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements as at the reporting date.

Deferred tax liability is recognised for all taxable temporary differences and deferred tax asset is

recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Company reviews the carrying amount of a deferred tax asset as at the end of each reporting period and reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

Deferred tax relating to items recognized outside profit or loss is recognised either in other comprehensive income or in other equity.

w. Goods and Services Input Tax Credit

Input Tax credit is accounted for in the books in the period when the underlying service/supply received is accounted to the extent permitted as per the applicable regulatory laws and when there is no uncertainty in availing/utilising it. The ineligible input credit is charged off to the respective expense or capitalised as part of asset cost as applicable.

x. Leases

As a Lessee

The Company has applied Ind AS 116 'Leases' for all lease contracts except for short term leases and leases for which underlying asset is of low value on modified retrospective approach.

Right of Use Asset is initially measured as at the sum of initial measurement of the lease liability and any lease payments made at or before the date of commencement of lease, adjusted by any lease incentives received. On subsequent period, the Right of Use Asset is measured at cost less accumulated depreciation and any accumulated impairment losses with adjustment for remeasurement of lease liability.

Lease Liability is initially measured at the present value of the lease payments that are not paid as at the date of recognition discounted at the Company's incremental borrowing rate. The lease liability is measured in subsequent periods using the effective interest rate method. Right of Use asset is depreciated in accordance with the requirements of Ind AS 16 Property, Plant and Equipment.

The company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

As a Lessor

The Company recognises the lease payments from operating lease as income on the basis of contractual terms between the Lessee and the Company.

y. Provisions Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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, is disclosed as a contingent liability. Contingent liabilities are also 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.

Contingent assets are not recognised in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

z. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity upto three months, which are subject to an insignificant risk of change in value.

aa. Cash Flow Statement

Cash flow Statements are reported using the indirect method, whereby the net profit before tax 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 expenses associated with investing or financing cash flows. The statement of cash flows from operating, investing and financing activities of the Company are segregated.

ab. Earnings Per Share ("EPS")

Basic earnings per share is 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.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for shares issued during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
3. CASH AND CASH EQUIVALENTS		
Cash on hand	189.80	270.41
Balance with Banks in Current Accounts	2,706.41	1,130.39
Cheques, drafts on hand	106.58	48.71
Total	3,002.79	1,449.51
4. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked Balances with Banks :		
- Unpaid Dividend Accounts*	42.91	46.52
Term Deposits with Banks :		
- Free	-	900.00
- Under Lien #	-	182.79
Total	42.91	1,129.31

Details of Term Deposits under lien

Particulars	As at 31st March 2023		As at 31st March 2022	
	Bank Balances other than Cash and Cash equivalents (Note 4)	Other Financial assets (Note 8)	Bank Balances other than Cash and Cash equivalents (Note 4)	Other Financial assets (Note 8)
For Statutory Liquid Assets**	-	-	182.79	9.20
Total	-	-	182.79	9.20

* In accordance with the Reserve Bank of India Directions, the Company has created a floating charge on Statutory Liquid Assets (Bank Deposits and interest accrued thereon) in favour of IDBI Trusteeship Services Ltd, Trustees representing the Public deposit holders of the Company.

** Includes minimum bank balance

5. RECEIVABLES

(i) Trade Receivables

Unsecured - Considered good

- Unsecured - Considered good

101.83 97.37

- Unsecured - Credit Impaired

175.53 116.35

Less: Impairment Loss Allowance (Refer Note 2(g)(v))

(51.15) (44.47)

Total

226.21 169.25

(ii) Other Receivables

Unsecured - Considered good

Rent Receivables

18.39 16.56

Total

18.39 16.56

There is no amount due from any directors or other officers of the company or any firm or Private Limited Company in which any Director is a partner, a Director or a member.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

Trade Receivables Ageing Schedule as at 31st March 2023

(₹ Lakhs)

Particulars	Unbilled Revenue	Outstanding for following periods from due date of payment/where no due date is specified from the date of the transaction					
		Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	-	25.24	76.59	-	-	-	101.83
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	91.47	83.57	0.49	175.53
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less : Impairment Allowance	-	(5.67)	(20.30)	(16.98)	(8.15)	(0.05)	(51.15)

Trade Receivables Ageing Schedule as at 31st March 2022

(₹ Lakhs)

Particulars	Unbilled Revenue	Outstanding for following periods from due date of payment/where no due date is specified from the date of the transaction					
		Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	-	23.48	73.89	-	-	-	97.37
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	100.81	15.54	-	116.35
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less : Impairment Allowance	-	(4.66)	(19.59)	(18.71)	(1.51)	-	(44.47)

(₹ Lakhs)

Particulars	31st March 2023	31st March 2022
Impairment Loss Allowance - Opening	44.47	49.16
Add: Additions during the year	25.98	22.58
(Less): Reductions during the year	(19.30)	(27.27)
Impairment Loss Allowance - Closing	51.15	44.47

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
6. LOANS		
(A) Loans (at amortised cost) *		
Hire Purchase Loans#	1,18,495.88	1,14,406.27
Loans Repayable on Demand	897.82	105.56
Other Loans ##	298.54	310.64
Total (Gross)	1,19,692.24	1,14,822.47
Less: Impairment Loss Allowance (Refer Note 45)	(5,192.14)	(4,511.27)
Total (Net)	1,14,500.10	1,10,311.20
(B) (i) Secured by Tangible Assets Financed	1,18,495.88	1,14,406.27
(ii) Secured by Intangible Assets	-	-
(iii) Covered by Bank / Govt. Securities	-	-
(iv) Unsecured	1,196.36	416.20
Total (Gross)	1,19,692.24	1,14,822.47
Less: Impairment Loss Allowance (Refer Note 45)	(5,192.14)	(4,511.27)
Total (Net)	1,14,500.10	1,10,311.20
(C) (i) Loans in India		
(a) Public Sector		
(b) Others	1,19,692.24	1,14,822.47
Total (Gross)	1,19,692.24	1,14,822.47
Less: Impairment Loss Allowance (Refer Note 45)	(5,192.14)	(4,511.27)
Total (Net) - C (i)	1,14,500.10	1,10,311.20
(ii) Loans Outside in India	-	-
Less: Impairment Loss Allowance	-	-
Total (Net) - C (ii)	-	-
Total (Net) - C (i+ ii)	1,14,500.10	1,10,311.20

* There are no loan assets measured or designated at FVTOCI or FVTPL

Includes Repossessed Assets (Refer Note 2(h)) and Related Party Transactions (Refer Note 43)

Represents Staff Loans

Refer Note 45 on Financial Risk Management Framework for an overview of Stagewise Classification of Gross Carrying Amount and Expected Credit Loss of Loan Assets.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

Particulars			As at 31st March 2023	As at 31st March 2022
7. INVESTMENTS				
At Amortised Cost				
Investments in Government Securities	Number	Face Value per unit (₹)		
Quoted				
Bonds of Central and State Governments #	11,93,000	100	1,194.69	2,374.44
Total (A)			<u>1,194.69</u>	<u>2,374.44</u>
At Fair value through Other Comprehensive Income				
Quoted				
Investments in Equity Instruments (Refer Note 2(g)(ii))				
Sakthi Sugars Limited	5,52,833	10	111.45	75.07
Chokhani International Limited	100	10	0.02	0.02
Total (B)			<u>111.47</u>	<u>75.09</u>
Unquoted				
Investments in Equity Instruments				
ABT Industries Limited	1,50,000	10	15.00	15.00
ABT Foods Agrovet Limited (Formerly Sakthi Beverages Ltd)	1,25,000	10	12.50	12.50
Sri Bhagavathi Textiles Limited	5	100	0.04	0.04
Sri Chamundeswari Sugars Limited	1,86,666	10	7.82	7.82
ABT Co-operative Stores Limited	500	10	0.05	0.05
Stiles India Limited	100	10	-	-
Sakthi Soft Drinks Pvt Limited	30,000	10	3.00	3.00
Total (C)			<u>38.41</u>	<u>38.41</u>
Total (Gross) - (A+B+C)			<u>1,344.57</u>	<u>2,487.94</u>
(i) Investments Outside India			-	-
(ii) Investments In India			<u>1,344.57</u>	<u>2,487.94</u>
Total			<u>1,344.57</u>	<u>2,487.94</u>
Less: Impairment Loss Allowance			<u>0.06</u>	<u>0.06</u>
Total (Net)			<u>1,344.51</u>	<u>2,487.88</u>
<p># In accordance with Master Direction - Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 2016 dated 25th August 2016 (as amended), the Company has created a floating charge on the statutory liquid assets comprising investment in Government securities on the above investments in favour of IDBI Trusteeship Services Ltd, trustee representing the Public Deposit holders of the company.</p>				
8. OTHER FINANCIAL ASSETS				
- Interest accrued on Government Securities			22.82	52.71
- Interest accrued on Term Deposits				
- Free			-	4.84
- Under Lien (Refer Note 4)			-	9.20
- Security Deposits			235.10	260.20
- Other Loans and Advances			1,022.85	1,370.36
- Advance to Employees			7.78	15.60
Total			<u>1,288.55</u>	<u>1,712.91</u>

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
9. DEFERRED TAX ASSETS (net)*		
a. Application of Expected Credit Loss on Financial Assets	1,109.27	982.42
b. Employee benefit expenses	34.10	30.87
c. Right of Use Assets and Lease Liabilities	5.73	7.84
d. Application of EIR on Financial Liabilities	(50.03)	(64.83)
e. Differences in carrying amount of Property, Plant and Equipment	(703.77)	(738.36)
Total	395.30	217.94

* Refer Note 41

10. a) INVESTMENT PROPERTY*

Particulars	Land	Building	Total
Carrying Amount as at 1st April 2021	66.87	226.74	293.61
Additions	-	-	-
Disposals	-	-	-
Carrying Amount as at 31st March 2022	66.87	226.74	293.61
Additions	-	-	-
Disposals	-	-	-
Carrying Amount as at 31st March 2023	66.87	226.74	293.61
Accumulated depreciation / amortisation and impairment			
Balance as at 1st April 2021	-	13.80	13.80
Depreciation for the year	-	4.60	4.60
Depreciation on disposals	-	-	-
Balance as at 31st March 2022	-	18.40	18.40
Depreciation for the year	-	4.60	4.60
Depreciation on disposals	-	-	-
Balance as at 31st March 2023	-	23.00	23.00
Net Carrying amount			
As at 31st March 2022	66.87	208.34	275.21
As at 31st March 2023	66.87	203.74	270.61
Useful Life of the Asset (In Years)	-	60	-

*Refer Note 2(n)

10. b) Rental Income with respective expenses

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Rental Income - Building	-	2.32
Direct operating expenses	1.35	0.42

10. c) Fair Value of Investment Property with assumptions applied in determining the fair value of investment property

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted avg)	Sensitivity of the input to fair value	Fair value ₹ lakhs	Sensitivity ₹ lakhs
Sensitivity analysis						
Investment Property As at 31st March 2023	Professional valuer	Price per Square Feet	₹ 2,500 - 5,000 per Square Feet	5%	370	19
Investment Property As at 31st March 2022	Professional valuer	Price per Square Feet	₹ 2,500 - 5,000 per Square Feet	5%	370	19

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

11 (a) Property, Plant and Equipment - Tangible Assets*

(₹ Lakhs)

Particulars	Land - Freehold	Buildings	Plant and Machinery	Plant - Wind Mills	Furniture and Fixtures	Vehicles	Office Equipments	Total Tangible Assets
Carrying Amount as at 1st April 2021	2,764.91	1,712.89	94.21	1,615.39	337.20	97.16	210.93	6,832.69
Additions	1.56	-	4.20	-	22.79	-	38.03	66.58
Disposals	-	-	0.23	-	-	-	-	0.23
Carrying Amount as at 31st March 2022	2,766.47	1,712.89	98.18	1,615.39	359.99	97.16	248.96	6,899.04
Additions	-	17.28	27.54	-	22.31	-	86.53	153.66
Disposals	-	1.29	6.88	-	3.39	0.47	3.28	15.31
Carrying Amount as at 31st March 2023	2,766.47	1,728.88	118.84	1,615.39	378.91	96.69	332.21	7,037.39
Accumulated depreciation / amortisation and impairment								
Balance as at 1st April 2021	-	162.00	22.45	313.71	99.88	39.56	72.80	710.40
Depreciation for the year	-	49.32	8.01	104.57	36.52	12.71	30.96	242.09
Depreciation on disposals	-	-	0.08	-	-	-	-	0.08
Balance as at 31st March 2022	-	211.32	30.38	418.28	136.40	52.27	103.76	952.41
Depreciation for the year	-	47.99	8.39	104.57	37.87	11.36	39.02	249.20
Depreciation on disposals	-	0.09	4.18	-	1.97	0.17	2.39	8.80
Balance as at 31st March 2023	-	259.22	34.59	522.85	172.30	63.46	140.39	1,192.81
Net Carrying amount								
As at 31st March 2022	2,766.47	1,501.57	67.80	1,197.11	223.59	44.89	145.20	5,946.63
As at 31st March 2023	2,766.47	1,469.66	84.25	1,092.54	206.61	33.23	191.82	5,844.58
Useful Life of the Asset (In Years)	-	60	15	22	10	8	10	

*Refer Note 2(l) & 36(a)

The Company has not revalued any of its Property, Plant and Equipment during the year ended March 31, 2023 and year ended March 31, 2022. The amount of change in gross and net carrying amount due to impairment losses/reversals is nil.

Freehold land is not depreciated

Carrying Value of Assets Pledged Against borrowings / Debt Securities as at 31st March 2023 (Refer Note 14 & 15)

(₹ Lakhs)

Particulars	Land - Freehold	Buildings	Plant and Machinery	Plant - Wind Mills	Furniture and Fixtures	Vehicles	Office Equipments	Total Tangible Assets
As at 31st March 2023	173.80	1,317.74	-	-	-	-	-	1,491.54
As at 31st March 2022	173.80	1,347.64	-	-	-	-	-	1,521.44

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

**Capital Work in Progress (CWIP) ageing schedule
As at 31st March 2023**

(₹ Lakhs)

Capital Work-in-progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Note: There were no Capital Work in Progress, whose completion is overdue or has exceeded its cost compared to its original plan
As at 31st March 2022

Capital Work-in-progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Note: There were no Capital Work in Progress, whose completion is overdue or has exceeded its cost compared to its original plan

11 (b) Right of use Assets*

(₹ Lakhs)

Particulars	Amount
Carrying Amount as at 1st April 2021	1,484.56
Additions	240.82
Disposals	-
Carrying Amount as at 31st March 2022	1,725.38
Additions	220.17
Disposals	-
Carrying Amount as at 31st March 2023	1,945.55
Accumulated depreciation / amortisation and impairment	
Balance as at 1st April 2021	414.06
Depreciation for the year	217.72
Depreciation on Disposals	-
Balance as at 31st March 2022	631.78
Depreciation for the year	254.65
Depreciation on Disposals	-
Balance as at 31st March 2023	886.43
Net Carrying amount	
As at 31st March 2022	1,093.60
As at 31st March 2023	1,059.12
Useful Life of the Asset (In Years)	3

*Refer Note 2(x) & Refer Note 48

The above note provides information for leases where the Company is a lessee.

The Company has not revalued any of its Right of Use Assets during the year ended March 31, 2023 and year ended March 31, 2022. The amount of change in gross and net carrying amount due to impairment losses/reversals is nil.

11 (c) Intangible Assets under development*

(₹ Lakhs)

Particulars	Amount
Carrying Amount as at 1st April 2021	86.27
Additions	10.99
Disposals	97.26
Carrying Amount as at 31st March 2022	-
Additions	-
Disposals	-
Carrying Amount as at 31st March 2023	-
As at 31st March 2022	-
As at 31st March 2023	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Intangible Assets under Development ageing schedule

As at 31st March 2023

(₹ Lakhs)

Intangible Assets under Development	Amount in Intangible Asset under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Note: There were no Intangible Assets under Development, whose completion is overdue or has exceeded its cost compared to its original plan

As at 31st March 2022

Intangible Assets under Development	Amount in Intangible Asset under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

*Refer Note 2(m)

11 (d) Other Intangible Assets - Computer Software*

(₹ Lakhs)

Particulars	Amount
Carrying Amount as at 1st April 2021	278.86
Additions	103.56
Disposals	-
Carrying Amount as at 31st March 2022	382.42
Additions	15.60
Disposals	-
Carrying Amount as at 31st March 2023	398.02
Accumulated depreciation / amortisation and impairment	
Balance as at 1st April 2021	176.29
Depreciation for the year	26.67
Depreciation on disposals	-
Balance as at 31st March 2022	202.96
Depreciation for the year	38.48
Depreciation on disposals	-
Balance as at 31st March 2023	241.44
Net Carrying amount	
As at 31st March 2022	179.46
As at 31st March 2023	156.58
Useful Life of the Asset (In Years)	6

*Refer Note 2(m)

The Company has not revalued any of its Intangible Assets during the year ended March 31, 2023 and year ended March 31, 2022. The amount of change in gross and net carrying amount due to impairment losses/reversals is nil.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
12. OTHER NON-FINANCIAL ASSETS		
Considered good-Unsecured		
- Advance for Property, Plant and Equipment	1,500.00	1,500.00
- Prepaid Expenses	62.65	124.34
- GST Input Tax Credit	289.33	289.17
- NCD Public Issue Expenses	21.87	12.78
- Others	1.34	9.85
Total	1,875.19	1,936.14

Refer Note 43 on Disclosure pursuant to Ind AS "24" - Related Party Disclosures for Loans and Advances given and outstanding dues from related parties

LIABILITIES AND EQUITY

13. PAYABLES

(I) Trade Payables

(i) Total outstanding dues of micro enterprises and small enterprises	-	0.28
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	156.15	127.76

(II) Other Payables

(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	193.26	175.13
Total	349.41	303.17

Micro, Small and Medium 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") the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per MSMED Act are given below:

a) Dues remaining unpaid to any supplier at the year end		
- Principal	-	0.28
- Interest on the above	-	-
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act	-	-
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) 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	-	-
Total	-	0.28

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Trade Payables Ageing Schedule as at 31st March 2023

(₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment/where no due date is specified from the date of the transaction					
	Unbilled Revenue	Less than - 1 year	1-2 Years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-	-
Others	-	349.41	-	-	-	349.41
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-

Trade Payables Ageing Schedule as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment/where no due date is specified from the date of the transaction					
	Unbilled Revenue	Less than - 1 year	1-2 Years	2-3 years	More than 3 years	Total
MSME	-	0.28	-	-	-	0.28
Others	-	302.89	-	-	-	302.89
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-

Particulars	As at 31st March 2023	As at 31st March 2022
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14. DEBT SECURITIES

At Amortised Cost

Redeemable, Non-Convertible Debentures - Secured

48,792.43

41,560.04

Total

48,792.43

41,560.04

Debt Securities in India

48,792.43

41,560.04

Debt Securities outside India

-

-

Total

48,792.43

41,560.04

Note:

- There are no debt securities measured at FVTOCI or designated at FVTPL.
- The Non-Convertible Debentures are secured by immovable properties and Loan receivables of the Company having carrying value of ₹ 53,357.41 lakhs (31st March 2022: ₹ 45,051.25 Lakhs).
- For Debt securities subscribed and held by the related parties, Refer Note 43

Details of Redeemable, Non-Convertible Debentures - Secured:

Particulars	As at 31st March 2023	As at 31st March 2022
A. Issued on private placement basis - Face Value of Rs 1,000/-		
- Repayable on maturity:		
Interest Range 8.75% to 10%		
Maturing within 1 year	4,935.30	3,920.00
Maturing between 1 to 2 years	3,426.50	3,938.30
Maturing between 2 to 3 years	2,147.00	2,454.50
Maturing between 3 to 4 years	175.00	-
Maturing between 4 to 5 years	1,309.00	-
Sub-Total (A)	11,992.80	10,312.80
Add : Interest accrued but not due	472.26	454.95
Less: unamortized charges	60.71	44.46
(A) Total Amortized Cost	12,404.35	10,723.29

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2023

(₹ Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
B) Public Issue - Face value of ₹1,000/-		
- Repayable on maturity:		
Interest Range 9% to 10%		
Maturing within 1 year	11,652.10	5,324.98
Maturing between 1 years to 2 years	8,591.88	11,652.10
Maturing between 2 years to 3 years	6,766.39	6,530.39
Maturing between 3 years to 4 years	353.94	5,673.13
Maturing between 4 years to 5 years	6,491.31	-
Sub-Total (B)	33,855.62	29,180.60
Add : Interest accrued but not due	2,923.43	1,999.49
Less: unamortized charges	390.97	343.34
(B)Total Amortized Cost	36,388.08	30,836.75
TOTAL (A)+(B)	48,792.43	41,560.04
Total Amortized Cost (A + B)	48,792.43	41,560.04

15. BORROWINGS (OTHER THAN DEBT SECURITIES)*

At amortized cost

Term Loans -Secured

- From Banks

2,408.38 3,810.72

- From Other Lenders

287.79 1,240.84

Loan Repayable on Demand

- Cash Credit Facilities and Working Capital Demand Loan from Banks (Secured)

11,957.91 10,514.13

Total

14,654.08 15,565.69

Borrowings in India

14,654.08 15,565.69

Borrowings outside India

- -

Total

14,654.08 15,565.69

There are no borrowings measured at FVTOCI or designated at FVTPL.

*Refer Note 36 (e) & 36 (f).

a) Term loans from Banks are secured as under :

i) State Bank of India

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Mora-torium period	Security details	Amount outstanding as on 31st March 2023	Amount outstanding as on 31 March 2022
			Commence-ment date	End date				
1	5,000.00	11.00%	30.09.2020	30.06.2025		Hypothecation of specified Hire Purchase receivables and personal guarantee by a director	2,333.95	3,365.80
2	600.00	7.25%	30.11.2020	30.04.2022	-		-	22.00
Add : Interest accrued but not due							-	-
Less: unamortized charges							29.92	43.22
Total Amortized Cost							2,304.03	3,344.58

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

ii) IndusInd Bank Ltd

(₹ Lakhs)

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Moratorium period in months	Security details	Amount outstanding as on 31st March 2023	Amount outstanding as on 31 March 2022
			Commencement date	End date				
1	650.00	12.00%	04.03.2020	04.06.2023	3	Hypothecation of specified Hire Purchase receivables	68.62	303.81
2	350.00	12.00%	04.03.2020	04.06.2023	3		34.81	161.69
Add : Interest accrued but not due							0.92	4.13
Less: unamortized charges							-	3.49
Total Amortized Cost							104.35	466.14

b) Term loans from other Lenders are secured as under:

i) Shriram Transport Finance Company Ltd

(₹ Lakhs)

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Moratorium period in months	Security details	Amount outstanding as on 31st March 2023	Amount outstanding as on 31 March 2022
			Commencement date	End date				
1	2,000.00	13.00%	05.09.2019	05.08.2023	-	Hypothecation of specified Hire Purchase receivables and a personal guarantee by a director	252.42	826.37
2	1,000.00	13.00%	05.05.2020	05.04.2023	-		33.46	408.04
Add : Interest accrued but not due							2.74	11.43
Less: unamortized charges							0.83	5.00
Total Amortized Cost							287.79	1,240.84

c) Loans repayable on demand - Cash credit facilities with banks (secured)

(₹ Lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	Interest Rate Range	Amount outstanding	Interest Rate Range	Amount outstanding
Maturing within 1 Year	9.65 % to 12.85%	11,965.61	9.65 % to 12.25%	10,516.14
Add : Interest accrued but not due		34.69		25.77
Less: unamortized charges		42.39		27.78
Total Amortized Cost		11,957.91		10,514.13

The cash credit facilities and Working Capital Demand Loan from Banks are secured by hypothecation of specified hire purchase receivables and a personal guarantee by Director(s). The company has also extended collateral security of Company's Building and land belonging to a Director..

d) There is no default in repayment of loans and interest thereon.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
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16. DEPOSITS (UNSECURED)

At amortized cost

Public Deposits

2,444.17

8,540.60

Total

2,444.17

8,540.60

There are no Deposits measured at FVTOCI or designated at FVTPL

Details of Deposits - Unsecured :

Particulars	As at 31st March 2023	As at 31st March 2022
- Repayable on maturity:		
Interest Range 8.25% to 9%		
Maturing within 1 year	2,168.62	5,544.55
Maturing between 1 to 2 years	-	2,217.84
Sub-Total	<u>2,168.62</u>	<u>7,762.39</u>
Add : Interest accrued but not due	279.18	799.48
Less: unamortized charges	3.63	21.27
Total Amortized Cost	<u>2,444.17</u>	<u>8,540.60</u>

For Deposits repaid to related parties, Refer Note 43

17. SUB-ORDINATED LIABILITIES (UNSECURED)

At amortized cost

Redeemable, Non-Convertible Debentures - Unsecured

12,281.44

11,640.38

Redeemable Cumulative Preference Shares ("RCPS")

1,495.30

1,490.29

Sub-Ordinated Liabilities

27,735.66

26,400.10

Total

41,512.40

39,530.77

Sub-Ordinated Liabilities in India

41,512.40

39,530.77

Sub-Ordinated Liabilities outside India

-

-

Total

41,512.40

39,530.77

There are no Sub-ordinated liabilities measured at FVTOCI or designated at FVTPL

Terms/rights attached to RCPS

The RCPS do not have voting rights other than matters which directly affect them. In the event of dividend payable remains unpaid for aggregate period of at least two years prior to the start of any general meeting of the equity shareholders, RCPS holders shall have voting rights in line with their voting rights of the equity shareholders. The RCPS will be redeemed at the end of three years from the date of allotment and the payment of dividend would be in accordance with the terms agreed at the time of issuance of RCPS.

On winding up or repayment of capital, RCPS holders enjoy preferential rights *vis a vis* equity shareholders, for repayment of capital paid-up and shall include any unpaid dividends.

For the year ended 31st March 2023, the Company declared and paid an interim dividend of ₹ 123.75 lakhs after deduction of TDS of ₹ 5.09 lakhs on RCPS of ₹ 100 each fully paid (31st March 2022 : ₹ 134.06 lakhs)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

Details of Sub-Ordinated Liabilities - Unsecured :

(₹ Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
A) Redeemable Non-Convertible Debentures - Unsecured :		
Issued on Public Issue		
Repayable on maturity:		
Interest Range 10% to 11%		
Maturing between 1 years to 2 years	4,374.80	-
Maturing between 2 years to 3 years	1,603.70	4,374.80
Maturing between 3 years to 4 years	4,759.47	1,603.70
Maturing between 4 years to 5 years	-	4,759.47
Sub-Total (A)	10,737.97	10,737.97
B) Preference Shares		
Repayable on maturity:		
8.25% Redeemable Preference Shares		
Maturing within 1 year	1,169.00	-
Maturing between 2 years to 3 years	331.00	1,500.00
Sub-Total (B)	1,500.00	1,500.00
C) Sub-Ordinated Debts		
- Repayable on maturity:		
Interest Range 10% to 11%		
Maturing within 1 year	9,914.40	-
Maturing between 1 to 2 years	12,221.80	9,914.40
Maturing between 2 to 3 years	1,244.40	12,221.80
Maturing between 3 to 4 years	-	1,244.40
Sub-Total (C)	23,380.60	23,380.60
Sub-Total (A+B+C)	35,618.57	35,618.57
Add : Interest accrued but not due		
A) Redeemable Non-Convertible Debentures - Unsecured	1,637.06	1,027.31
B) Preference Shares	-	-
C) Sub-Ordinated Debts	4,411.64	3,122.15
Less: Unamortized charges		
A) Redeemable Non-Convertible Debentures - Unsecured	93.59	124.89
A) Preference Shares	4.70	9.71
B) Sub-Ordinated Debts	56.58	102.66
Total amortized cost	41,512.40	39,530.77

In respect of Sub-Ordinated Liabilities held by related parties, Refer Note 43

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
18. OTHER FINANCIAL LIABILITIES		
Investor Education and Protection Fund shall be credited by the following amounts (as and when due)		
- Unclaimed dividends	42.80	46.42
- Unclaimed matured deposits and Interest accrued thereon	258.78	251.20
- Unclaimed matured Sub-Ordinated Debts and Interest accrued thereon	21.78	25.41
- Unclaimed matured debentures and Interest accrued thereon	38.73	180.40
- Unclaimed Redeemable Cumulative Preference Shares	13.00	13.00
Advances from Customers	487.73	450.33
Security Deposits	149.22	73.21
Lease Liabilities - Refer Note No 48	372.92	386.17
Total	1,384.96	1,426.14
Note : Equity Dividend pertaining to the financial year 2011 and 2012 for an amount of ₹ 500 have not been transferred into Investor Education and Protection Fund, due to pending legal proceedings.		
19. PROVISIONS		
Provision for Employee Benefits		
Provision for bonus	67.41	53.00
Provision for gratuity (net) (Refer Note 42)	8.84	8.69
Provision for leave encashment (Refer Note 42)	59.24	60.96
Total	135.49	122.65
20. OTHER NON-FINANCIAL LIABILITIES		
Tax Deducted at source	97.78	99.55
Total	97.78	99.55
21. SHARE CAPITAL		
Authorised Share Capital		
10,00,00,000 Equity shares of ₹ 10 each (FY 2022 : 10,00,00,000 Equity Shares of ₹ 10 each)	10,000.00	10,000.00
30,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each (FY 2022 : 30,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each)	3,000.00	3,000.00
	13,000.00	13,000.00
Issued, Subscribed and Paid up Share capital		
6,47,05,882 Equity shares of ₹ 10 each fully paid up (FY 2022 : 6,47,05,882 Equity Shares of ₹ 10 each)	6,470.59	6,470.59
	6,470.59	6,470.59

Shares held by promoters as at 31st March 2023 :

Promoter Name	No of Shares	% of Total Shares	% change during the Year
Dr M Manickam, Chairman	92,813	0.14%	-
Sri M Balasubramaniam, Vice Chairman and Managing Director	1,92,000	0.30%	-

Shares held by promoters as at 31st March 2022 :

Promoter Name	No of Shares	% of Total Shares	% change during the Year
Dr M Manickam, Chairman	92,813	0.14%	-
Sri M Balasubramaniam, Vice Chairman and Managing Director	1,92,000	0.30%	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

a) Reconciliation of shares outstanding at the beginning and end of the year (₹ Lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares with Voting Rights				
Number of Shares at the beginning of the year	6,47,05,882	6,470.59	6,47,05,882	6,470.59
Add: Allotment of Equity Share on preferential basis made during the year	-	-	-	-
Number of Shares at the end of the year	6,47,05,882	6,470.59	6,47,05,882	6,470.59

Aggregate number of equity shares issued for consideration other than cash / Bonus shares issued during the year : Nil
Aggregate number of equity shares bought back by the Company during the year : Nil

b) Details of shareholders holding more than 5% shares in the share capital of the company

Particulars	As at 31st March 2023		As at 31st March 2022	
	% of Holding	No. of Shares	% of Holding	No. of Shares
Equity Shares with Voting Rights				
Sakthifinance Financial Services Limited	19.19	1,24,20,000	19.19	1,24,20,000
ABT Investments (India) Private Limited	13.49	87,27,400	13.49	87,27,400
Sakthi Financial Services (Cochin) Private Limited	11.06	71,57,128	11.06	71,57,128
Avdhoot Finance and Investment Private Limited	8.69	56,24,208	8.69	56,24,208
Sakthi Management Services (Coimbatore) Limited	6.70	43,35,434	6.70	43,35,434
Bridgewater Investment Corporation Limited	6.88	44,50,000	6.88	44,50,000
The Gounder and Company Auto Limited	6.07	39,25,000	6.07	39,25,000
ABT Finance Limited	5.15	33,31,162	5.15	33,31,162

c) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders at the ensuing annual general meeting and the dividend amount has not been recognised as a liability in Financial Statements. The Board of Directors have, at their meeting held on 26th May 2023, recommended for consideration a dividend of 7 per cent, ₹ 0.70 per share (Dividend for 31st March 2022 : ₹0.60 per share) on equity shares. The Company declares and pays dividend in Indian rupees.

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

The proposed dividend for the Financial Year 2022-23 adheres to the ceiling limits on dividend payout ratios for NBFCs, as prescribed by the Reserve Bank of India in Notification RBI/2021-22/59 DOR.ACC.REC.No.23/21.02.067/2021-22 dated 24th June 2021.

Details of Dividends proposed

(₹ Lakhs)

Particulars	31st March 2023	31st March 2022
Face Value per share (₹)	10.00	10.00
Dividend Percentage	7%	6%
Dividend per Share (₹)	0.70	0.60
Dividend on equity shares	452.94	388.24
Total Dividend	452.94	388.24

Note : The dividends proposed for the financial year 31st March 2023 will be paid to share holders on approval of the members of the company at the ensuing Annual General Meeting.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
22. OTHER EQUITY		
Reserves and Surplus		
Capital Reserve		
Balance as at the Opening and Closing of the year	52.61	52.61
Securities Premium		
Balance as at the Opening and Closing of the year	1,429.80	1,429.80
General Reserve		
Balance as at the Opening and Closing of the year	4,436.00	4,436.00
Statutory Reserve as per Section 45-1C of the RBI Act 1934		
Opening Balance	3,543.05	3,352.67
Add : Transfer from Retained Earnings	249.87	190.38
Closing balance	3,792.92	3,543.05
Retained Earnings		
Opening Balance	3,852.17	3,478.91
Add : Profit after tax for the year	1,249.37	951.88
	5,101.54	4,430.79
Less: Appropriations		
Equity Dividend (₹ 0.60 per share)	388.24	388.24
Transfer to Statutory Reserve	249.87	190.38
Closing Surplus	4,463.43	3,852.17
Item of Other Comprehensive Income ("OCI")		
(i) Fair value changes in Equity Instruments		
Opening Balance	(14.20)	(36.98)
Add : Income/(Expenses) for the year	27.22	22.78
Closing Balance	13.02	(14.20)
(ii) Actuarial changes in Defined benefit obligations		
Opening Balance	24.37	13.93
Add : Income/(Expenses) for the year	4.53	10.44
Closing Balance	28.90	24.37
Closing Balance (i) + (ii)	41.92	10.17
Total	14,216.68	13,323.80

Nature and purpose of reserves

Capital reserve: Capital reserve is the excess amount received on re-issue of forfeited equity shares in an earlier year.

Securities Premium: The amount received in excess of face value of the equity shares is recognised as Securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act 2013.

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

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Debenture redemption reserve:

Consequent to the amendment to the Companies (Share Capital and Debentures) Rules, the requirement to create Debenture Redemption Reserve ("DRR") is no longer required for listed NBFCs registered with Reserve Bank of India under Section 45-IA of the RBI Act 1934, for the value of outstanding both public issue of debentures and privately placed debentures.

The Company is required to deposit or invest, before 30th day of April of each year as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the Balance sheet date. Accordingly the Company, subsequent to the year end has invested a sum of ₹ 1,748 lakhs (Previous Year ₹ 900 lakhs) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

Statutory reserve: Every year the Company transfers a sum of not less than twenty per cent of net profit after tax of that year as disclosed in the statement of profit and loss to its Statutory Reserve as per Section 45-IC of The Reserve Bank of India Act 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

- (1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.
- (2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twentyone days by such further period as it thinks fit or condone any delay in making such report.

- (3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC

Retained earnings: Retained earnings are the profits that the Company has earned till date less any transfers to statutory reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Other Comprehensive Income: Other Comprehensive Income comprises items of income and expenses that are not recognised in profit and loss as required or permitted by other Ind AS. They comprise of the following : (a) Cumulative gains/(losses) on account of remeasurement of post employment benefit obligations (b) Cumulative gains/(losses) on remeasurement of equity instruments measured at fair value through Other Comprehensive Income. Such remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Proposed dividend : The Board of Directors of the Company have recommended a dividend of 7% being ₹ 0.70 per share on the equity shares of the Company, for the year ended 31st March 2023 (₹ 0.60 per share - 31st March 2022) which is subject to approval of shareholders. Consequently the proposed dividend has not been recognised in the books in accordance with IND AS 10. (Also Refer Note 57)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

Particulars	For the Year ended 31st March 2023	For the Year ended 31st March 2022
23. INTEREST INCOME		
(On Financial Instruments measured at amortised cost)		
Income from Hire purchase operations	18,143.55	17,017.64
Interest from:		
- Loans	169.97	172.29
- Bank deposits	18.00	158.80
- Investments	145.20	218.24
Total	18,476.72	17,566.97
There are no income on Financial Instruments measured at FVTOCI		
24. FEES AND COMMISSION (Service rendered at a point in time)		
- Service Charges	379.02	254.83
- Stamp and documentation charges	80.45	66.66
Total	459.47	321.49
25. SALE OF POWER FROM WIND MILLS		
Income from Wind mill -Sale of Electricity	173.13	177.88
Total	173.13	177.88
26. OTHER INCOME		
- Profit on Sale of Investment	10.67	-
- Miscellaneous income	2.70	1.40
Total	13.37	1.40
27. FINANCE COSTS		
(On Financial Liabilities measured at amortised cost)		
- Deposits	422.82	1,084.82
- Borrowings	1,534.72	1,920.21
- Debt Securities	4,515.29	3,672.04
- Sub-Ordinated Liabilities	4,064.50	3,723.67
- Lease Liability (Refer Note 48)	20.51	36.28
Bank Charges	95.99	121.13
Debenture Issue Expenses	272.30	217.70
Total	10,926.13	10,775.85
There are no Finance Costs measured at FVTOCI		
28. IMPAIRMENT ON FINANCIAL INSTRUMENTS		
(On Financial instruments measured at amortised cost)		
Loans (Refer Note 6)	680.88	878.54
Trade Receivables (Refer Note 5)	6.67	(4.69)
Investments	4.75	3.17
Bad Debts written off	233.77	157.35
Total	926.07	1,034.37
There are no impairment on Financial Instruments measured at FVTOCI		

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

Particulars	For the Year ended 31st March 2023	For the Year ended 31st March 2022
29. EMPLOYEE BENEFIT EXPENSES		
Salaries and wages (Refer Note 43)	2,917.01	2,608.36
Contributions to Provident and Other Funds	101.32	98.88
Staff Welfare Expenses	175.76	128.44
Gratuity (Refer Note 42)	20.26	21.51
Leave Encashment (Refer Note 42)	31.86	38.41
Total	3,246.21	2,895.60
30. DEPRECIATION AND AMORTIZATION		
Depreciation on Property plant and Equipment (Refer Note 11 (a) & 2 (l))	249.20	242.08
Depreciation on Investment property (Refer Note 10 (a) & 2 (n))	4.60	4.60
Amortization - Intangibles (Refer Note 11 (d) & 2 (m))	38.48	26.67
Amortization - Right of use assets (Refer Note No 48)	254.65	217.72
Total	546.93	491.07
31. OTHER EXPENSES		
Rent (Refer Note 48)	27.32	35.39
Rates, Taxes and Licences	145.81	121.98
Stamping on documents	17.64	11.93
Communication	45.48	45.66
Insurance	15.25	12.99
Travelling and Conveyance	403.08	298.74
Printing and Stationery	49.77	34.24
Power and Fuel	43.64	29.50
Advertisements	13.29	17.02
Auditor's Remuneration : (Refer Note 26(i) of Corporate governance report)		
As Auditor:		
- Audit Fee	16.00	16.00
- Limited Review Fee	9.00	9.00
- Certification Fee	12.83	7.65
- Reimbursement of Expenses	2.64	2.87
Legal and Professional Charges	323.37	309.84
Repairs and Maintenance on:		
- Buildings	71.76	57.99
- Machinery	93.20	86.51
- Information Technology	243.61	218.49
- Other Assets	40.09	26.85
Filing Fees	9.63	9.80
Directors' Sitting Fees (Refer Note 43)	44.70	34.70
Corporate Social Responsibility Expenses (Refer Note 37)	40.06	37.04
Loss on Sale of Property, Plant and Equipment	2.39	0.12
Miscellaneous Expenses	34.66	38.85
Total	1,705.22	1,463.16

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

Particulars	For the Year ended 31st March 2023	For the Year ended 31st March 2022
32. (i) CONTINGENT LIABILITIES		
(i) Claims against the Company not acknowledged as debt;		
a) Income Tax issues	226.99	226.99
Less : Amount paid under protest	42.24	-
	<u>184.75</u>	<u>226.99</u>
<p>The Company has disputed Income Tax demand pertaining to the Assessment year 2012-13 for an amount of ₹ 9.83 Lakhs (Previous year : ₹ 9.83 Lakhs) in relation to disallowance under Section 14A of the Income Tax Act. The matter is pending with Assessing Officer.</p> <p>The Company has disputed Income Tax Demand pertaining to the Assessment year 2016-17 for an amount of ₹ 217.16 Lakhs (Previous year : ₹ 217.16 Lakhs) in relation to certain disallowances under Income Tax Act. The matter is pending before Commissioner of Income Tax (Appeals). During the Financial year 2022-23 the Company has remitted an amount of ₹ 42.24 Lakhs under protest against the demand.</p>		
b) Service Tax Issues	2,082.34	1,426.92
Less : Amount paid under protest	143.30	98.63
	<u>1,939.04</u>	<u>1,328.29</u>
<p>The Company has disputed Service Tax demands in respect of Service Tax liability on finance income for the period from 1st October 2014 to 30th June 2017. The total demand along with penalty but excluding non-determined interest amounts to ₹ 2,082.34 Lakhs (Previous year : ₹ 1,426.92 Lakhs). The Company has been legally advised that such demands are not sustainable. The Company has filed an appeal before Central Excise and Service Tax Appellate Tribunal (CESTAT), Chennai and the matter is pending before CESTAT. The Company has pre-deposited an amount of ₹ 143.30 Lakhs (Previous year : ₹ 98.63 Lakhs) under protest.</p>		
c) Consumer Court cases pending	18.35	18.35
<p>There are certain consumer claims pending against the Company, where such claims are disputed and contested by the Company in appropriate forums. The management has estimated that such claims amounts to ₹ 18.35 Lakhs (Previous year ₹ 18.35 Lakhs).</p>		
(ii) Guarantees excluding financial guarantees; and	Nil	Nil
(iii) Other money for which the Company is contingently liable	Nil	Nil
(iv) Commitments		
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for;	Nil	Nil
(b) Uncalled liability on Shares and other Investments partly paid;	Nil	Nil
(c) Other Commitments;	Nil	Nil
<p>(ii) In respect of termination of contracts, wherever there is uncertainty in the performance obligations arising out of such contracts, the Company has not quantified or accounted any income for the reason that there is no certainty of economic benefits flowing to the Company.</p>		
33. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF :		
Annual Maintenance Charges - Information Technology	-	94.97
Travelling Expenses	1.01	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

Particulars	For the Year ended 31st March 2023	For the Year ended 31st March 2022
34. REMITTANCE OF DIVIDEND IN FOREIGN CURRENCY		
Year to which the dividend relates	2021-22	2020-21
No. of non-resident share holders	1	1
No. of shares on which dividend remittance was made	44,50,000	44,50,000
Amount remitted (₹ Lakhs)	21.15	21.15

35. DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

Period/Year ended or As at	31st March 2023	31st March 2022
Profit or Loss on transactions involving Crypto currency or Virtual Currency	-	-
Amount of currency held as at the reporting date	-	-
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency or virtual currency	-	-

36. ADDITIONAL REGULATORY DISCLOSURES (for the period from 1st April 2022 to 31st March 2023 and for the Year ended 31st March 2022)

- a. There are no Title deeds of Immovable Properties that were not held in name of the Company.
- b. The Company measures investment property using cost based measurement.
- c. There were loans and advances in the nature of loans, which are granted to promoters, directors, KMP's and other related parties (as defined under the Companies Act, 2013), either severally or jointly with any other persons that are repayable on demand or without specifying the terms or period of repayment.

Type of Borrower	31st March 2023		31st March 2022	
	Amount of Loan (or) Advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of Loan (or) Advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMP's	-	-	-	-
Related Party	1,579.08	1.32%	1,599.94	1.40%

- d. There were no proceedings that have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.
- e. In respect of borrowings from banks or financial institutions on the basis of security of current assets, the Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of account.
- f. The Company has not been declared as a wilful defaulter by any bank or financial Institution or other lender.
- g. The Company did not have any transactions with the companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 except the following :

Name of the Struck off company	Balance outstanding as at		Relationship with struck off company
	31st March 2023	31st March 2022	
First Choice Financial Services Private Limited	0.00	0.00	Equity Shareholder
Kothari & Sons (Nominees) Private Limited	0.00	0.00	Equity Shareholder
Kwality General Finance Associates Limited	0.00	0.00	Equity Shareholder
West Mambalam Suga Leasing & Finance Limited	0.00	0.00	Equity Shareholder

During the financial years ended March 31, 2023 and March 31, 2022, the Company did not have any transaction with the above equity shareholders, except payment of dividend, being the companies whose names have been struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956. The shareholding data is as per the record of beneficiary position downloaded by the Registrar and Transfer Agent of the Company from the database maintained by the depositories and reported to the Company for the purpose of this disclosure.

Note : 0.00 denotes amounts less than ₹ 1,000/-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

- h. The Company did not have any charges or satisfaction of charges under the Companies Act, 2013, which are yet to be registered with ROC beyond the statutory period.
- i. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- j. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- k. The Company has not entered into any Scheme of Arrangements that has been approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013. Therefore disclosures pertaining to the same are not applicable.
- l. The Company has no layers as per the provisions of clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended 31st March 2023 and 31st March 2022.
- m. There are no transactions that are previously not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

37. NOTE ON EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

The following is the information regarding projects/programmes undertaken and expenses incurred on CSR activities during the year ended 31st March 2023:

- I. Amount required to be spent by the company during the year: ₹ 40.00 Lakhs (FY 2021-22 : ₹ 37.00 Lakhs)
- II. Amount spent during the year on: (by way of contribution to the trusts and the projects undertaken) (₹ Lakhs)

Particulars	31st March 2023	31st March 2022
a. Construction / acquisition of any asset	-	-
b. On purposes other than (a) above:	40.06	37.04
Total	40.06	37.04

Period / Year ended	31st March 2023	31st March 2022
Amount required to be spent by the company during the year	40.00	37.00
Amount of expenditure incurred	40.06	37.04
Shortfall at the end of the year	Nil	Nil
Total of previous years shortfall	Nil	Nil
Reason for shortfall	Nil	Nil
Nature of CSR activities		
1. Education	31.32	22.29
2. Health Care	1.94	13.55
3. Others	6.80	1.20
Details of related party transactions, (e.g.), contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Indian Accounting Standard	25.00	11.35
Details of provision made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year are shown separately.	Nil	Nil

Refer Note 43 on disclosure pursuant to Ind AS 24 - Related Party Disclosures for contributions to related party.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

38. CAPITAL MANAGEMENT

The company determines the amount of capital required on the basis of factors like funding structure, capital adequacy ratio and leveraging ratios. The capital adequacy ratio working are given below. The capital structure is also monitored on the basis of Capital adequacy ratio.

(₹ Lakhs)

Particulars	As at 31st March 2023			As at 31st March 2022 Ratio (%)	% of Variance	Reason for variance (If above 25%)
	Numerator	Denominator	Ratio (%)			
Capital to Risk weighted Assets Ratio (CRAR)	24,733.70	1,25,674.33	19.68%	21.66%	-9.14%	NA
Tier - I Capital	17,584.59	1,25,674.33	13.99%	13.74%	1.82%	NA
Tier - II Capital	7,149.11	1,25,674.33	5.69%	7.92%	-28.16%	On account of reduction in discounted value of subordinated debts (Unsecured Redeemable, Non-Convertible Debentures) as compared to previous year.
Liquidity Coverage Ratio (Refer Note 49.3 (vi))	1,420.28	479.87	295.97%	557.22%	-46.88%	On account of reduction in SLR Investments as compared to previous year.

Components of Numerator

"Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"Owned fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

"Tier II Capital" includes the following -

- preference shares other than those which are compulsorily convertible into equity;
- revaluation reserves at discounted rate of fifty five percent;
- 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.
- hybrid debt capital instruments;
- Sub-Ordinated debt to the extent the aggregate does not exceed Tier I capital; and
- 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.;

Components of Denominator

Aggregate Risk Weighted Assets:

Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off-balance sheet assets. Hence, the value of each of the on-balance sheet assets and off-balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

The Company has complied with all regulatory requirements related to capital and capital adequacy ratios as prescribed by RBI.

(₹ Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Tier - I Capital	17,584.59	16,697.54
Tier - II Capital	7,149.11	9,627.79
Total Capital	24,733.70	26,325.33
Aggregate of Risk Weighted Assets	1,25,674.33	1,21,556.31
Tier-I Capital adequacy ratio	13.99%	13.74%
Total Capital adequacy ratio	19.68%	21.66%

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

39. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below show the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

(₹ Lakhs)

Particulars	Notes	As at 31st March 2023			As at 31st March 2022		
		Less than 12 months	More than 12 months	Total	Less than 12 months	More than 12 months	Total
ASSETS							
Financial Assets							
Cash and Cash Equivalents	3	3,002.79	-	3,002.79	1,449.51	-	1,449.51
Bank Balances other than Cash and Cash Equivalents	4	42.91		42.91	1,129.31	-	1,129.31
Receivables	5						
(i) Trade Receivables		226.21	-	226.21	169.25	-	169.25
(ii) Other Receivables		18.39	-	18.39	16.56	-	16.56
Loans	6	59,156.74	55,343.36	1,14,500.10	54,813.83	55,497.37	1,10,311.20
Investments	7	702.77	641.74	1,344.51	375.13	2,112.75	2,487.88
Other Financial Assets	8	1,288.55	-	1,288.55	1,000.32	712.59	1,712.91
Non-Financial Assets							
Current tax Assets (net)		33.15	-	33.15	17.40	-	17.40
Deferred tax Assets (net)	9	-	395.30	395.30	-	217.94	217.94
Investment Property	10	-	270.61	270.61	-	275.21	275.21
Property Plant and Equipment	11 (a)	-	5,844.58	5,844.58	-	5,946.63	5,946.63
Right of use assets	11 (b)	-	1,059.12	1,059.12	-	1,093.60	1,093.60
Intangible Assets under development	11 (c)	-	-	-	-	-	-
Other Intangible Assets	11 (d)	-	156.58	156.58	-	179.46	179.46
Other Non-Financial Assets	12	375.19	1,500.00	1,875.19	436.14	1,500.00	1,936.14
Total Assets		64,846.70	65,211.29	1,30,057.99	59,407.45	67,535.55	1,26,943.00

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

(₹ Lakhs)

Particulars	Notes	As at 31st March 2023			As at 31st March 2022		
		Less than 12 months	More than 12 months	Total	Less than 12 months	More than 12 months	Total
LIABILITIES AND EQUITY							
Liabilities							
Financial Liabilities							
Payables							
(I) Trade Payables	13						
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-	0.28	-	0.28
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		156.15	-	156.15	127.76	-	127.76
(II) Other Payables							
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		193.26	-	193.26	175.13	-	175.13
Debt Securities	14	18,321.75	30,470.68	48,792.43	10,075.19	31,484.85	41,560.04
Borrowings (Other than debt securities)	15	13,366.83	1,287.25	14,654.08	12,870.25	2,695.44	15,565.69
Deposits	16	2,444.17	-	2,444.17	6,160.73	2,379.87	8,540.60
Sub-Ordinated Liabilities	17	13,231.96	28,280.44	41,512.40	16,252.83	23,277.94	39,530.77
Other Financial Liabilities	18	522.14	862.82	1,384.96	966.77	459.37	1,426.14
Non-Financial Liabilities							
Current tax Liabilities (net)		-	-	-	-	-	-
Provisions	19	135.49	-	135.49	122.65	-	122.65
Deferred tax Liabilities (net)		-	-	-	-	-	-
Other Non-Financial Liabilities	20	97.78	-	97.78	99.55	-	99.55
Equity							
Equity Share Capital	21	-	6,470.59	6,470.59	-	6,470.59	6,470.59
Other Equity	22	-	14,216.68	14,216.68	-	13,323.80	13,323.80
Total Liabilities and Equity		48,469.53	81,588.46	1,30,057.99	46,851.14	80,091.86	1,26,943.00

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

40. DISCLOSURE PURSUANT TO IND AS "7" - Change in Liabilities arising from Financing Activities

(₹ Lakhs)

Particulars	31st March 2022	Cash Flows	Others	31st March 2023
Debt Securities	41,560.04	7,192.64	39.75	48,792.43
Deposits	8,540.60	(6,114.07)	17.64	2,444.17
Borrowings Other than Debt securities	15,565.69	(977.29)	65.68	14,654.08
Sub-Ordinated Liabilities	39,530.77	33.83	1,947.80	41,512.40
Lease Liabilities	386.17	(53.59)	40.34	372.92
Total	1,05,583.27	81.52	2,111.21	1,07,776.00

41. DISCLOSURE PURSUANT TO IND AS "12" INCOME TAX

a. Explanation of Relationship between tax Expense and Accounting Profit

Sl No	Particulars	FY 2022-23	FY 2021-22
1	Profit before Tax	1,735.97	1,292.04
2	Applicable Income Tax Rate (%)	25.17%	25.17%
3	Expected Income Tax Expense	436.91	325.23
4	Tax effect of adjustments to reconcile expected Income tax expense at tax rate to reported income tax expense:		
	Effect of expenses / provisions not deductible in determining taxable profit	500.55	542.05
	Effect of expenses / provisions deductible in determining taxable profit	(262.81)	(266.19)
	Effect of tax incentives and concessions	-	-
	Effect of differential tax rate	-	-
	Effect of interest on tax	-	-
	Tax Effect of Adjustments	-	-
5	Tax Expense/(Income)	674.65	601.09

b. Deferred Tax Asset/(Liabilities) - Major Components

Sl No	Particulars	Balance as at 31st March 2022	Tax Expense/ (Income) charged in P&L	Tax Expense/ (Income) charged in OCI	Balance as at 31st March 2023
		(A)	(B)	(C)	D = (A) - (B+C)
1	Application of Expected Credit Loss on Financial Assets	982.42	(137.53)	10.68	1,109.27
2	Employee benefit expenses	30.87	(3.23)	-	34.10
3	Right of Use Assets and Lease Liabilities	7.84	2.11	-	5.73
4	Application of EIR On Financial Liabilities	(64.83)	(14.80)	-	(50.03)
5	Differences in carrying amount of Property, Plant and Equipment	(738.36)	(34.59)	-	(703.77)
	Deferred Tax Asset / (Liabilities)	217.94	(188.04)	10.68	395.30

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

c. Tax Items in Statement of Profit and Loss

(₹ Lakhs)

Sl No	Particulars	31st March 2023	31st March 2022
1	Current Tax Expense/(Income)	674.65	601.09
2	Deferred Tax Expense/(Income)		
	Amount of deferred tax expense/(income) relating to originating and reversal of temporary difference	(188.05)	(260.93)
	Amount of deferred tax expense/(income) relating to change in tax rates or the imposition of new taxes	-	-
	Income Tax Expense / (Income) recognised in statement of profit and loss	486.60	340.16

d. Tax Items recognised in Other Comprehensive Income

Sl No	Particulars	31st March 2023	31st March 2022
1	Tax Expense		
	- Current Tax Expense	-	-
	- Deferred Tax Expense	10.68	3.51
	Income Tax Expense/(Income) recognised in Other Comprehensive Income	10.68	3.51

e. There is no tax expense charged directly to other equity.

f. Tax U/s 115 BAA of Income Tax Act 1961

Pursuant to the Taxation Laws (Amendment) Ordinance 2019, Finance (No. 2) Act, 2019, the Company had exercised the option permitted Under Section 115BAA of the Income Tax Act, 1961 to compute Income Tax at an effective rate (i.e. 25.17%) from the financial year 2019-20.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

42. DISCLOSURE REQUIREMENTS UNDER IND AS 19 ("Employee Benefits")

a. Defined benefit obligation - Gratuity

The Gratuity scheme is a defined benefit plan, that provides for a lumpsum payment upon death while in employment or at the time of separation. Based on rules of the scheme, the benefits are calculated on basis of last drawn salary and the period of service rendered and paid as lumpsum. There is a vesting period of 5 years. The plan involves the following risks that affect the liabilities and cash flows.

1. Interest rates risk:

The defined benefit obligation calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

2. Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

3. Demographic risks:

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the DBO depend upon the combination of salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short service employees will be less compared to long service employees.

4. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

- **Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.
- **Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.
- **Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

5. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the Gratuity plan.

(₹ Lakhs)

Sl No	Particulars	As at 31st March 2023	As at 31st March 2022
I	Present Value of Defined Benefit Obligation		
	Defined benefit obligation at the beginning of the year	179.41	198.87
	(i) Current service cost	20.24	20.78
	(ii) Past Service Cost		
	(iii) Interest cost	11.14	11.63
	(iv) Re-measurement Loss/(gain) due to :		
	(a) Changes in financial assumptions	(4.79)	(2.38)
	(b) Changes in demographic assumptions	-	-
	(c) Experience on defined benefit obligation	0.10	(6.63)
	(v) Benefits paid	(54.15)	(42.86)
	Defined benefit obligation as at the end of the year	151.95	179.41

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2023

(₹ Lakhs)

Sl No	Particulars	As at 31st March 2023	As at 31st March 2022
II	Fair Value of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	170.72	177.76
	(i) Benefits Paid	(54.15)	(42.86)
	(ii) Employer Contribution	16.81	19.98
	(iii) Expected Interest Income on Plan Assets	11.11	10.91
	(iv) Actuarial (Loss)/Gain from Return on plan Assets	(1.39)	4.93
	Fair Value of Plan Assets as at the end of the year	143.10	170.72
	Net (Asset)/Liability Recognised in Balance Sheet (I-II)	8.84	8.69
III	Cost of Defined Benefit Plan for the Year		
	(i) Current service cost	20.23	20.78
	(ii) Past Service Cost	-	-
	(iii) Interest Cost	11.14	11.63
	(iv) Expected Interest Income on Plan assets	(11.11)	(10.91)
	Net Cost recognized in the Statement of Profit and Loss	20.26	21.50
IV	Re-measurement (loss)/gain due to :		
	(a) Changes in financial assumptions	(4.79)	(2.38)
	(b) Changes in demographic assumptions	-	-
	(c) Experience on defined benefit obligation	0.10	(6.63)
	Actuarial (Loss)/Gain from Return on plan assets	(1.39)	4.93
	Net cost recognised in Other Comprehensive Income	(3.30)	(13.94)
V	Significant Actuarial Assumptions		
	(i) Discount Rate	7.31%	6.56%
	(ii) Expected Return on Plan Assets	7.31%	6.56%
	(iii) Salary Escalation Rate	4.00%	4.00%
	(iv) Attrition Rate	19.00%	19.00%
VI	Sensitivity Analysis for significant actuarial assumption		
	(i) Discount Rate		
	+ 100 Basis Rate	(4.18%)	(3.61%)
	- 100 Basis Rate	4.58%	3.95%
	(ii) Salary Growth		
	+ 100 Basis Rate	4.38%	3.78%
	- 100 Basis Rate	(4.06%)	(3.51%)
	(iii) Attrition Rate		
	+ 100 Basis Rate	0.33%	0.13%
	- 100 Basis Rate	(0.38%)	(0.15%)

b. Other Long Term Benefits - Leave Encashment

The leave encashment is long term benefit plan, that provides for a lumpsum payment upon death of employee or at the time of separation. Based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count and paid as lumpsum.

The benefit involves the following risks that affect the liabilities and cash flows.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

1. Interest rates risk :

The defined benefit obligation calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

2. Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

3. Demographic risks:

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the DBO depend upon the combination of salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short service employees will be less compared to long service employees.

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the Leave encashment plan. (₹ Lakhs)

Sl No	Particulars	As at 31st March 2023	As at 31st March 2022
I	Present Value of Defined Benefit Obligation		
	Defined benefit obligation at the beginning of the year	60.96	41.35
	(i) Current service cost	13.48	13.12
	(ii) Interest cost	2.90	1.38
	(iii) Re-measurement Loss/(gain) due to :		
	(a) Changes in financial assumptions	(1.54)	(0.84)
	(b) Changes in demographic assumptions	-	-
	(c) Experience on defined benefit obligation	17.02	46.45
	(iv) Benefits paid	(33.58)	(40.50)
	Closing defined benefit obligation	59.24	60.96
II	Cost of Defined Benefit Plan for the Year		
	(i) Current service cost	13.48	13.12
	(ii) Interest cost	2.90	1.38
	(iii) Others	15.48	23.91
	Net Cost recognized in the Statement of Profit and Loss	31.86	38.41
III	Significant Actuarial Assumptions		
	(i) Discount Rate	7.31%	6.50%
	(ii) Expected Return on Plan Assets	0%	0%
	(iii) Salary Escalation Rate	4.00%	4.00%
	(iv) Attrition Rate	19.00%	19.00%
IV	Sensitivity Analysis for significant actuarial assumption		
	(i) Discount Rate		
	+ 100 Basis Rate	(3.43%)	(3.69%)
	- 100 Basis Rate	3.74%	4.60%
	(ii) Salary Growth		
	+ 100 Basis Rate	3.36%	3.63%
	- 100 Basis Rate	(3.12%)	(3.35%)
	(iii) Discount Rate		
	+ 100 Basis Rate	0.13%	0.06%
	- 100 Basis Rate	(0.17%)	(0.06%)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

43. Disclosure pursuant to Ind AS "24" - Related Party Disclosure

Nature of Relationships

A	Enterprises in which the Key Management Personnel and their relatives can exercise significant influence	ABT Ltd. ABT Finance Ltd. ABT Foundation Ltd. ABT Industries Ltd. ARC Retreading Co. Pvt. Ltd. N Mahalingam & Co Nachimuthu Industrial Association Ramanandha Adigalar Foundation Sakthifinance Financial Services Ltd. Sakthifinance Financial Services (Cochin) Private Ltd Sakthifinance Holdings Ltd. Sakthi Realty Holdings Ltd. Sakthi Sugars Ltd. Sakthi Auto Components Ltd Sakthi Properties (Coimbatore) Ltd Sri Chamundeswari Sugars Ltd. Sri Sakthi Textiles Ltd. Sakthi Pelican Insurance Broking Private Limited The Gounder and Company Auto Ltd Sakthi Foundation Suddha Sanmarga Nilayam The Vanavarayar Foundation Trust
B	Key Management Personnel	Dr M Manickam, Chairman Sri M Balasubramaniam, Vice Chairman and Managing Director Sri M Srinivaasan, Director Dr A Selvakumar Independent Director Sri P S Gopalakrishnan, Independent Director Smt Priya Bhansali, Independent Director Sri K P Ramakrishnan, Independent Director Dr S Veluswamy, Director (Finance & Operations) Sri Srinivasan Anand (Chief Financial Officer) Sri S Venkatesh, Company Secretary and Chief Compliance Officer (upto 6th March 2023) Sri C Subramaniam, Company Secretary (w.e.f. 6th March 2023)
C	Relatives of Key Management Personnel	Smt Vinodhini Balasubramaniam, Wife of Sri M Balasubramaniam Smt Samyuktha Vanavarayar, daughter of Sri M Balasubramaniam Selvi Shruthi Balasubramaniam, daughter of Sri M Balasubramaniam Selvan Amrith Vishnu Balasubramaniam, Son of Sri M Balasubramaniam Sri M Harihara Sudhan, Son of Dr M Manickam Smt Bhavani Gopal, Wife of P S Gopalakrishnan Smt Lalitha Ramakrishnan, Wife of Sri K P Ramakrishnan Smt Karunambal Vanavarayar, Sister of Dr M Manickam Selvi Anusha Bhansali, Daughter of Smt.Priya Bhansali

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Transactions / Material Transactions with Related Parties made during the year

(₹ Lakhs)

Sl No	Nature of Transactions	Related parties where significant influence is exercised where controls exist	Key Management Personnel	Relatives of Key Management Personnel	For the year ended 31st March 2023	For the year ended 31st March 2022
1	Income					
	Rent received					
	Sakthifinance Financial Services Ltd	8.61	-	-	8.61	7.12
	ABT Industries Ltd	23.43	-	-	23.43	18.90
	Sakthi Pelican Insurance Broking Pvt Ltd	4.46	-	-	4.46	-
	Income from HP Operations					
	Sakthi Foundation	11.14	-	-	11.14	19.22
	Suddha Sanmarga Nilayam	1.14	-	-	1.14	2.14
	Interest Income					
	ABT Industries Ltd.	30.97	-	-	30.97	75.01
	Reimbursement of Expenses / Income					
	ABT Industries Ltd	6.73	-	-	6.73	-
2	Expenses					
	Purchase of fuel and others					
	N.Mahalingam & Co	15.09	-	-	15.09	10.22
	Reimbursement of Expenses (Electricity / Internet charges)					
	ABT Industries Ltd	3.55	-	-	3.55	7.87
	Sakthifinance Financial Services Ltd.	0.94	-	-	0.94	-
	Rent paid					
	Smt.Vinodhini Balasubramaniam	-	-	2.40	2.40	2.40
	M. Srinivaasan	-	117.53	-	117.53	111.86
	ARC Retreading Company Pvt Ltd	2.23	-	-	2.23	2.23
	N.Mahalingam & Co	14.16	-	-	14.16	-
	Resource Mobilisation Charges					
	Sakthifinance Financial Services Ltd.	272.12	-	-	272.12	77.00
	Printing charges					
	Nachimuthu Industrial Association	13.40	-	-	13.40	12.63
	Sakthi Sugars Ltd. (Om Sakthi)	2.32	-	-	2.32	2.31
	Sakthi Foundation	1.13	-	-	1.13	0.80
	Professional Charges					
	Ramanandha Adigalar Foundation	22.89	-	-	22.89	-
	Corporate Social Responsibility Expenses					
	Ramanandha Adigalar Foundation	25.00	-	-	25.00	-
	The Vanavarayar Foundation Trust	-	-	-	-	11.35
	Remuneration					
	M.Balasubramaniam	-	43.80	-	43.80	49.80
	S.Veluswamy	-	32.62	-	32.62	32.58
	Srinivasan Anand	-	25.79	-	25.79	29.35
	S.Venkatesh	-	15.88	-	15.88	16.73
	C.Subramaniam	-	3.65	-	3.65	-
	Amrit Vishnu B	-	-	3.15	3.15	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

Sl No	Nature of Transactions	Related parties where significant influence is exercised where controls exist	Key Management Personnel	Relatives of Key Management Personnel	For the year ended 31st March 2023	For the year ended 31st March 2022
	Perquisites					
	M.Balasubramaniam	-	0.75	-	0.75	-
	S.Veluswamy	-	-	-	-	3.15
	Srinivasan Anand	-	-	-	-	-
	S.Venkatesh	-	-	-	-	-
	C.Subramaniam	-	-	-	-	-
	Amrit Vishnu B	-	-	-	-	-
	Employee Benefits					
	M.Balasubramaniam	-	4.32	-	4.32	4.32
	S.Veluswamy	-	2.30	-	2.30	1.83
	Srinivasan Anand	-	-	-	-	0.55
	S.Venkatesh	-	0.99	-	0.99	0.99
	C.Subramaniam	-	0.19	-	0.19	-
	Amrit Vishnu B	-	-	0.07	0.07	-
	Commission **					
	M.Balasubramaniam	75.25	-	-	75.25	63.67
	Sitting Fees					
	Non-Executive Directors					
	M.Manickam	-	4.30	-	4.30	3.50
	M.Srinivaasan	-	4.50	-	4.50	4.20
	S.Veluswamy	-	3.30	-	3.30	-
	Independent Directors					
	A Selvakumar	-	12.60	-	12.60	9.90
	P S Gopalakrishnan	-	4.50	-	4.50	3.60
	Priya Bhansali	-	7.00	-	7.00	5.50
	K P Ramakrishnan	-	8.50	-	8.50	8.00
	Reimbursement of Travelling Expense					
	Non-Executive Directors					
	M.Manickam	-	0.27	-	0.27	0.18
	M.Srinivaasan	-	0.24	-	0.24	0.24
	S.Veluswamy	-	0.27	-	0.27	-
	Independent Directors					
	A Selvakumar	-	0.27	-	0.27	0.24
	P S Gopalakrishnan	-	0.24	-	0.24	0.24
	Priya Bhansali	-	0.27	-	0.27	0.27
	K P Ramakrishnan	-	0.27	-	0.27	0.27

** subject to approval of shareholders at the ensuing Annual General Meeting

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2023

(₹ Lakhs)

Sl No	Nature of Transactions	Related parties where significant influence is exercised where controls exist	Key Management Personnel	Relatives of Key Management Personnel	For the year ended 31st March 2023	For the year ended 31st March 2022
3	Assets					
	Loans and advances given					
	S.Venkatesh	-	2.00	-	2.00	-
	ABT Industries Ltd	350.00	-	-	350.00	410.00
	Advance for Property, Plant and Equipment					
	Sakthi Sugars Ltd.	-	-	-	-	1,500.00
	Loans and advances repaid					
	ABT Industries Ltd	(350.00)	-	-	(350.00)	(410.00)
	S.Venkatesh	-	(4.79)	-	(4.79)	(5.00)
	Outstanding as at the year end					
	Loans and advances					
	Sakthi Properties (Coimbatore) Ltd	850.00	-	-	850.00	850.00
	Sakthi Sugars Ltd	1,500.00	-	-	1,500.00	1,500.00
	Sakthi Foundation	37.13	-	-	37.13	81.66
	Suddha Sanmarga Nilayam	4.59	-	-	4.59	9.01
	Sakthifinance Financial Services Ltd	14.24	-	-	14.24	31.49
	Sakthi Pelican Insurance Broking Private Limited	10.83	-	-	10.83	10.83
	ABT Industries Ltd	30.97	-	-	30.97	9.14
	S.Venkatesh	-	6.38	-	6.38	9.17
	Rent / Other reimbursement receivables					
	Sakthifinance Financial Services Ltd	23.62	-	-	23.62	14.87
	ABT Industries Ltd.	20.00	-	-	20.00	6.80
	Sakthi Pelican Insurance Broking Private Limited	0.34	-	-	0.34	-
4	Liabilities					
	Transactions during the year					
	Investment in NCDs:					
	ABT Finance Ltd	(4.46)	-	-	(4.46)	-
	Sakthifinance Financial Services Ltd.	197.10	-	-	197.10	45.00
	Sakthi Financial Services Cochin Pvt Ltd	(7.16)	-	-	(7.16)	-
	Smt Samyuktha Vanavaraayar	-	-	-	-	120.00
	Miss Shruthi Balasubramaniam	-	-	(38.00)	(38.00)	10.00
	Smt Karunambal Vanavarayar	-	-	300.00	300.00	300.00
	Sri P S Gopalakrishnan	-	25.00	-	25.00	-
	Smt Lalitha Ramakrishnan	-	-	1.00	1.00	-
	Investment in Deposits:					
	M. Harihara Sudhan	-	-	-	-	(7.74)
	Subscription in Redeemable Cumulative Preference Shares ("RCPS") :					
	Sakthi Financial Services Cochin Pvt Ltd	(50.20)	-	-	(50.20)	216.70

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

Sl No	Nature of Transactions	Related parties where significant influence is exercised where controls exist	Key Management Personnel	Relatives of Key Management Personnel	For the year ended 31st March 2023	For the year ended 31st March 2022
	Outstanding as at the year end					
	Investment in NCDs:					
	ABT Finance Ltd	8.00	-	-	8.00	12.46
	Sakthifinance Financial Services Ltd.	246.85	-	-	246.85	49.75
	Sakthi Financial Services Cochin Pvt Ltd	149.90	-	-	149.90	157.06
	Sri P S Gopalakrishnan	-	35.00	-	35.00	10.00
	Smt Vinodhini Balasubramaniam	-	-	80.00	80.00	80.00
	Smt Samyuktha Vanavaraayar	-	-	195.00	195.00	195.00
	Selvi Shruthi Balasubramaniam	-	-	40.00	40.00	78.00
	Selvan Amrit Vishnu Balasubramaniam	-	-	12.00	12.00	-
	Smt Bhavani Gopal	-	-	10.00	10.00	10.00
	Smt Lalitha Ramakrishnan	-	-	31.00	31.00	30.00
	Sri Hariharasudhan Manickam	-	-	2.00	2.00	2.00
	Selvi Anusha Bhansali	-	-	10.00	10.00	10.00
	Smt Karunambal Vanavarayar	-	-	600.00	600.00	300.00
	Subscription in SD Bonds:					
	Smt.Vinodhini Balasubramaniam	-	-	10.00	10.00	10.00
	Selvi Shruthi Balasubramaniam	-	-	10.00	10.00	10.00
	Subscription in Redeemable Cumulative Preference Shares ("RCPS") :					
	Sakthi Financial Services Cochin Pvt Ltd	166.50	-	-	166.50	216.70
	Liabilities for Expenses Payable:					
	ARC Retreading Company Pvt Ltd	0.19	-	-	0.19	0.19
	Nachimuthu Industrial Association	-	-	-	-	0.28
	N.Mahalingam and Co	2.07	-	-	2.07	0.99
	Sakthi Sugars Ltd.	-	-	-	-	0.41
	Commission payable to Sri M. Balasubramaniam	75.25	-	-	75.25	63.67
	Sri M. Srinivaasan	-	5.66	-	5.66	5.73

Notes:-

- All transactions are in the ordinary course of business on terms equivalent to those that prevail in an arm's length transaction.
- The Company has not granted loans or advances that is repayable on demand or without specifying any terms or period of repayment to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, for the financial years ended March 31, 2023 and March 31, 2022.
- There have been no guarantees provided or received to/from any related party on receivables or payables.
- For the year ended 31st March, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party.
- During the year ended 31st March 2023, the Company has not written off any receivables due from related parties.

44. Disclosure pursuant to Ind AS "33" - Earnings Per Share (Refer Note 2(ab))

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
a) Weighted average number of equity shares of ₹ 10 each		
(i) Number of shares at the beginning of the year	6,47,05,882	6,47,05,882
(ii) Number of shares at the end of the year	6,47,05,882	6,47,05,882
(b) Weighted average number of shares outstanding during the year (nos)	6,47,05,882	6,47,05,882
(c) Net Profit after tax available for equity shareholders (₹ lakhs)	1,281.13	985.10
Basic and diluted earnings per share (Face Value: ₹10 per share)	1.98	1.52

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

45. FINANCIAL RISK MANAGEMENT FRAMEWORK

The company is engaged in finance business and like any other NBFC is exposed to risks such as credit risk, liquidity risk, market risk, operational risks etc. The company follows pro-active risk management practices to mitigate these risks. The risk management policies are periodically reviewed by the Risk Management Committee and Audit Committee.

Credit Risk

Credit risk is the risk that arises when the borrowers of the Company are unable to meet the financial obligations.

The Company has a comprehensive and well - defined credit policy, which encompasses a credit approval process for all businesses along with guidelines for mitigating the risks associated with them. The appraisal process includes a detailed risk assessment of the borrowers, physical verifications and field visits. The company has a robust post sanction monitoring process supervision and follow-up to identify portfolio trends and early warning signals. This enables the company to implement necessary changes to the credit policy, whenever the need arises. Also being in asset finance, the company's lending is secured by adequate collaterals from the borrowers. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

In assessing the impairment of financial loans under Expected credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The difference in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income

Expected Credit Loss ("ECL")

As a result of adoption of IndAs , the company has followed Ind As 109 for the calculation of expected credit loss. The measurement of ECL involves three main components Viz,

Exposure at default (EAD), Probability of Default (PD) and Loss Given Default (LGD) and weightages have been decided based on industry best practices and judgement. ECL is measured based on various stages of assets and by applying PD and LGD to arrive at impairment loss.

Exposure at Default ("EAD")

Exposure at Default (EAD) is defined as the sum of Principal outstanding and interest accrued at the reporting date.

Probability of Default ("PD")

The Probability of Default is an estimate of the likelihood of an account getting into default over a given time horizon. The PD model reflects the probability of default, taking into consideration the residual tenor of each contract and it relies not only on historical information and the current economic environment, but also considers forward-looking information such as the forecasts on the macroeconomic factors like GDP , Inflation rate etc.

Loss Given Default ("LGD")

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Definition of Default

If the borrower is past due for more than 90 days on any material credit obligation to the Company; or the borrower is unlikely to pay his credit obligations to the Company in full, it is considered as default.

The Company categorises loan assets into stages primarily based on the Days of Past Due Status.

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days past due

Write-offs (Refer Note 2(i))

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the year of write off. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

The following table provides an overview of the gross carrying amount of loan assets stage-wise :

(₹ Lakhs)

Particulars	31st March 2023				31st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	99,679.78	9,200.48	5,942.21	1,14,822.47	97,136.73	10,255.72	5,594.01	1,12,986.46
New business - net of recovery	64,381.52	10,522.00	800.64	75,704.16	53,042.83	1,476.15	17.14	54,536.12
Transfer due to change in credit worthiness								
Stage 1	1,747.12	(1,591.87)	(155.25)	-	2,639.69	(2,486.81)	(152.88)	-
Stage 2	(3,230.29)	3,248.42	(18.13)	-	(6,071.61)	6,102.17	(30.56)	-
Stage 3	(1,546.77)	(916.36)	2,463.13	-	(1,054.61)	(684.56)	1,739.17	-
Financial Assets that have been derecognised	(63,353.94)	(5,337.71)	(1,908.98)	(70,600.63)	(45,956.83)	(5,456.32)	(1,129.61)	(52,542.76)
Write off during the year	(99.29)	(8.74)	(125.73)	(233.76)	(56.42)	(5.87)	(95.06)	(157.35)
Balance at the end of the year	97,578.13	15,116.22	6,997.89	1,19,692.24	99,679.78	9,200.48	5,942.21	1,14,822.47

The following table provides an overview of the Expected Credit Loss, stage-wise :

Particulars	31st March 2023				31st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	478.79	95.53	3,936.95	4,511.27	130.73	296.92	3205.09	3,632.74
New business - net of recovery	145.77	862.26	170.80	1,178.83	80.99	11.99	1.40	94.38
Transfer due to change in credit worthiness								
Stage 1	0.28	(0.28)	-	-	19.90	(18.71)	(1.19)	-
Stage 2	(218.50)	219.31	(0.81)	-	(58.78)	59.30	(0.52)	-
Stage 3	(379.50)	(253.85)	633.35	-	(174.16)	(196.07)	370.23	-
Financial Assets that have been derecognised	142.28	227.54	(672.55)	(302.73)	503.61	(33.45)	397.06	867.22
Write off during the year	(1.96)	(1.23)	(192.04)	(195.23)	(23.50)	(24.45)	(35.12)	(83.07)
Balance at the end of the year	167.16	1,149.28	3,875.70	5,192.14	478.79	95.53	3,936.95	4,511.27

Stage	31st March 2023			31st March 2022		
	Gross Value	Impairment Allowance	Net Carrying Value	Gross Value	Impairment Allowance	Net Carrying Value
Stage 1	97,578.13	167.16	97,410.97	99,679.78	478.79	99,200.99
Stage 2	15,116.22	1,149.28	13,966.94	9,200.48	95.53	9,104.95
Stage 3	6,997.89	3,875.70	3,122.19	5,942.21	3,936.95	2,005.26
Total	1,19,692.24	5,192.14	1,14,500.10	1,14,822.47	4,511.27	1,10,311.20

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Geographical break-up of portfolio - (Net Stock on Hire)

(₹ Lakhs)

Particulars	FY 2023	FY 2022
Tamil Nadu & Puducherry	95,355	94,816
Kerala	17,046	14,897
Karnataka	3,132	2,409
Andhra	2,963	2,284
Total	1,18,496	1,14,406

Portfolio composition - Net Stock on Hire

Particulars	FY 2023	FY 2022
Commercial Vehicles	1,06,088	1,02,620
Cars & Jeeps	7,671	8,112
Construction Equipment	3,967	2,929
Machinery	709	670
Consumer Durables	61	75
Total	1,18,496	1,14,406

Liquidity Risk

Liquidity risk is the risk related to cash flows and the inability to meet the company's liabilities as and when they become due. It arises from the mismatches in the maturity pattern to cope with a decline in liabilities or increase in assets.

The Company monitors these risks through appropriate risk limits. Asset Liability Management Committee ("ALCO") reviews these risks and related trends and helps adopt various strategies related to assets and liabilities, in line with company's risk management framework.

The contracted cash flow arising out of the financial liabilities and financial assets as at 31st March 2023 is furnished hereunder :

Particulars	Note	Up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial Liabilities								
Deposits	16 & 18	703.90	798.18	1,200.87	-	-	-	2,702.95
Borrowings	14,15,17&18	7,694.98	10,033.47	27,283.59	46,568.11	13,439.27	-	1,05,019.42
Foreign Currency Assets		-	-	-	-	-	-	-
Foreign Currency Liabilities		-	-	-	-	-	-	-
Total		8,398.88	10,831.65	28,484.46	46,568.11	13,439.27	-	1,07,722.37
Financial Assets								
Cash and cash equivalents	3	189.80	-	-	-	-	-	189.80
Bank balances	4	2,855.90	-	-	-	-	-	2,855.90
Loans	6	16,070.63	15,895.67	27,190.46	49,351.90	5,767.96	223.48	1,14,500.10
Investments	7	-	217.14	485.62	491.92	-	149.83	1,344.51
Other financial assets		672.65	167.17	381.23	634.58	-	2,186.25	4,041.88
Total		19,788.98	16,279.98	28,057.31	50,478.40	5,767.96	2,559.56	1,22,932.19

The contracted cash flow arising out of the financial liabilities and financial assets as at 31st March 2022 is furnished hereunder :

Particulars	Note	Up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial Liabilities								
Deposits	16 & 18z	2,096.24	2,007.06	2,308.63	2,379.87	-	-	8,791.80
Borrowings	14,15,17&18	7,401.46	2,166.92	13,595.67	60,020.66	13,677.61	-	96,862.32
Foreign Currency Assets		-	-	-	-	-	-	-
Foreign Currency Liabilities		-	-	-	-	-	-	-
Total		9,497.70	4,173.98	15,904.30	62,400.53	13,677.61	-	1,05,654.12

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

The contracted cash flow arising out of the financial liabilities and financial assets as at 31st March 2022 is furnished hereunder: (cont..)

(₹ Lakhs)

Particulars	Note	Up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial Assets								
Cash and cash equivalents	3	270.41	-	-	-	-	-	270.41
Bank balances	4	2,308.40	-	-	-	-	-	2,308.40
Loans	6	14,922.10	14,125.03	25,766.70	51,359.65	3,420.27	717.45	1,10,311.20
Investments	7	-	240.05	135.08	1,046.14	514.43	552.18	2,487.88
Other financial assets		814.21	200.86	415.48	774.74	-	707.42	2,912.71
Total		18,315.12	14,565.94	26,317.26	53,180.53	3,934.70	1,977.05	1,18,290.60

Market Risk

Market Risk is the risk arising in financial instruments due to changes in market variables such as interest rates, liquidity etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

Interest Rate Risk

Interest Rate Risk is the possibility of loss arising from changes in the value of financial instruments as result of changes in market variables such as interest rates and other asset prices. The company's exposure to market risk is a function of asset liability management activities. Except the borrowings from banks, the interest rates of which are linked to MCLR, other borrowings are fixed rate instruments. The Company has not availed any foreign currency borrowings. The major portion of lending is at fixed rates.

The interest rate profile of the interest bearing financial instruments is as follows

Particulars	Note	As at 31st March 2023	As at 31st March 2022
Financial assets			
Fixed rate instruments			
Loans	6	1,19,692.24	1,14,822.47
Investments	7	1,194.69	2,374.44
Bank Balances	4	-	182.79
Variable rate Instruments			
Total		1,20,886.93	1,17,379.70
Financial Liabilities			
Fixed rate instruments			
Debt securities	14 & 18	48,831.16	41,740.44
Borrowings (other than debt securities)	15	2,696.17	5,051.56
Deposits	16 & 18	2,702.95	8,791.80
Sub-Ordinated liabilities	17 & 18	40,038.88	38,065.89
Preference Shares	17 & 18	1,508.30	1,503.29
Variable rate instruments			
Bank Borrowings	15	11,957.91	10,514.13
Total		1,07,735.37	1,05,667.11

As the fixed rate instruments are carried at amortised cost, their carrying amount will not vary because of changes in market interest rate.

A cash flow sensitivity analysis for variable rate instruments, indicating the possible change in Profit and Loss / equity for 1% change in interest rate is furnished hereunder:

Particulars	31st March 2023		31st March 2022	
	1 % increase in interest rate	1 % decrease in interest rate	1 % increase in interest rate	1 % decrease in interest rate
Variable rate instruments- carrying amount	+60	(60.00)	+77	(77.00)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems or from external events.

The operational risks of the company are managed through comprehensive internal control systems and procedures and key back up processes.

Further submission of exceptional reports for procedural lapses at the branches level, risk-based audits on a regular basis across all business units/functions and IT disaster recovery plans are put in place for evaluating key operational risks the processes of which are meant to adequately mitigate them on an on-going basis.

46. Disclosure Pursuant To Ind AS "108" - Operating Segments

The Company is primarily engaged in the business of asset financing. This, in the context of Ind AS 108 on "Operating Segments" notified by the Companies (Indian Accounting Standards) Rules 2016, is considered to constitute a single primary segment.

The Company operates in a single segments only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

47. Disclosure pursuant to Ind AS "113"

a. Financial Assets designated at Fair value through Other Comprehensive Income

(₹ Lakhs)

Particulars	Fair Value hierarchy	As at 31st March 2023	As at 31st March 2022
Investment in Equity Instruments (Quoted)	Level 1	111.47	75.09
Investment in Equity Instruments (Un-Quoted)	Level 3	38.35	38.35

b.i. Financial assets and financial liabilities measured at amortised cost as at 31st March 2023

Particulars	Notes	Carrying Amount	Fair Value			Total
			Level 1	Level 2	Level 3	
Financial Assets						
Cash and Cash Equivalents	3	3,002.79	3,002.79	-	-	3,002.79
Bank Balances other than Cash and Cash Equivalents	4	42.91	42.91	-	-	42.91
Trade Receivables	5	244.60	-	295.75	-	295.75
Loans	6	1,14,500.10	-	-	1,14,500.10	1,14,500.10
Investments	7	1,194.69	1,214.31	-	-	1,214.31
Other Financial Assets	8	1,288.55	-	1,288.55	-	1,288.55
Financial Liabilities						
Payables	13					
(I) Trade Payables		156.15	-	156.15	-	156.15
(II) Other Payables		193.26	-	193.26	-	193.26
Debt Securities	14	48,792.43	36,388.08	12,404.35	-	48,792.43
Borrowings (Other than debt securities)	15	14,654.08	14,654.08	-	-	14,654.08
Deposits	16	2,444.17	-	-	2,444.17	2,444.17
Sub-Ordinated Liabilities	17	41,512.40	12,281.44	-	29,230.96	41,512.40
Other Financial Liabilities	18	1,384.96	-	1,009.87	375.09	1,384.96

b.ii. Financial assets and financial liabilities measured at amortised cost as at 31st March 2022

Particulars	Notes	Carrying Amount	Fair Value			Total
			Level 1	Level 2	Level 3	
Financial Assets						
Cash and Cash Equivalents	3	1,449.51	1,449.51	-	-	1,449.51
Bank Balances other than Cash and Cash Equivalents	4	1,129.31	1,129.31	-	-	1,129.31
Trade Receivables	5	185.81	-	230.28	-	230.28
Loans	6	1,10,311.20	-	-	1,10,311.20	1,10,311.20
Investments	7	2,374.44	2,507.18	-	-	2,507.18
Other Financial Assets	8	1,712.91	-	1,712.91	-	1,712.91

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

b.ii. Financial assets and financial liabilities measured at amortised cost as at 31st March 2022 (cont..)

(₹ Lakhs)

Particulars	Notes	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial Liabilities						
Payables	13					
(I) Trade Payables		128.04	-	128.04	-	128.04
(II) Other Payables		175.13	-	175.13	-	175.13
Debt Securities	14	41,560.04	30,836.75	10,723.29	-	41,560.04
Borrowings (Other than debt securities)	15	15,565.69	15,565.69	-	-	15,565.69
Deposits	16	8,540.60	-	-	8,540.60	8,540.60
Sub-Ordinated Liabilities	17	39,530.77	11,640.39	-	27,890.38	39,530.77
Other Financial Liabilities	18	1,426.15	-	1,090.12	336.03	1,426.15

c. Financial assets and Financial Liabilities measured at Fair Value through Profit or Loss as at 31st March 2023 and as at 31st March 2022

The Company did not measure any of its Financial Assets and Financial Liabilities at Fair Value through Profit or Loss.

Note:

The Management assessed that cash and cash equivalents, bank balances other than cash and cash equivalents, receivables, other financial assets, payables, and other financial liabilities approximates their carrying amount largely due to short-term maturities of these instruments.

There were no transfers between level 1 and level 2 for any asset or liabilities during the year.

48. Disclosure pursuant to Ind AS "116" Leases

In cases of leases where the Company is a lessee (Operating Lease)

The Company's lease asset class primarily consists of land and buildings taken on lease for Corporate office and Branch office premises used for operating activities

(₹ Lakhs)

Particulars	31st March 2023	31st March 2022
(a) Depreciation charge for Right-of-Use Assets	254.65	217.72
(b) Interest expense on Lease Liabilities	20.51	36.28
(c) The expense relating to short-term leases	-	-
(d) The expense relating to leases of low-value assets	27.32	35.39
(e) Total cash outflow for leases	269.89	231.81
(f) Additions to right-of-use assets	-	-
(g) The carrying amount of right-of-use assets at the end of the reporting period	1,059.12	1,093.60

Maturity Analysis	31st March 2023	31st March 2022
Less than 1 year	241.90	214.23
1-3 years	132.00	194.54
3-5 years	49.49	21.53
More than 5 years	2.71	10.32
Total future undiscounted cash outflow on lease liability	426.10	440.62

In cases of leases where the Company is a lessor (Operating Lease)

The Company has given four buildings on operating lease for commercial purposes and recognises the income as per the contractual terms of lease.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

49. Disclosures under RBI Directions

49.1 Schedule to the Balance Sheet of an Non-Banking Financial Company as required under Master Direction- Non-Banking Financial Company / Systemically important Non-Deposit taking Company and Deposit-taking company (Reserve Bank) Directions 2016 (₹ Lakhs)

Sl No	Particulars	As at 31st March 2023		As at 31st March 2022	
		Amount outstanding	Amount Overdue #	Amount outstanding	Amount Overdue #
(1)	Liabilities Side:				
	Loans and advances availed by the Non Banking Financial Company inclusive of interest accrued thereon but not paid:				
	(a) Debentures : Secured	48,831.16	38.73	41,740.44	180.40
	: Unsecured (Other than falling within the meaning of Public deposit)	-	-	-	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	2,408.38	-	3,810.72	-
	(d) Inter-Corporate loans and borrowing	287.79	-	1,240.84	-
	(e) Commercial paper	-	-	-	-
	(f) Public Deposits	2,702.95	258.78	8,791.80	251.20
	(g) Sub-Ordinated Debts	41,534.18	21.78	39,556.18	25.41
	(h) Other Loans - Cash Credit	11,957.91	-	10,514.13	-
(2)	Break-up of (1) (f) and (g) above (Outstanding Public deposits inclusive of interest accrued thereon but not paid):				
	(a) In the form of Unsecured Debentures	12,281.44	-	11,640.38	-
	(b) In the form of Partly secured Debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c) Other Public Deposits	2,702.95	258.78	8,791.80	251.20
	(d) Sub-Ordinated Debts	41,534.18	21.78	26,425.51	25.41
	# Represents unclaimed deposits and interest accrued thereon				
(3)	Assets Side:				
	Break-up of Loans and Advances including bills receivables (Other than those included in (4) below):		Amount outstanding		Amount outstanding
	(a) Secured		-		-
	(b) Unsecured		1,196.36		416.20
(4)	Break-up of Leased Assets and Stock on Hire and Other assets counting towards AFC activities:				
	(1) Lease Assets including lease rentals under Sundry Debtors				
	(a) Financial Lease		-		-
	(b) Operational Lease		-		-
	(2) Assets on Hire including Hire charges under Sundry Debtors				
	(a) Stock on Hire		1,18,441.63		1,14,215.90
	(b) Repossessed Assets		54.25		190.37
	(3) Other Loans counting towards AFC activities				
	(a) Loans where assets have been repossessed		-		-
	(b) Loans other than (a) above		-		-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2023

(₹ Lakhs)

(5)	Break-up of Investments:	As at 31st March 2023	As at 31st March 2022
	Current Investments :		
	1. Quoted		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. Unquoted		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	Long Term Investments :		
	1. Quoted		
	(i) Shares : (a) Equity	111.47	75.09
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	1,194.69	2,374.44
	(v) Others	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	38.41	38.41
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2023

(₹ Lakhs)

(6) Borrower group-wise classification of assets financed as in 3 and 4 above							
		31st March 2023 (Amount net of provisions)			31st March 2022 (Amount net of provisions)		
Category		Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related parties							
(a) Subsidiaries		-	-	-	-	-	-
(b) Companies in the same group		-	-	-	-	-	-
(c) Other related parties		41.72	30.97	72.69	90.77	9.17	99.94
2. Other than related parties		1,13,262.02	1,165.39	1,14,427.41	1,09,804.23	407.03	1,10,211.26
Total		1,13,303.74	1,196.36	1,14,500.10	1,09,895.00	416.20	1,10,311.20
(7) Investor group-wise classification of all Investments (Current and non-Current Long term) in shares and securities (both quoted and unquoted)							
Category		Market value / Break up or fair value or NAV	Book value (Net of provisions)	Market value / Break up or fair value or NAV	Book value (Net of provisions)		
		31st March 2023		31st March 2022			
1. Related parties							
(a) Subsidiaries		-	-	-	-	-	-
(b) Companies in the same group		146.77	146.77	110.43	110.39		
(c) Other related parties		-	-	-	-		
2. Other than related parties		1,197.82	1,197.74	2,371.09	2,377.49		
Total		1,344.59	1,344.51	2,481.52	2,487.88		
(8) Other information							
Particulars		Amount		Amount			
(i) Gross Non Performing Assets		6,997.89		5,942.21			
(a) Related parties		-		-			
(b) Other than Related parties		6,997.89		5,942.21			
(ii) Net Non Performing Assets		3,420.94		2,355.20			
(a) Related parties		-		-			
(b) Other than Related parties		3,420.94		2,355.20			
(iii) Assets acquired in satisfaction of debt		-		-			

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

49.2 Balance Sheet disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit - Taking Company (Reserve Bank) Directions 2016

(₹ Lakhs)

Sl No	Particulars	31st March 2023	31st March 2022
1	Capital to Risk (Weighted) Assets Ratio		
	CRAR (%)	19.68	21.66
	CRAR - Tier I Capital (%)	13.99	13.74
	CRAR - Tier II Capital (%)	5.69	7.92
	Amount of Sub-Ordinated debt considered as Tier-II capital	4,374.12	6,519.72
	Amount raised by issue of Perpetual Debt Instruments	-	-
2	Investments		
	Value of Investments		
	Gross Value of Investments		
	In India	1,344.57	2,487.94
	Outside India	-	-
	Provisions for Diminution in value of investments		
	In India	0.06	0.06
	Outside India	-	-
	Net Value of Investments		
	In India	1,344.51	2,487.88
	Outside India	-	-
	Movement of provisions held towards diminution in value of investments		
	Opening balance	0.06	0.06
	Add : Provisions made during the year	-	-
	Less: Write-off / write-back of excess provisions during the year	-	-
	Closing balance	0.06	0.06
3	Derivatives		
	Forward Rate Agreement / Interest Rate Swap	-	-
	Exchange Traded Interest Rate (IR) Derivatives	-	-
	Disclosures on Risk Exposure in Derivatives Qualitative Disclosure:-	-	-
	The Company has no derivatives transactions	-	-
4	Disclosures relating to Securitisation		
	SPV and Minimum Retention Requirements	-	-
	Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction	-	-
	Details of Assignment transactions undertaken by NBFCs	-	-
	Details of non-performing financial assets purchased / sold	-	-
	Details of non-performing financial assets purchased	-	-
	Details of Non-performing Financial Assets sold	-	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

(₹ Lakhs)

5 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31st March 2023													
Sl No	Particulars	Note	Upto 0 - 7 days	Upto 8 - 14 days	Upto 15 - 30 days	Over 1 Month upto 2 Month	Over 2 Months upto 3 Months	Over 3 Months & upto 6 Months	Over 6 Months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
(i)	Deposits	16 & 18	51.76	77.63	129.39	295.82	149.30	798.18	1,200.87	-	-	-	2,702.95
(ii)	Advances	6	2,374.36	1,146.46	1,807.44	5,318.02	5,424.35	15,895.67	27,190.46	49,351.90	5,767.95	223.49	1,14,500.10
(iii)	Investments	7	-	-	-	-	-	217.14	485.62	491.92	-	149.83	1,344.51
(iv)	Borrowings		43.91	18.15	298.93	4,926.60	2,407.39	10,033.47	27,283.59	46,568.12	13,439.26	-	1,05,019.42
(v)	Foreign Currency Assets		-	-	-	-	-	-	-	-	-	-	-
(vi)	Foreign Currency Liabilities		-	-	-	-	-	-	-	-	-	-	-
Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31st March 2022													
Sl No	Particulars	Note	Upto 0 - 7 days	Upto 8 - 14 days	Upto 15 - 30 days	Over 1 Month upto 2 Month	Over 2 Months upto 3 Months	Over 3 Months & upto 6 Months	Over 6 Months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
(i)	Deposits	16 & 18	87.46	107.09	296.69	945.27	659.73	2,007.06	2,308.63	2,379.87	-	-	8,791.80
(ii)	Advances	6	1,316.16	974.93	2,589.64	5,034.36	5,007.01	14,125.03	25,766.70	51,359.65	3,420.27	717.45	1,10,311.20
(iii)	Investments	7	-	-	-	-	-	240.05	135.08	1,046.14	514.43	552.18	2,487.88
(iv)	Borrowings		60.17	47.55	397.76	6,106.96	789.02	2,166.92	13,595.67	60,020.66	13,677.60	-	96,862.31
(v)	Foreign Currency Assets		-	-	-	-	-	-	-	-	-	-	-
(vi)	Foreign Currency Liabilities		-	-	-	-	-	-	-	-	-	-	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

Sl No	Particulars	31st March 2023	31st March 2022															
6	Exposures																	
(i)	Exposure to Real Estate Sector	-	-															
(ii)	Exposure to Capital Market	-	-															
a	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	111.47	75.09															
b	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds	-	-															
c	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-															
d	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-															
e	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-															
f	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-															
g	Bridge loans to companies against expected equity flows / issues	-	-															
h	All exposures to Venture Capital Funds (both registered and unregistered)	-	-															
	Total Exposure to Capital Market	111.47	75.09															
(iii)	Details of financing of parent company products	Nil	Nil															
(iv)	Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the NBFC	Nil	Nil															
(v)	Unsecured Advances	1,196.36	416.20															
7	Miscellaneous																	
(i)	Registration obtained from other financial sector regulators	NA	NA															
(ii)	Disclosure of Penalties imposed by RBI and other regulators	0.02	-															
(iii)	Related Party Transactions - Ref. Note 43																	
(iv)	Ratings assigned by credit rating agencies and migration of ratings during the year																	
	<table border="1"> <thead> <tr> <th>Sl No.</th> <th>Particulars</th> <th>ICRA Ltd</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Deposits</td> <td>(ICRA) BBB Stable</td> </tr> <tr> <td>(ii)</td> <td>Debentures</td> <td>(ICRA) BBB Stable</td> </tr> <tr> <td>(iii)</td> <td>Long-Term Borrowings</td> <td>(ICRA) BBB Stable</td> </tr> <tr> <td>(iv)</td> <td>Short-Term Borrowings</td> <td>(ICRA) A2</td> </tr> </tbody> </table>	Sl No.	Particulars	ICRA Ltd	(i)	Deposits	(ICRA) BBB Stable	(ii)	Debentures	(ICRA) BBB Stable	(iii)	Long-Term Borrowings	(ICRA) BBB Stable	(iv)	Short-Term Borrowings	(ICRA) A2		
Sl No.	Particulars	ICRA Ltd																
(i)	Deposits	(ICRA) BBB Stable																
(ii)	Debentures	(ICRA) BBB Stable																
(iii)	Long-Term Borrowings	(ICRA) BBB Stable																
(iv)	Short-Term Borrowings	(ICRA) A2																
	Migration of ratings during the year : NIL																	
(v)	Remuneration of Directors																	
	Ref. Page No. 37 of Corporate Governance Report 2023																	

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2023

(₹ Lakhs)

Sl No	Particulars	31st March 2023	31st March 2022
(vi)	Management Ref. Management and Discussion and Analysis Report on Page No. 26		
(vii)	Net Profit or Loss for the period, prior period items and changes in accounting policies	Nil	Nil
8	Other Disclosures		
(i)	Provisions and Contingencies Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss		
a	Provisions for diminution in value of Investment	4.75	3.17
b	Provision towards NPA	680.88	878.54
c	Provision for Standard Assets	-	-
d	Provision made towards Income Tax	486.60	340.16
e	Other Provision and Contingencies (with details)	6.67	(4.69)
(ii)	Draw down from Reserves	-	-
(iii)	Concentration of Deposits, Advances, Exposures and NPAs		
a	Concentration of Deposits:		
	Total Deposits of twenty largest depositors	278.26	416.06
	Percentage of Deposits of twenty largest depositors to Total Deposits	10.29%	4.73%
b	Concentration of Advances:		
	Total Advances to twenty largest borrowers	1,383.63	1,398.28
	Percentage of Advances to twenty largest borrowers to Total Advances	1.17%	1.22%
c	Concentration of Exposures:		
	Total Exposure to twenty largest borrowers / customers	1,170.97	860.24
	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	0.99%	0.75%
d	Concentration of NPAs:		
	Total Exposure to top four NPA accounts	137.13	73.50
e	Sector-wise NPAs	% NPAs to Total Advances in that sector	
(i)	Agriculture & allied activities	3.43%	1.62%
(ii)	MSME – Engineering	-	-
(iii)	Corporate borrowers - Textiles	-	-
(iv)	Services - Others	6.79%	1.42%
(v)	Unsecured personal loans	-	-
(vi)	Auto loans - Transport	5.70%	6.23%

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ Lakhs)

Sl No	Particulars	31st March 2023	31st March 2022
f	Movement of NPAs		
(i)	Net NPAs to Net Advances (%)	2.99%	2.14%
(ii)	Movement of NPAs (Gross)		
	Opening balance	5,942.21	5,594.01
	Additions during the year	3,468.82	2,223.89
	Reductions during the year	2,413.14	1,875.69
	Closing balance	6,997.89	5,942.21
(iii)	Movement of Net NPAs		
	Opening balance	2,355.20	2,522.83
	Additions during the year	2,822.79	1,380.13
	Reductions during the year	1,757.05	1,547.76
	Closing balance	3,420.94	2,355.20
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	Opening balance	3,587.01	3,071.18
	Provisions made during the year	646.04	843.76
	Write-off / write-back of excess provisions	656.10	327.93
	Closing balance	3,576.95	3,587.01
(v)	Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)	Nil	Nil
(vi)	Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)	Nil	Nil
9	Disclosure of Complaints		
a	No. of complaints pending at the beginning of the year	-	-
b	No. of complaints received during the year	486	4
c	No. of complaints redressed during the year	486	4
d	No. of complaints pending at the end of the year	-	-

49.3 Disclosures as required under guidelines on liquidity risk management frame work for NBFCs issued by RBI by notification no. RBI/2019-20/88 DOR.NBFC (PD) CC .No.102/03.10.001/2019-20 dated 4th November 2019.

Public disclosure on Liquidity Risk:

i. Funding concentration based on significant counterparty (both deposits and Borrowings)

Sl No	Type of Instruments	No. of Significant counter parties	Amount (₹ lakhs)	% of total deposits	% of total liabilities
1	Borrowings As at 31st March 2023	3	12,939.00	541.65	11.83
2	Borrowings As at 31st March 2022	4	13,713.00	171.82	12.80

ii. Top 20 Large Deposits (amount ₹ in Lakhs) and % of Total Deposits

Sl No	Descriptions	Amount (₹ lakhs)	% of total deposits
1	Total for Top 20 Large Deposits as at 31st March 2023	278.25	11.65%
2	Total for Top 20 Large Deposits as at 31st March 2022	416.06	4.73%

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

iii. Top 10 Borrowings (amount ₹ in Lakhs) and % of Total Borrowings

Sl No	Descriptions	Amount (₹ lakhs)	% of total Borrowings
1	Total for Top 10 Borrowings as at 31st March 2023	14,715.00	14.93%
2	Total for Top 10 Borrowings as at 31st March 2022	15,661.00	15.96%

iv. Funding concentration based on significant instrument / products

Sl No	Name of the Instrument / Products	31st March 2023		31st March 2022	
		Amount (₹ lakhs)	% of total Liabilities	Amount (₹ lakhs)	% of total Liabilities
1	Redeemable Non-Convertible Debentures - Public Issue	33,856.00	30.95	29,181.00	27.23
2	Sub-Ordinated Debts	23,397.00	21.39	23,400.00	21.84
3	Redeemable Non-Convertible Debentures - Secured Retail	11,966.00	10.94	10,738.00	10.02
4	From Banks: Cash Credit and Demand Loans	10,738.00	9.82	10,516.00	9.81
5	Non-Convertible Debentures - Secured	12,023.00	10.99	10,452.00	9.75
6	Fixed Deposits	2,389.00	2.18	7,981.00	7.45
7	Term Loans - Financial Institutions and Banks	2,437.00	2.23	3,853.00	3.60
8	Redeemable Cumulative Preference Shares	1,500.00	1.37	1,500.00	1.40
9	Term Loans - Corporates	286.00	0.26	1,234.00	1.15
	Total	98,592.00	90.13	98,855.00	92.25

v. Stock Ratios:

a. Commercial Papers as a % of Total Public Funds, Total Liabilities and Total Assets

Sl No	Name of the Instrument / Products	31st March 2023		31st March 2022	
		Amount (₹ lakhs)	% of total deposits	Amount (₹ lakhs)	% of total deposits
1	Commercial Paper Outstanding	NA	NA	NA	NA
2	% to Total Public Funds	-	-	-	-
3	% to Total Liabilities	-	-	-	-
4	% to Total Public Assets	-	-	-	-

b. Non-Convertible Debentures (on maturities of less than 1 year) as a percentage of Total Public Funds, total Liabilities and Total Assets

Sl No	Name of the Instrument / Products	31st March 2023	31st March 2022
1	Non-Convertible Debentures (on maturities of less than 1 year)	-	-
2	% to Total Public Funds	-	-
3	% to Total Liabilities	-	-
4	% to Total Assets	-	-

c. Other Short term Liabilities, if any as a percentage of Total Public Funds, Total Liabilities and Total Assets

Sl No	Name of the Instrument / Products	31st March 2023	31st March 2022
1	Other Short term Liabilities	11,957.91	10,514.13
2	% to Total Public Funds	11.13%	9.99%
3	% to Total Liabilities	10.93%	9.81%
4	% to Total Assets	9.20%	8.28%

vi. Institutional set-up of liquidity risk management

The Board of Directors of the Company have an overall responsibility for the management of all types of risks, including liquidity risk, to which the Company is exposed in the normal course of its business. Further, the Board of Directors have constituted a Risk Management Committee ("RMC"), as mandated by RBI, for the effective supervision,

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are presently held as may be necessary. Moreover, the Board of Directors have also constituted an Asset Liability Committee ("ALCO"), for the management of the Company's short and long-term funding and meeting liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves and surplus, accessing undrawn bank facilities and obtaining funding from various other sources, as may be feasible. ALCO provides guidance and direction in terms of interest rate, liquidity, funding sources etc. ALCO meetings are held as may be required. The minutes of ALCO meetings are placed before the Board of Directors at their next meeting for their perusal / approval / ratification.

Definition of terms as used in the table above:

a) Significant counter party:

A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

b) Significant instrument/product:

A "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities.

c) Total liabilities:

Total liabilities include all external liabilities (other than equity).

d) Public funds:

"Public funds" includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of commercial papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue. It includes total borrowings outstanding under all types of instruments/products.

e) Other short-term liabilities:

All short-term borrowings other than CPs and NCDs with original maturity less than 12 months.

Disclosure on Liquidity Coverage Ratio ("LCR")

The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio ("LCR"), which aim to ensure that an NBFC maintains an adequate level of unencumbered ("HQLAs") which can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

The LCR is computed as per the formula given below:

$$\text{LCR} = \frac{\text{Stock of High-Quality Liquid Assets ("HQLAs")}}{\text{Total Net Cash Outflows over the next 30 calendar days}}$$

HQLAs consist of Cash (would mean cash on hand and demand deposits with Scheduled Commercial Banks), Investment in Central and State Government Securities, and highly-rated Corporate Bonds and Commercial papers, including those of Public Sector Enterprises, as adjusted after assigning the haircuts as prescribed by RBI.

Total net cash outflows are arrived after taking into consideration total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days.

As prescribed by RBI, total net cash outflows over the next 30 days = Stressed Outflows [Min (stressed inflows; 75% of stressed outflows)]. Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow).

The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Management ("ALM") Committee oversees the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board.

The Company maintains a robust funding profile with no undue concentration of funding sources. In order to ensure a diversified borrowing mix, concentration of borrowing through various sources is monitored. Further, the Company has prudential limits on investments in different instruments to maintain a healthy investment profile. The above is periodically monitored and reviewed by ALCO.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

For the year ended 31st March 2023

Major source of borrowings for the Company are Non-Convertible Debentures, Term loans from Banks, and Public deposits. Details of funding concentration from Significant counter party are given in Note 49 (3)

(₹ Lakhs)

S. No.	Particulars	Apr-Jun 2022		Jul - Sep 2022		Oct-Dec 2022		Jan - Mar 2023	
		Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)
1	High Quality Liquid Assets Total High Quality Liquid Assets (HQLA)	2,932.38	2,511.58	2,978.02	2,599.95	1,963.05	1,652.24	1,659.28	1,420.28
	Cash Outflows:								
2	Deposits (for deposit taking companies)	809.97	931.47	914.72	1,051.92	776.15	892.57	502.84	578.27
3	Unsecured wholesale funding	19.42	22.33	18.67	21.47	17.92	20.61	17.69	20.34
4	Secured wholesale funding	2,250.11	2,587.62	816.89	939.43	681.17	783.35	446.88	513.91
5	Additional requirements, of which								
(i)	Outflows related to derivative exposure and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	849.26	976.65	539.55	620.48	745.75	857.61	701.69	806.95
6	Other contractual funding obligations	-	-	-	-	-	-	-	-
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	TOTAL CASH OUTFLOWS	3,928.76	4,518.07	2,289.83	2,633.30	2,220.99	2,554.14	1,669.10	1,919.47
	Cash Inflows:								
9	Secured Lending	5,311.38	3,983.54	5,430.92	4,073.19	6,274.97	4,706.23	6,128.85	4,596.64
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other cash inflows	1,376.66	1,032.50	749.95	562.47	10.57	7.93	9.01	6.76
12	TOTAL CASH INFLOWS	6,688.04	5,016.04	6,180.87	4,635.66	6,285.54	4,714.16	6,137.86	4,603.40
13	TOTAL HQLA		2,511.58		2,599.95		1,652.24		1,420.28
14	TOTAL NET CASH OUTFLOWS		1,129.52		658.33		638.53		479.87
15	LIQUIDITY COVERAGE RATIO (%)		222.36%		394.93%		258.76%		295.97%
	Components of HQLA								
	- Cash on Hand		262.93		286.59		263.85		234.17
	- Balances with Banks		565.45		801.09		145.15		230.11
	- Government Securities		2,104.00		1,890.33		1,554.05		1,195.00
	- Commercial Paper		-		-		-		-
	TOTAL		2,932.38		2,978.01		1,963.05		1,659.28

*Unweighted values are being calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

#Weighted values are being calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

For the year ended 31st March 2022

(₹ Lakhs)

S. No.	Particulars	Apr-Jun 2021		Jul - Sep 2021		Oct-Dec 2021		Jan - Mar 2022	
		Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)	Unweighted Value* (Average)	Weighted Value # (Average)
1	High Quality Liquid Assets Total High Quality Liquid Assets (HQLA)	3,632.54	3,118.94	9,881.39	9,367.79	3,412.49	2,898.89	3,361.89	2,888.29
	Cash Outflows:								
2	Deposits (for deposit taking companies)	682.74	785.15	1,635.64	1,880.99	1,276.50	1,467.97	627.71	721.87
3	Unsecured wholesale funding	36.37	41.83	35.62	40.96	27.59	31.73	21.57	24.80
4	Secured wholesale funding	1,483.67	1,706.22	1,180.05	1,357.05	677.07	778.64	534.00	614.11
5	Additional requirements, of which								
(i)	Outflows related to derivative exposure and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	629.15	723.52	853.91	982.00	415.39	477.70	619.63	712.57
6	Other contractual funding obligations	221.67	254.92	-	-	-	-	-	-
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	TOTAL CASH OUTFLOWS	3,053.60	3,511.64	3,705.22	4,261.00	2,396.55	2,756.04	1,802.91	2,073.35
	Cash Inflows:								
9	Secured Lending	4,644.86	3,483.65	5,010.88	3,758.16	5,504.50	4,128.38	5,254.72	3,941.04
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other cash inflows	-	-	7,200.00	5,400.00	5,716.66	4,287.50	3,600.00	2,700.00
12	TOTAL CASH INFLOWS	4,644.86	3,483.65	12,210.88	9,158.16	11,221.16	8,415.88	8,854.72	6,641.04
13	TOTAL HQLA		3,118.94		9,367.79		2,898.89	-	2,888.29
14	TOTAL NET CASH OUTFLOWS		877.91		1,065.25		689.01		518.34
15	LIQUIDITY COVERAGE RATIO (%)		355.27%		879.40%		420.73%		557.22%
	Components of HQLA								
	- Cash on Hand		341.07		249.26		300.02		310.28
	- Balances with Banks		723.47		7,064.13		544.48		683.61
	- Government Securities		2,568.00		2,568.00		2,568.00		2,368.00
	- Commercial Paper		-		-		-		-
	TOTAL		3,632.54		9,881.39		3,412.50		3,361.89

*Unweighted values are being calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

#Weighted values are being calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

49.4 In terms of RBI Circular No. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 in relation to the Resolution Framework for COVID-19-related Stress, disclosure is as follows: (₹ Lakhs)

Type of Borrowers	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year ended 30th September 2022	Of such accounts, aggregate debt that slipped into NPA during the half-year	Of such accounts amount written off during the half-year	Of such accounts amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ended 31st March 2023
Personal Loans	324.45	45.73	-	136.79	141.93
Corporate Loans	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	324.45	45.73	-	136.79	141.93

49.5 Disclosure as required under RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 on Implementation of Indian Accounting Standards

A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109

For the year ended 31st March 2023

(₹ Lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	97,578.13	167.16	97,410.97	487.89	(320.73)
	Stage 2	15,116.22	1,149.30	13,966.92	75.58	1,073.72
Sub-Total		1,12,694.35	1,316.46	1,11,377.89	563.47	752.99
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,591.33	884.65	2,706.68	393.71	490.94
Doubtful - up to 1 year	Stage 3	618.55	272.28	346.27	428.84	(156.56)
1 to 3 years	Stage 3	98.69	40.07	58.62	72.40	(32.33)
More than 3 years	Stage 3	16.19	5.55	10.64	8.86	(3.31)
Sub-Total for doubtful assets		733.43	317.90	415.53	510.10	(192.20)
Loss	Stage 3	2,673.13	2,673.13	-	2,673.13	-
Sub-Total for NPA		6,997.89	3,875.68	3,122.21	3,576.94	298.74
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms		-	-	-	-	-
Sub-Total		-	-	-	-	-
Total	Stage 1	97,578.13	167.16	97,410.97	487.89	(320.73)
	Stage 2	15,116.22	1,149.30	13,966.92	75.58	1,073.72
	Stage 3	6,997.89	3,875.68	3,122.21	3,576.94	298.74
	Total	1,19,692.24	5,192.14	1,14,500.10	4,140.41	1,051.73

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Note : In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Finance Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the corporation exceeds the total provision required under IRACP (including standard asset provisioning), as at 31st March 2023 and accordingly, no amount is required to be transferred to impairment reserve.

For the year ended 31st March 2022

(₹ Lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	99,679.78	478.79	99,200.99	398.72	80.07
	Stage 2	9,200.48	95.53	9,104.95	36.80	58.73
Sub-Total		1,08,880.26	574.32	1,08,305.94	435.52	138.80
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,905.11	397.72	1,507.39	267.39	130.33
Doubtful - up to 1 year	Stage 3	1,095.91	700.65	395.26	521.22	179.43
1 to 3 years	Stage 3	297.37	194.76	102.61	154.60	40.16
More than 3 years	Stage 3	-	-	-	-	-
Sub-Total for doubtful assets		1,393.28	895.41	497.87	675.82	219.59
Loss	Stage 3	2,643.82	2,643.82	0.00	2,643.82	0.00
Sub-Total for NPA		5,942.21	3,936.95	2,005.26	3,587.03	349.92
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	--	-	-	-	-	-
Sub-Total		-	-	-	-	-
Total	Stage 1	99,679.78	478.79	99,200.99	398.72	80.07
	Stage 2	9,200.48	95.53	9,104.95	36.80	58.73
	Stage 3	5,942.21	3,936.95	2,005.26	3,587.03	349.92
	Total	1,14,822.47	4,511.27	1,10,311.20	4,022.55	488.72

49.6 In terms of RBI Circular RBI/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated 12 November 2021, on "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications", the Company has revised its process of NPA classification by flagging of the borrower accounts as overdue as part of the day-end process for the due date.

49.7 Disclosure pursuant to RBI notification RBI/2022-23/29 DOR.CRE.REC.No.25/03.10.001/2022-23 dated April 19, 2022
Loans to Directors, Senior Officers and relatives of Directors

Particulars	31st March 2023		31st March 2022	
	Sanctioned during the year	Outstanding balance	Sanctioned during the year	Outstanding balance
Directors and their relatives	-	-	-	-
Entities associated with directors and their relatives	350.00	72.69	410.00	90.77
Senior Officers and their relatives #	2.00	6.38	-	9.17

Sri S Venkatesh, resigned from the position of Company Secretary and Compliance Officer w.e.f. 6th March, 2023

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

49.8 Disclosures as required under guidelines on Scale Based Regulations for NBFCs issued by RBI by notification no. RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19th April 2022.

1) Compliance with Scale Based Regulations ("SBR")

The SBR was notified by the Reserve Bank of India ("RBI") effective 1st October 2022. The RBI has classified the Company as NBFC in Middle Layer ("ML"). We have ensured full compliance with various requirements prescribed under SBR for NBFC-ML within the specified timelines including adopting policy for enhanced regulatory framework, Policy on Internal Capital Adequacy Assessment Process ("ICAAP"), complying with exposure norms, setting limits for sensitive sector exposure etc.

2) Exposure to real estate sector

(₹ Lakhs)

Particulars	31st March 2023	31st March 2022
i) Direct exposure		
a) Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	-	-
b) Commercial Real Estate Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures:		
i. Residential	-	-
ii. Commercial Real Estate	-	-
ii) Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies	-	-
Total Exposure to Real Estate Sector	-	-

3) Exposures to capital market

(₹ Lakhs)

Particulars	31st March 2023	31st March 2022
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	111.47	75.09
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v) Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock-brokers and market makers	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
Total exposure to capital market	111.47	75.09

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

4) Sectoral exposures

(₹ Lakhs)

Sectors	31st March 2023			31st March 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	3,136.00	107.45	3.43%	1,896.81	30.73	1.62%
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
i. Transport Operators	94,265.86	5,377.30	5.70%	89,592.21	5,579.83	6.23%
ii. Others	-	-	-	-	-	-
Total of Services (i+ii)	94,265.86	5,377.30	5.70%	89,592.21	5,579.83	6.23%
4. Personal Loans	-	-	-	-	-	-
5. Others	22,290.37	1,513.14	6.79%	23,333.45	331.65	1.42%

5) Intra-group exposures

Particulars	31st March 2023	31st March 2022
i) Total amount of intra-group exposures	1,719.46	1,701.06
ii) Total amount of top 20 intra-group exposures	1,719.46	1,701.06
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	1.44%	1.48%

6) Unhedged foreign currency exposures

Particulars	31st March 2023	31st March 2022
Details of Unhedged Foreign Currency Exposures	Nil	Nil
Policies to manage currency induced risk	Nil	Nil

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (CONTD.)

7) Related Party Disclosures

(₹ Lakhs)

Related Party Items	Parent (as per ownership or control)		Promoter Group		Key Management Personnel		Directors		Relatives of Key Management Personnel		Others		Total	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Balance Outstanding at the end of the year														
Borrowings	-	-	571.25	435.97	-	-	-	-	1,035.00	735.00	-	-	1,606.25	1,170.97
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	1,588.84	1,562.31	6.38	9.17	-	-	-	-	902.90	951.51	2,498.12	2,522.99
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Outstanding during the year														
Borrowings	-	-	563.25	373.76	-	-	-	-	875.00	575.00	-	-	1,438.25	948.76
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	1,500.00	1,500.00	-	-	-	-	-	-	850.00	850.00	2,350.00	2,350.00
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others														
Loans and advances given (Asset)	-	-	350.00	410.00	-	-	-	-	-	-	-	-	350.00	410.00
Advance for Property, Plant and Equipment (Asset)	-	-	-	1,500.00	-	-	-	-	-	-	-	-	-	1,500.00
Loans and advances repaid (Asset)	-	-	350.00	410.00	-	-	-	-	-	-	-	-	350.00	410.00
Investment in NCD (Liability)	-	-	197.10	-	-	-	-	-	300.00	300.00	-	-	497.10	300.00
Investment in Preference Shares (Liability)	-	-	-	216.70	-	-	-	-	-	-	-	-	-	216.70
Rent Paid	-	-	-	-	-	-	117.53	-	-	-	-	-	117.53	-
Resource Mobilisation Charges	-	-	272.12	-	-	-	-	-	-	-	-	-	272.12	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

8) Disclosure of Complaints

S. No	Particulars	31st March 2023	31st March 2022
	Complaints received by the NBFC from its customers	-	-
1	Number of complaints pending at beginning of the year	-	-
2	Number of complaints received during the year	486	-
3	Number of complaints disposed during the year	486	-
3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	-	-
	Maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2	Of 5, number of complaints resolved through conciliation / mediation / advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

9) Top five grounds of complaints received from customers

Grounds of complaints, (i.e. complaints relating to) (1)	Number of complaints pending at the beginning of the year (2)	Number of complaints received during the year (3)	% increase/ decrease in the number of complaints received over the previous year (4)	Number of complaints pending at the end of the year (5)	Of 5, number of complaints pending beyond 30 days (6)
31st March 2023					
Ground - 1 - NOC Related	-	196	NA	-	-
Ground - 2 - Statement of Account (SOA) Related	-	72	NA	-	-
Ground - 3 - Process Related	-	57	NA	-	-
Ground - 4 - Settlement Related	-	46	NA	-	-
Ground - 5 - AHC Related	-	39	NA	-	-
Others	-	76	NA	-	-
Total	-	486		-	-

Note :

Customer Complaints : The Company has been maintaining the details for the Customer Complaints from October 2021 to 31st March 2022. Accordingly, the percentage for the figures (2023 vs 2022) are not strictly comparable. Further, the details of such complaints are not available for the Financial year ended 31st March 2021 and hence not disclosed.

10) Breach of covenant

There were no instances of default or breaches of covenant in respect of loan availed or debt securities issued during the financial years ended March 31, 2023 and March 31, 2022

11) Divergence in Asset Classification and Provisioning

- a) The additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 % of the reported profits before tax and impairment loss on financial instruments for the reference period. Not applicable

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

b) The additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of the reported Gross NPAs for the reference period.

(₹ Lakhs)

S.No	Particulars	Amount
1	Gross NPAs as on March 31, 2022* as reported by the NBFC	5,942.21
2	Gross NPAs as on March 31, 2022 as assessed by the Reserve Bank of India/ NHB	6,643.10
3	Divergence in Gross NPAs (2-1)	700.89
4	Net NPAs as on March 31, 2022 as reported by the NBFC	2,005.26
5	Net NPAs as on March 31, 2022 as assessed by Reserve Bank of India/ NHB	2,552.15
6	Divergence in Net NPAs (5-4)	546.89
7	Provisions for NPAs as on March 31, 2022 as reported by the NBFC	3,936.95
8	Provisions for NPAs as on March 31, 2022 as assessed by Reserve Bank of India/ NHB	4,090.95
9	Divergence in provisioning (8-7)	154.00
10	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2022	2,326.41
11	Reported Net Profit after Tax (PAT) for the year ended March 31, 2022	951.88
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2022 after considering the divergence in provisioning (Refer note below)	951.88

* March 31, 2022 is the close of the reference period in respect of which divergences were assessed.

Note : The adjusted notional net profit for the year ended 31st March 2022 is disclosed as the same as reported Net Profit After Tax despite the divergence in provisioning (as per IRACP) amounting to ₹ 154.00 Lakhs. This is in view of the fact that the Company as on 31st March 2022 is holding ₹ 488.72 Lakhs excess provision in Expected Credit Loss ("ECL") as per IND AS 109 compared to provisioning as per IRACP norms.

50. Disclosure under Regulations 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(₹ Lakhs)

Particulars	31st March 2023	31st March 2022
a) Loans and advances in the nature of loans to subsidiaries	-	-
Name of the Company	-	-
Amount	-	-
b) Loans and advances in the nature of loans to associates	-	-
Name of the Company	-	-
Amount	-	-
c) Loans and advances in the nature of loans to firms/companies in which directors are interested		
ABT Industries Limited	30.97	-
Sakthi Foundation	37.13	81.76
Suddha Sanmarga Nilayam	4.59	9.01
d) Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.		

51. Disclosure under Regulation 53(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Debentures are secured by way of an exclusive mortgage of an immovable property of the Company in favour of Debenture Trustees, situated at 'GDA House', First Floor, Plot No.85, Bhusari Colony (Right), Paud Road, Pune.

52. Public Issue of Secured, Redeemable, Non-Convertible Debentures for ₹ 10,000 lakh

During April 2023, the Company made a Public Issue of Secured, Redeemable, Non-Convertible Debentures ("NCDs") of ₹ 1,000 each for an amount not exceeding ₹ 10,000 lakh, with an option to retain over-subscription for an amount not exceeding ₹ 10,000 lakh, aggregating ₹ 20,000 lakhs. The NCD issue opened on 17th April 2023 and closed on 28th April 2023 the scheduled closure date, The Company received a valid subscription for ₹ 14,686.04 lakh. The Company

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

made allotment of 14,68,604 NCDs aggregating ₹ 14,686.04 lakh to the eligible allottees on 8th May 2023. The NCDs have been listed and admitted for trading with BSE Limited with effect from 8th May,2023.The entire proceeds of the NCD issue are being utilized for the objects stated in the NCD Prospectus.

53. Disclosure under Code on Social Security, 2020

The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

54. The Company does not fall under the definition of large corporate as per SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 dated 26th November 2018 and as such furnishing of necessary disclosures does not arise.

55. There were no whistle blower complaints received by the Company during the financial year ended March 31, 2023 and March 31, 2022. (Refer Note 21 of Board's Report and Refer Note 26(c) of Corporate Governance Report).

56. The Company has maintained proper books of accounts in electronic mode in servers physically located in India and further the Company has complied with the process of taking daily back-up of books of accounts as per Notification No. G.S.R. 624(E) dated 5th August 2023 issued by Ministry of Corporate Affairs.

57. There have been no events after the reporting date that require disclosure in these financial statements. The Board of Directors of the Company have recommended a dividend of 7% being ₹ 0.70 per share on the equity shares of the Company, for the year ended 31st March 2023 (₹0.60 per share - 31st March 2022) which is subject to approval of shareholders. Consequently the proposed dividend has not been recognised as a liability in the books in accordance with IND AS 10.

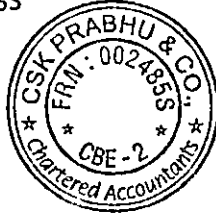
58. No fraud by the Company or on the Company has been noticed or reported in relation to the Financial Year 2022-23 and 2021-22.

59. Previous year figures have been regrouped, reclassified and rearranged, wherever necessary, to conform to current year presentation.

As per our report attached
For CSK Prabhu & Co.,
Chartered Accountants
Firm Regn. No. : 0024855



MAHESH PRABHU
Partner
Membership No. 214194
Coimbatore
26th May 2023




M. BALASUBRAMANIAM
Vice Chairman and Managing Director
DIN : 00377053


C.SUBRAMANIAM
Company Secretary
Membership No. FCS 6971

For and on behalf of the Board


M. MANICKAM
Chairman
DIN : 00102233


SRINIVASAN ANAND
Chief Financial Officer
Membership No.020694

CSK Prabhu & Co

Chartered Accountants

Srivari Kikani Centre
F4,4th Floor, Krishnaswamy Mudaliar Road,
Coimbatore-641002 India

email: csk@cskprabhu.com
Telephone: 0422-2552437
website: www.cskprabhu.com

INDEPENDENT AUDITORS' REPORT

To the Members of Sakthi Finance Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the Financial Statements of Sakthi Finance Limited ("**the Company**"), which comprise the balance sheet as at 31 March 2022, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "**the Financial Statements**").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("**the Act**") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Note 2(d) to the accompanying Financial Statements, which explains the estimation uncertainty relating to COVID 19 pandemic and management assessment of the probable material impact on the Company's operations and financial metrics, including the non-fulfilment of the obligations by the customers due to lockdown, extended moratorium allowed by Government and other restrictions related to Covid-19 situation. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.



INDEPENDENT AUDITORS' REPORT**Key Audit Matters (continued)****Description of Key Audit Matter**

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>5.1 Asset Classification</p> <p>Accuracy in identification and categorization of receivables from financing activities (loans) as performing and non-performing assets and in ensuring appropriate asset classification, existence and valuation of security/collaterals, income recognition, provisioning/ write-off thereof and completeness of disclosure including compliance with applicable guidelines/directions issued by Reserve Bank of India (RBI).</p> <p>As part of our risk assessment, we determined that accuracy of asset classification has bearing on the Financial Statements as a whole. Given the complexity of the matter, we determined this to be a Key Audit Matter.</p>	<p>Our Key Audit Procedures included the following:</p> <ul style="list-style-type: none"> • We have assessed the systems and processes laid down by the company to appropriately identify and classify the receivables from financing activities including those in place to ensure appropriate asset classification, income recognition and provisioning/ write-off including non-performing assets, existence and valuation of security/collaterals as per applicable RBI guidelines/directions. • The audit approach includes testing the existence and effectiveness of the control environment laid down by the management and conducting detailed substantive verification on selected samples of continuing and new transactions in accordance with the principles laid down in the Standards on Auditing and other guidance issued by the Institute of Chartered Accountants of India ("ICAI"). • Agreements entered into regarding significant transactions including related to Loan Receivables have been examined to ensure compliance. • We have also reviewed the reports generated from management information systems, audit/ inspection reports issued by the internal auditors and RBI. • The impact of all significant external and internal events including those if any, subsequent to Balance Sheet date have been taken into consideration for the above purposes. • Compliance with material disclosure requirements prescribed by RBI guidelines and other statutory requirements have been verified.



INDEPENDENT AUDITORS' REPORT

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>5.2 Impairment of Loans (Expected Credit Losses) (Refer to the Accounting Policies in Note 2.f.(v) to the Financial Statements and Note 46 of the Financial Statements).</p> <p>Management's judgements in the calculation of impairment allowances have significant impact on the Financial Statements.</p> <p>The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with Expected Credit Loss ("ECL") model as required by Ind AS 109 relating to "Financial Instruments." Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset.</p> <p>The key areas of judgement include:</p> <ol style="list-style-type: none"> 1. Categorization of loans into Stage 1, 2 and 3 based on identification of: <ol style="list-style-type: none"> a.Exposures with significant increase in credit risk since their origination and b.Individually impaired / default exposures and determination of Exposure at Default ('EAD'). 2.Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate ECL. 3.The impact of different forward-looking information including future macro-economic conditions in the determination of ECL. <p>These judgements require new models to be built and implemented to measure the expected credit losses on certain financial assets measured at amortized cost. Management has made a number of interpretations and assumptions when designing and implementing models that are compliant with the standards.</p> <p>The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.</p>	<p>Our Key Audit Procedures included the following:</p> <ul style="list-style-type: none"> • We obtained understanding of management's assessment of impairment of loans including the Ind AS 109 implementation process, impairment allowance policy and ECL modelling methodology. • We assessed the design and implementation and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions. • We also assessed the approach of the Company for categorization of the loans into various stages reflecting the inherent risk in the respective loans. • For a sample of financial assets, we tested the correctness of stage-wise categorization, reasonableness of PD, accuracy of LGD and ECL computation. • We also assessed the appropriateness of the impairment methodology adopted by the management including the possible impact of the uncertainties associated with the COVID-19 pandemic. This included assessing the appropriateness of key judgements. We tested the accuracy of key data inputs and calculations used in this regard. <p>Based on the above work performed, management's assessment of impairment loss allowance and related disclosures are considered to be reasonable.</p>



INDEPENDENT AUDITORS' REPORT

<p>In respect of accounts where moratorium benefits had been extended based on RBI's COVID-19 Regulatory Package, assessment of impairment further depends on the possible impact of uncertainties associated with the Covid-19 pandemic in applying the judgement and estimates relevant for the impairment model. In view of such high degree of Management's judgement involved in estimation of ECL, it is considered as a key audit matter.</p>	
<p>5.3 Information technology system</p>	
<p>The dependence of Information technology ("IT") system is run throughout the operating cycle of the company. Hence the reliability on Company's key financial accounting and reporting processes are tied with the effectiveness and efficiency of IT systems, IT controls over the voluminous transactions, process around such information systems and the usage of information from such systems. We observed that any probability of deficiencies in control over IT systems such as validation failures, incorrect input data, improper segregation of duties, unauthorized access to IT system, lack of monitoring may result in the financial accounts and report being misstated.</p> <p>In view of the same, we have considered this as Key Audit Matter and had focus on IT systems and controls, user access management, segregation of duties, system reconciliation controls and system application controls due to the complexity of the IT environment, huge daily operational volume across numerous locations and the reliance on automated and IT dependent manual controls.</p>	<p>Our audit procedures focused on the following:</p> <ul style="list-style-type: none"> • IT infrastructure and applications relevant to the financial reporting. • Evaluating the IT policy and procedures of the Company in accordance with accepted standards, guidelines, practices and External Information Security ("IS") Audit performed in respect thereof. • Reviewing the organizational structure with job description, managerial policy and deployment of IT resources with respect to segregation of duties in IT environment to ensure that unauthorized data entry cannot take place and unauthorized programs are not allowed to run. • The aspects covered in the IT systems General Control audit were: <ul style="list-style-type: none"> (i) User Access Management (ii) System maintenance control have been ensured by understanding the design and the operating effectiveness of such controls in the system; • Understanding updates that were made to the IT landscape during the audit period and assessing the relevant information for financial reporting. • Application level embedded controls have been reviewed by performing validation checks, test check on logical access controls, a run through test to ensure non-manipulation of transaction entered into the system and other compensatory controls, wherever applicable.



INDEPENDENT AUDITORS' REPORT

Information other than the Financial Statements and auditor's report thereon

6. The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Ind AS Financial Statements and our auditors' report thereon.
7. The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
9. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Ind AS Financial Statements

10. The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the Financial position, Financial performance including Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended.
11. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
12. In preparing the Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.
13. The Board of Directors is also responsible for overseeing the Company's financial reporting process.



INDEPENDENT AUDITORS' REPORT

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

14. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.
15. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
 - Conclude on the appropriateness of management's and Board of Directors' use of the going concern basis of accounting in preparation of Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
16. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



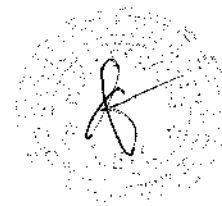
INDEPENDENT AUDITORS' REPORT

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements (continued)

17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.
18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

19. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
20. (A) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e. On the basis of the written representations received from the directors as on 31 March 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
20. (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Financial Statements - Refer Note 33 to the Ind AS Financial Statements.



INDEPENDENT AUDITORS' REPORT

- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund ("IEPF") by the Company except for ₹ 500 that has not been transferred to IEPF for the reason described in Note 18 to the Ind AS Financial Statements.
- d) (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 37(i) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The Management has also represented that, to the best of its knowledge and belief, as disclosed in Note 37(j) to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- e) (i) The Equity dividend recommended in the previous year, declared and paid by the Company during the current year, is in accordance with Section 123 of the Act, to the extent it applies to declaration and payment of dividend.
- (ii) The interim dividend declared and paid by the Company on Redeemable Cumulative Preference Shares during the current year, is in accordance with Section 123 of the Act, to the extent it applies to declaration and payment of dividend.
- (iii) As stated in Note 57 to the Ind AS Financial Statements, the Board of Directors of the Company have recommended an equity dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. Such equity dividend recommended by the Board of Directors is in accordance with Section 123 of the Act, to the extent it applies to declaration of dividend.



CSK Prabhu & Co

Sakthi Finance Limited

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements (continued)

20. (C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/provided by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/provided to directors is within the limits laid down under Section 197 of the Act.

for CSK Prabhu & Co.
Chartered Accountants
Firm's Registration No: 002485S




CSK Prabhu
Partner

Membership No: 019811
UDIN: 22019811ALRLSD1519

Coimbatore
24 May 2022

Sakthi Finance Limited
Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended 31 March 2022, we report the following:

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Investment Properties.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) On the basis of our examination of the records of the Company, Property, Plant and Equipment have been physically verified by the management at reasonable intervals and further no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) On the basis of our examination of the records of the Company and conveyance deeds/lease agreements and such other documents provided to us, the title deeds of all the immovable properties, disclosed in the Financial Statements, are held in the name of the company. In respect of immovable properties taken on lease and disclosed as right-of-use assets in the Financial Statements, the lease agreements are in the name of the company.
- (d) On the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings that have been initiated or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and the rules made thereunder. Refer Note 37(d) to the Ind AS Financial Statements.
- (ii) (a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of Clause 3(ii)(a) of the Order is not applicable.
- (b) During the year, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets (HP Loan/Finance Receivables). Based on our examination of the records of the Company, the applicable quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) (a) The Company is registered with Reserve Bank of India under Section 45-IA as a Non-Banking Financial Company and its principal business is to give loans. Therefore, the provisions of Clause (iii)(a)(A) and Clause (iii)(a)(B) of the order are not applicable.
- (b) In our opinion and according to the information and explanations given to us, wherever applicable, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.



Sakthi Finance Limited

Annexure A to the Independent Auditors' Report

- (c) On the basis of our examination of the records of the Company, in our opinion, in respect of loans and advances in the nature of loans given, the schedule of repayment of principal and payment of interest has been stipulated. Since the Company is a Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India ("RBI") and carrying on the principal business of giving loans to customers, and in view of the voluminous nature of loan transactions generated in the normal course of the Company's business, it is not practicable to furnish the entity-wise details of the loan amount, due date for payment and extent of delay (as suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) and hence have not been reported. Further, except for loans where there are delays or defaults in repayment of principal and/or interest as at the balance sheet date, in respect of which the Company has disclosed the loan asset classification/staging in Note 50.5 to the Ind AS Financial Statements in accordance with the Indian Accounting Standards (Ind AS) and the guidelines issued by the RBI, the parties are repaying the principal amounts, as stipulated and are also regular in payment of interest, as applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is a Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India ("RBI") and carrying on the principal business of giving loans and the same are as per the loan agreements entered into with the borrowers and there are amounts of Principal and Interest overdue for more than ninety days, in respect of such loans and advances in the nature of loans given. Such amounts overdue for more than ninety days in loan account receivables are identified and disclosed by the Company as Stage-3/ Non-Performing Assets ("NPAs"), in accordance with the provisions of the applicable Accounting Standards and in accordance with the relevant guidelines of RBI respectively. The Company has explained to us that reasonable steps have been taken by the company for recovery of the principal and interest and the relevant Reserve Bank of India ("RBI") Guidelines/Directions have been followed in this respect. The overdue position as at 31 March 2022 is as follows: Number of such Overdue Receivables is 2,229 cases, Principal Amount Overdue is Rs.3,738.65 Lakhs, Interest Amount Overdue is Rs.778.13 Lakhs, and Total Amount Overdue is Rs.4,516.78 Lakhs.
- (e) Since the Company's principal business is to give loans, reporting under Clause (iii)(e) of the order is not applicable.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment excepting for staff loans/advances which are granted without specifying any terms or period of repayment. The aggregate amount of such loans as at 31st March 2022 stood at Rs.92.48 lakhs (Previous Year Rs.96.62 lakhs) representing 0.001% (Previous Year 0.001%) to the Total Loans granted. There were no loans granted to Promoters, Related Parties as defined in Clause (76) of Section 2 of the Act which are repayable on demand or without specifying any terms or period of repayment, excepting for receivables as explained by the management to be in the ordinary course of business of the Company and not in the nature of loans.



Sakthi Finance Limited

Annexure A to the Independent Auditors' Report

- (iv) According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act; the other provisions of Section 186 of the Act are not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the company is a Deposit taking Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India. In respect of the deposits accepted by the company or amounts which are deemed to be deposits, the company has complied with the directions issued by the Reserve Bank of India. The provisions of Section 73 to 76 of the Act, and any other relevant provisions of the Act and the rules made thereunder with regard to deposits accepted from the public are not applicable to the company. We are informed by the management that no order has been passed by National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the company in respect of the aforesaid deposits.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act for the activities of the company. Accordingly, Clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion and according to the information and explanations given to us and based on the records examined by us, the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable with the appropriate authorities. There are no arrears of outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, duty of excise, Value Added Tax or Cess or other statutory dues, as applicable, which have not been deposited on account of any dispute, except as mentioned below:

Name of the statute	Nature of dues	Amount* (₹ In Lakhs)	Period which amount relates (Financial Year)	to the	Forum where dispute is pending
Income Tax Act, 1961	Income tax	9.83	2011-12		Assessing Officer
Income Tax Act, 1961	Income tax	217.16	2015-16		Commissioner of Income Tax (Appeals)



Sakthi Finance Limited
Annexure A to the Independent Auditors' Report

Finance Act, 1994	Service tax	1328.29 (Gross Demand 1426.92 Less: Amount deposited under protest 98.63)	October 2009 to September 2014	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
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- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that there are no transactions that are previously not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, the requirement to report on Clause 3(viii) of the Order is not applicable.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared as wilful defaulter by any bank or financial institution or other lender or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and the procedures performed by us and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year. The Company does not have any subsidiaries, associates or joint ventures to report.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies as the Company does not have subsidiaries, associates or joint ventures. Hence, the requirement to report on Clause (3)(ix)(f) of the Order is not applicable.
- (x) (a) The Company has raised moneys by way of further public offer of Non-Convertible Debentures during the current financial year. According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the company has utilized such moneys raised for the purpose for which the funds were raised.
- (b) The Company has not made any preferential allotment of shares or convertible debentures (fully, partially or optionally convertible) during the year. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made private placement of preference shares during the year and the requirements of Section 42 and Section 62 of the Act, have been complied with. Such funds raised by way of preference shares during the year have been used for the purposes for which the funds were raised.



Sakthi Finance Limited

Annexure A to the Independent Auditors' Report

- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the course of the audit.
- (b) During the year and up to the date of this report, no report under Section 143(12) of the Act has been filed by secretarial auditor or by the predecessor auditors or by us in Form ADT – 4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to information and explanations given to us and as represented to us by the management, there were no whistle blower complaints received by the Company during the year which are to be considered while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company. Accordingly, Clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the Financial Statements, as required by the applicable accounting standards. (Refer Note 44 of Ind AS Financial Statements)
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered all the internal audit reports issued to the Company for the period under audit.
- (xv) According to the information and explanations given to us and in our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, Clause 3(xv) of the Order is not applicable.
- (xvi) (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the registration thereunder has been obtained by the Company as Non-Banking Financial Company-Deposit-taking, Investment and Credit Company.
- (b) According to the information and explanations given to us, the company has not conducted any Non-Banking Financial activities without a valid Certificate of Registration (“CoR”) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934, wherever applicable. The Company has not conducted any Housing Finance activities.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (“CIC”) as defined in the regulations made by the Reserve Bank of India. Accordingly, Clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs as part of the Group.
- (xvii) The Company has not incurred cash losses during the current financial year covered by our audit and in the immediately preceding financial year.



CSK Prabhu & Co


Sakthi Finance Limited

Annexure A to the Independent Auditors' Report

- (xviii) During the year, the previous statutory auditors of the Company have resigned pursuant to the requirements of the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021, issued by the Reserve Bank of India, and there are no issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities (Refer Note 39 and Note 46 (Liquidity Risk) to the Ind AS Financial Statements), other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) On the basis of information and explanations given to us by the Company, in respect of other than on-going projects, as at balance sheet date, the Company has no unspent amounts that are required to be transferred to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of Section 135 of the said Act.
- (b) On the basis of information and explanations given to us by the Company, the Company has no ongoing projects as at the balance sheet date. The Company has no amounts remaining unspent under sub-section (5) of Section 135 of the Companies Act, requiring to be transferred to special account in compliance with the provision of sub-section (6) of Section 135 of the Act (Refer Note 38 to the Ind AS Financial Statements).
- (xxi) According to information and explanations given to us, the company does not have any Subsidiary/Associate/Joint Venture and therefore is not required to prepare and present consolidated Financial Statements pursuant to the provisions of any statute. Accordingly reporting under clause (xxi) of para 3 of the Order is not applicable.

Coimbatore
24 May 2022

for **CSK Prabhu & Co**
Chartered Accountants
Firm's Registration No: 002485S



Prabhu
CSK Prabhu
Partner
Membership No: 019811
UDIN: 22019811ALRLSD1519

Sakthi Finance Limited

Annexure B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act
(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion


1. We have audited the internal financial controls with reference to Financial Statements of Sakthi Finance Limited ("**the Company**") as at 31 March 2022 in conjunction with our audit of the Financial Statements of the Company as at and for the year ended on that date.
2. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Financial Statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "**Guidance Note**").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

3. The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements were established and maintained and whether such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.



Sakthi Finance Limited

Annexure B to the Independent Auditors' Report

Auditors' Responsibility (continued)

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Financial Statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

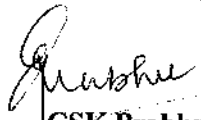
7. A company's internal financial controls with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles.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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Coimbatore
24 May 2022

for CSK Prabhu & Co
Chartered Accountants
Firm's Registration No: 002485S


CSK Prabhu
Partner
Membership No: 019811
UDIN: 22019811ALRLSD1519

SAKTHI FINANCE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2022

(₹ Lakhs)

Particulars	Note	As at 31st March 2022	As at 31st March 2021
ASSETS			
Financial Assets			
Cash and cash Equivalents	3	1,449.51	1,364.11
Bank Balances other than Cash and cash Equivalents	4	1,129.31	375.79
Derivative Financial Instruments		-	-
Receivables	5		
(i) Trade Receivables		169.25	182.41
(ii) Other Receivables		16.56	3.52
Loans	6	1,10,311.20	1,09,353.73
Investments	7	2,487.88	2,668.28
Other Financial Assets	8	1,712.91	1,830.43
Non-Financial Assets			
Current tax Assets (net)		17.40	-
Deferred tax Assets (net)	9	217.94	-
Investment Property	10	275.21	279.81
Property Plant and Equipment	11 (a)	5,946.63	6,122.29
Right of use assets	11 (b)	1,093.60	1,070.50
Intangible Assets under development	11 (c)	-	86.27
Other Intangible Assets	11 (d)	179.46	102.57
Other Non-Financial Assets	12	1,936.14	335.71
Total Assets		1,26,943.00	1,23,775.42
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	13		
(I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		0.28	3.26
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		127.76	140.62
(II) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		175.13	151.48
Debt Securities	14	41,560.04	28,711.26
Borrowings (Other than debt securities)	15	15,565.69	23,059.16
Deposits	16	8,540.60	17,086.35
Subordinated Liabilities	17	39,530.77	33,480.06
Other Financial Liabilities	18	1,426.14	1,672.37

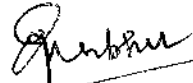
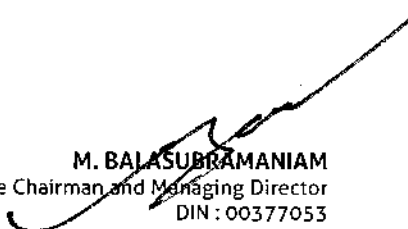

BALANCE SHEET AS AT 31ST MARCH 2022 (CONTD...)

(₹ Lakhs)


Particulars	Note	As at 31st March 2022	As at 31st March 2021
Non-Financial Liabilities			
Current tax Liabilities (net)		-	47.29
Provisions	19	122.65	118.09
Deferred tax Liabilities (net)	20	-	39.48
Other Non-Financial Liabilities	21	99.55	68.47
EQUITY			
Equity Share Capital	22	6,470.59	6,470.59
Other Equity	23	13,323.80	12,726.94
Total Liabilities and Equity		<u>1,26,943.00</u>	<u>1,23,775.42</u>
The accompanying Notes form an integral part of the Financial Statements	1-59		

See accompanying Notes to the Financial Statements

As per our report of even date

For CSK Prabhu & Co
Chartered Accountants
Firm Regn. No.: 0024855
CSK PRABHU
Partner
Membership No. 019811Place : Coimbatore
Date : 24th May 2022
M. BALASUBRAMANIAM
Vice Chairman and Managing Director
DIN : 00377053
S. VENKATESH
Company Secretary and
Chief Compliance Officer
FCS 7012

For and on behalf of the Board


M. MANICKAM
Chairman
DIN : 00102233
SRINIVASAN ANAND
Chief Financial Officer
Membership No.020694

SAKTHI FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Particulars	Note	For the year ended 31st March 2022	For the year ended 31st March 2021
REVENUE FROM OPERATIONS			
Interest Income	24	17,566.97	16,597.96
Rental Income		29.62	3.52
Fees and Commission Income	25	321.49	313.23
Sale of power from Wind Mills	26	177.88	181.07
Recovery of Bad Debts		37.75	37.01
Total Revenue from operations		18,133.71	17,132.79
Other Income	27	1.40	0.87
Total Income		18,135.11	17,133.66
Expenses			
Finance Costs	28	10,775.85	10,532.96
Fees and commission expense		183.02	188.08
Impairment on financial instruments	29	1,034.37	787.71
Employee Benefits Expense	30	2,895.60	2,604.20
Depreciation and Amortization Expense	31	491.07	421.70
Other Expenses	32	1,463.16	1,341.57
Total Expenses		16,843.07	15,876.22
Profit before Exceptional and Extraordinary Items and Tax		1,292.04	1,257.44
Exceptional Items		-	-
Profit before Tax		1,292.04	1,257.44
Tax Expense:		340.16	331.65
- Current Tax		601.09	508.42
- Deferred Tax		(260.93)	(176.77)
Profit for the year		951.88	925.79
Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
- Fair value changes in Equity Instruments		22.78	11.94
- Actuarial Changes in Defined benefit obligation		13.95	2.19
- Income Tax relating to items that will not be reclassified to profit or loss		(3.51)	(0.55)
Sub Total (A)		33.22	13.58
(B) Items that will be reclassified to profit or loss			
Total Other Comprehensive Income (A+B)		33.22	13.58
Total Comprehensive Income		985.10	939.37
Earnings per Equity Share			
Face Value per Equity Share (₹)		10.00	10.00
- Basic (₹)		1.52	1.45
- Diluted (₹)		1.52	1.45
The accompanying Notes form an integral part of the financial statements	1-59		

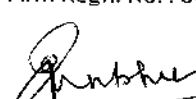
See accompanying Notes to the Financial Statements

As per our report of even date

For CSK Prabhu & Co.,

Chartered Accountants

Firm Regn. No. : 0024855.



CSK PRABHU

Partner

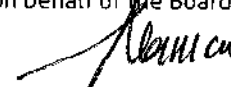
Membership No. 019811




M. BALASUBRAMANIAM
 Vice Chairman and Managing Director
 DIN : 00377053


S. VENKATESH
 Company Secretary and
 Chief Compliance Officer
 FCS 7012


For and on behalf of the Board



M. MANICKAM

Chairman

DIN : 00102233


SRINIVASAN ANAND
 Chief Financial Officer
 Membership No.020694

Place : Coimbatore

Date : 24th May 2022

SAKTHI FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

A. EQUITY SHARE CAPITAL - (Issued, Subscribed and fully paid-up) (Refer Note 22)
Current reporting period and previous reporting period

Particulars	As at 31st March 2022	As at 31st March 2021
Balance at the beginning of the current reporting period	6,470.59	6,470.59
Changes in Equity Share Capital due to prior period errors	-	-
Restated Balance at the beginning of the current reporting period	6,470.59	6,470.59
Changes in equity share capital during the current year	-	-
Balance at the end of the current reporting period	6,470.59	6,470.59

B. OTHER EQUITY (Refer Note 23)
(1) Current reporting period (1st April 2021 to 31st March 2022)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Items of Other Comprehensive Income						Money received against share warrants	Total		
			Capital Reserve	Securities Premium	General Reserve	Other Reserves (as per Section 45-1C of RBI Act, 1934)	Retained Earnings	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation			Actuarial changes in defined benefit obligations	
Balance at the beginning of the current reporting period 1st April 2021	-	-	52.61	1,429.80	4,436.00	3,352.67	3,478.91	-	(36.98)	-	-	-	-	13.93	-	12,726.94
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	52.61	1,429.80	4,436.00	3,352.67	3,478.91	-	(36.98)	-	-	-	-	13.93	-	12,726.94
Total Comprehensive Income for the year	-	-	-	-	-	-	951.88	-	22.78	-	-	-	-	10.44	-	985.10
Dividends	-	-	-	-	-	-	(388.24)	-	-	-	-	-	-	-	-	(388.24)
Transfer to retained earnings	-	-	-	-	-	-	(190.38)	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve	-	-	-	-	-	190.38	-	-	-	-	-	-	-	-	-	-
Issue Expenses on Preferential Issue of Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2022	-	-	52.61	1,429.80	4,436.00	3,543.05	3,852.17	-	(14.20)	-	-	-	-	24.37	-	13,323.80

(2) Previous reporting period (1st April-2020 TO 31st March 2021)

(₹ Lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Items of Other Comprehensive Income						Money received against share warrants	Total
			Capital Reserve	Securities Premium	General Reserve	Other Reserves (as per Section 45-1C of RBI Act, 1934)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus		
Balance at the beginning of the current reporting period 1st April 2020	-	-	52.61	1,430.92	4,436.00	3,167.51	3,126.52	(48.92)	-	-	-	-	12.30	12,176.94
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	52.61	1,430.92	4,436.00	3,167.51	3,126.52	(48.92)	-	-	-	-	12.30	12,176.94
Total Comprehensive Income for the year	-	-	-	-	-	-	925.79	11.94	-	-	-	-	1.63	939.36
Dividends	-	-	-	-	-	-	(388.24)	-	-	-	-	-	-	(388.24)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve	-	-	-	-	-	-	185.16	-	-	-	-	-	-	-
Issue Expenses on Preferential Issue of Equity Shares	-	-	-	(1.12)	-	-	(185.16)	-	-	-	-	-	-	(1.12)
Balance as at 31st March 2021	-	-	52.61	1,439.80	4,436.00	3,352.67	3,478.91	(36.98)	-	-	-	-	13.93	12,726.94


See accompanying notes to the Financial Statements

As per our report of even date

For CSK Prabhu & Co.,

Chartered Accountants

Firm Regn. No. : 0024855


CSK PRABHU
 Partner

Membership No. 019811

Place : Coimbatore

Date : 24th May 2022

For and on behalf of the Board


M. MANICKAM

Chairman

DIN : 00102233

M. BALASUBRAMANIAM

Vice Chairman and Managing Director

DIN : 00377053


S. VENKATESH

Company Secretary and

Chief Compliance Officer

FCS 7012

SRIJAYASAN ANAND

Chief Financial Officer

Membership No.020694

SAKTHI FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
A. Cash flow from Operating activities		
Profit before tax	1,292.04	1,257.44
Adjustment to reconcile profit before tax to net cash flows :		
Non-cash expenses		
Depreciation, amortisation	491.07	421.70
Impairment on Loan Assets	878.54	641.18
Bad debts and write-offs	157.35	166.76
Remeasurement gain/(loss) on defined benefit plans	13.95	2.19
Impairment on investments	3.17	3.46
Impairment on Trade receivables	(4.69)	(23.69)
Amortization of fees and Commission on financial liabilities	268.34	273.89
Income/expenses considered seperately		
Income from investing activities	(377.04)	(252.83)
Net gain/loss on derecognition of property, plant and equipment	0.12	0.22
Finance costs	10,775.85	10,532.96
Operating profit before working capital changes	13,498.70	13,023.28
Movements in Working Capital:		
Decrease/(increase) in loans	(1,993.36)	(3,115.49)
Decrease / (increase) in Trade receivables	17.85	78.64
Decrease / (increase) in other receivables	(13.04)	5.17
Decrease / (increase) in other financial assets	134.35	344.83
Decrease / (increase) in other non-financial assets	(1,587.65)	(69.53)
Increase / (decrease) in Trade Payables	(15.84)	(23.75)
Increase / (decrease) in Other Payables	23.65	49.49
Increase / (decrease) in other financial liabilities	(300.77)	63.21
Increase / (decrease) in other non- financial liabilities	31.09	(23.42)
Increase /(decrease) in Provisions	4.56	(3.64)
Cash generated from operations	(3,699.16)	(2,694.49)
Income taxes paid (net of refunds)	(665.78)	(424.34)
Interest received on Bank deposits	158.80	31.66
Finance costs paid	(9,082.00)	(9,296.71)
Net Cash flows from / (used in) operating activities (A)	210.56	639.40
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(324.69)	(140.66)
Proceeds from sale of investments at amortised cost	200.00	-
Proceeds from sale of property, plant and equipment and intangible assets	0.03	0.35
Interest income received from investment at amortised cost	218.24	221.17
Increase in earmarked balances with banks	(753.52)	93.60
Net cash flows from / (used in) investing activities (B)	(659.94)	174.46

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022 (CONTD...)

(₹ Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue Expense of Debt Securities / Equity Shares	(12.78)	56.48
Proceeds from borrowings through debt securities	18,779.68	13,474.41
Repayment of borrowings through debt securities	(5,990.96)	(16,277.81)
Proceeds from borrowings through Deposits	-	702.12
Repayment of borrowings through Deposits	(8,601.79)	(2,738.22)
Proceeds from borrowings other than debt securities	-	5,600.00
Repayment of borrowings other than debt securities	(3,528.23)	(3,870.19)
Proceeds from borrowings through subordinated liabilities	5,090.47	3,837.70
Repayment of borrowings through subordinated liabilities	(763.89)	(831.21)
(Increase) / decrease in loan repayable on demand	(4,050.93)	25.04
Lease liability paid	1.45	(152.62)
Dividend paid	(388.24)	(388.24)
Net cash flows from financing activities (C)	534.78	(562.54)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	85.40	251.32
Cash and cash equivalents at the beginning of the year	1,364.11	1,112.79
Cash and cash equivalents as at the year ended	1,449.51	1,364.11
Net cash provided by / (used in) Operating Activities includes:		
Interest received	17,189.93	16,345.13
Interest paid	(9,082.00)	(9,296.71)
Net cash provided by / (used in) operating activities	8,107.93	7,048.42
Cash and cash equivalents at the end of the year:		
i) Cash in hand	270.41	714.34
ii) Cheques on hand	48.71	540.37
iii) Balances with banks (of the nature of cash and cash equivalents)	1,130.39	109.40
Total	1,449.51	1,364.11

The above Cash Flow Statement has been prepared under the indirect method as set-out in Ind As-7 "Statement of Cash Flows"

See accompanying Notes to the Financial Statements

As per our report of even date
For CSK Prabhu & Co.,
Chartered Accountants
Firm Regn. No. : 0024855

CSK PRABHU
Partner
Membership No. 019811

Place : Coimbatore
Date : 24th May 2022

M. BALASUBRAMANIAM
Vice Chairman and Managing Director
DIN : 00377053

S. VENKATESH
Company Secretary and
Chief Compliance Officer
FCS 7012

For and on behalf of the Board

M. MANICKAM
Chairman
DIN : 00102233

SRINIVASAN ANAND
Chief Financial Officer
Membership No.020694

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

1. Company Overview

Sakthi Finance Limited ("SFL" or "the Company") is a public limited Company having its Registered Office at 62, Dr. Nanjappa Road, Coimbatore, Tamilnadu - 641018.

The Company is a deposit-taking Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India ("RBI") vide certificate No. 07-00252 dated 8th May 1998. By virtue of RBI Circular dated 22nd February 2019, the Company has been classified as an NBFC Investment and Credit Company (NBFC-ICC). The Company mainly is engaged in the business of Hire Purchase Financing for Commercial Vehicles, Infrastructure Equipment, Machineries, etc. The Equity Shares and Non-Convertible Debentures of the Company are listed on BSE Limited.

The Board of Directors have at their meeting held on 24th May 2022, approved the Financial statements of the Company for the year ended 31st March 2022.

2. Significant Accounting Policies

a. Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time) and the relevant provisions of the Act as applicable, Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking company (Reserve Bank) Directions 2016 ("the NBFC Master Directions") and the notification for implementation of Indian Accounting

Standard vide circular RBI/2019-20/170D OR(NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 ('RBI Notification for Implementation for Ind AS') issued by RBI.

The financial statements have been prepared on a going concern basis and on historical cost convention, except for certain financial instruments that are measured at Fair Values Through Other Comprehensive Income ("FVTOCI") at the end of each reporting period. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The regulatory disclosures as required by NBFC Master Directions to be included in the Notes forming an integral part of the financial statements are prepared as per RBI Notification for Implementation of Ind AS dated: 13th March 2020.

b. Presentation of Financial Statements

The company presents its balance sheet in the order of liquidity. Financial statements of the Company are prepared and presented in the format prescribed in the Division III of Schedule III to the Act applicable to

NBFCs, as notified by the Ministry of Corporate Affairs ("MCA"). Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances.

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

The Financial Statements are presented in Indian Rupees (₹) which is the functional currency of the company and all values are rounded off to the nearest lakhs with two decimals except where otherwise indicated.

The aggregation and classification of amounts in the financial statements are based on materiality and similarity between the items. Items of dissimilar nature or function are separately presented unless they are immaterial except when required by law.

c. Significant accounting judgements, estimates and assumptions

Use of Estimates, Judgements and Estimation of uncertainty

The preparation of financial statements of the company involves use of estimates in computation of expected credit loss, making judgments in determination of fair value of financial assets and financial liabilities, assumptions for actuarial changes in defined benefit obligations. The Company based its assumptions and estimates on factors available when the financial statements were prepared.

The use of estimates and assumptions, which might have an effect on these financial statements. The estimates are based on historical experience and other factors that are considered to be relevant. The actual results may differ from these estimates. The company believes that the estimates used in preparation of financial statements are prudent and reasonable.

Existing circumstances and assumptions about future development however may change due to market changes or circumstances arising that are beyond the control of the company. In the process of applying the Company's accounting policies management has made the reasonable estimates and judgements in relation to the carrying amount of assets and liabilities at each balance sheet date.

In particular, information about significant areas of estimation, uncertainty and critical judgments

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

(a) Business Model Assessment

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

(b) Defined employee benefit obligations

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

(c) Fair value measurement

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

risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

(e) Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can reliably be estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed at each Balance sheet date and revised to take account of changing facts and circumstances.

(f) Effective Interest Rate ("EIR") method on Financial Assets

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

(g) Estimation uncertainty relating to COVID-19

The Company has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports, up to the date of approval of the financial statements in determining the impact of Covid-19 on various elements of its financial statements. The Company

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company has accrued its liabilities and also expects to fully recover the carrying amount of assets. The eventual outcome of impact of the global health pandemic including the non-fulfilment of the obligations by the customers due to lockdown, extended moratorium allowed by Government and other restrictions related to Covid-19 situation may be different from those estimated as on the date of approval of these financial statements.

d. Impact of Covid 19

The COVID 19 pandemic has resulted in significant decrease in economic activities throughout the Country as well as Global. The Government of India and respective State Governments announced a strict curfew and lockdown across the country to control the spread of virus. This had a consequential impact on the regular operations of the company. Further, the Company had extended the moratorium and also implemented resolution framework for eligible borrowers as per Reserve Bank of India ("RBI") directives issued from time to time. The relevant disclosures are given in Note 50.4 to the Financial Statements.

e. New Accounting Standards issued but not effective / Recent Accounting Development

On March 24, 2021, MCA through a notification, amended Schedule III to the Companies Act 2013 effective from April 01, 2021. Amendments relating to Division III which relate to NBFCs whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, have been complied with.

Ministry of Corporate Affairs ("MCA") have vide notification G.S.R. 255(E) dated 23rd March 2022, notified Amendments to the Companies (Indian Accounting Standards) Rules 2015, which are applicable from 1st April 2022. The company will evaluate and make the disclosures from subsequent year.

a) Ind AS 16 – Property, Plant and Equipment Proceeds before Intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss statement. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial

statements.

b) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts – Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

c) Ind AS 103 – Business Combinations

Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 109 – Financial Instruments

Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

e) Ind AS 116 – Leases

Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

f. Financial Instruments

i. Initial Recognition and Measurement

Financial assets and Financial liabilities are initially recognized on the date the company becomes a party to the contractual provisions of the instrument.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities that are measured at amortised cost are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Unlike the other financial assets, Trade receivables are measured at transaction price at which the transaction had taken place.

ii. Classification and Subsequent Measurement

The financial assets are classified based on the Company's business model for managing the financial assets and their contractual cash flow characteristics as subsequently measured:

- a) At amortised cost
- b) At Fair Value Through Other Comprehensive Income ("FVTOCI")
- c) At Fair Value Through Profit and Loss ("FVTPL")

The Company classifies financial liabilities at amortised cost unless it has designated liabilities at fair value through profit and loss.

Financial Assets at Amortised Cost

The classification of financial assets such as cash and cash equivalents, Loans, trade receivables and investments (other than classified at FVTOCI) are measured at amortized cost based on the assessment of business model as follows:

Business model Assessment

An assessment of business model for managing financial assets is fundamental to the classification of a financial asset.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the company's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held

within that business model) and, in particular, the way those risks are managed;

- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, value and timing of loan disbursements based on the analysis of disbursements made and realisation of cash flows in previous periods.

The financial assets of the company are held within a business model, whose objective is to hold assets in order to collect contractual cash flows, are managed to realise cash flows by collecting contractual payments over the life of the instrument and within the business model whose objective is achieved by both collecting the contractual cash flows and selling the financial asset.

The Solely Payments of Principal and Interest ("SPPI") test on the principal amount outstanding:

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that meet SPPI test. For that purpose:

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

The interest income represents the consideration for time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

The SPPI assessment is made in the currency in which the financial asset is denominated.

The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding.

Financial Assets at FVTOCI

Equity instruments

The Company has made an irrevocable election to classify and measure the listed equity instruments at FVTOCI to present the subsequent changes in fair value under Other Comprehensive Income ("OCI") and the classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right to receive the payment has been established, except when the company benefits from such proceeds as a recovery of part of the cost of the

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

instrument, in which case, such gains are recorded in OCI.

Financial liabilities at Amortised cost

The company had classified the debt instruments, redeemable non-convertible preference shares and other borrowed funds at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue of funds, and transaction costs that are an integral part of the Effective Interest Rate ("EIR").

Any fees, paid or received, transaction costs and other premiums or discounts that are included in the calculation of the effective interest rate are amortised over the expected life of the financial instrument.

iii. Reclassification of Financial Instrument

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities during the financial year.

Till 31st March 2020, the issue expenses relating to public issue of Non-Convertible Debentures was set off against security premium. From 01st April 2020 onwards, the amortised issue expenses are written off in the statement of profit and loss.

iv. Derecognition of Financial Instrument

Financial Asset

The Company derecognises the financial asset when, and only when:

- The contractual rights to receive the cash flows from the financial asset have expired, or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a. the Company has transferred substantially all the risks and rewards of the asset, or
 - b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received shall be recognised in statement of profit and loss.

Financial Liability

The Company derecognises the financial liability when, and only when it is extinguished i.e. when the contractual obligation is discharged or cancelled or expired.

A financial liability shall be considered as extinguished when there is an exchange between the Company and the lender with substantially different terms of the original financial liability or when there is a substantial modification of the terms of existing financial liability or part thereof.

On derecognition of a financial liability, the difference between: (a) the carrying amount and (b) the consideration paid shall be recognised in the statement of profit and loss.

v. Impairment of Financial Assets

The Company records allowance for expected credit losses for all loans, other financial assets not held at fair value through profit or loss (FVTPL), referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The impairment loss allowance is provided based on the Expected Credit Loss ("ECL") model.

The ECL is based on the credit losses expected to arise over the life of the financial asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers' ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

The Company has categorized its loans into Stage 1, Stage 2 and Stage 3, as detailed below:

Stage 1:

Financial assets, where there has not been a significant increase in credit risk since initial recognition (or) that has low credit risk at the reporting date and that are not credit impaired upon origination, are classified under this stage. The Company classifies all standard loans and loans upto 30 days overdue under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 and 3. The Company provides 12-month ECL for Stage 1 assets.

Stage 2:

Financial assets, where there has been a significant increase in credit risk since initial recognition but do not have a objective evidence of impairment, are classified under this stage. 30 Days Past Due is considered under Stage 2. The Company provides Lifetime ECL for Stage 2 assets.

Stage 3:

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Definition of Default

If the borrower is past due for more than 90 days on any material credit obligation to the Company; or the borrower is unlikely to pay his credit obligations to the Company in full, it is considered as default.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

ECL on Investment in Government securities

The Company has invested in Government Securities. No ECL has been applied on these investments as there is no history of delay in servicing of interest/ repayments. The Company does not expect any delay in interest/redemption servicing in future.

Simplified approach for trade/other receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/ other receivables that do not contain a significant financing component.

g. Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

h. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

1. in the principal market for the asset or liability; or
2. in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market is accessible by the company on the measurement date. The Company measures the fair value of an asset or liability using the assumption that market participants would use when pricing the asset or liability.

The price is either directly observable or estimated using another valuation technique. The Company had adopted valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value by maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The company applied the fair value hierarchy for the inputs to valuation techniques used to measure fair value. The three levels of hierarchy are:

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Level 1	Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to, at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regard to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
Level 2	Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.
Level 3	Those that include one or more unobservable input that is significant to the measurement as a whole

The Company determines appropriate classes of assets and liabilities on the basis of the following:

- the nature, characteristics and risks of the asset or liability; and
- the level of the fair value hierarchy within which the fair value measurement is categorized.

The company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the period.

i. Property, Plant and Equipment ("PPE")

The Company recognises an item of property, plant and equipment when:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

The cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance if it is probable that future economic benefit will flow to the Company from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Property, Plant and Equipment is carried at cost less accumulated depreciation and any accumulated impairment losses.

Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.

Depreciation

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II to the Act except for leasehold improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. The depreciation charge for each period will be recognised in the statement of profit and loss for the period.

Particulars	Useful life as prescribed by Schedule II to the Companies Act 2013	Useful life estimated by the Company
Buildings	60 years	60 years
Plant and Machinery	15 years	15 years
Plant - Windmills	22 years	22 years
Furniture and Fixtures	10 years	10 years
Vehicles	8 years	8 years
Office Equipments	5 years	10 years
Computers	3 years	6 years

The Management has considered the useful life of office equipments and computers as 10 years and 6 years respectively.

Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

on disposal in the Statement of profit and loss in which the year asset is derecognized.

j. Intangible Assets and Amortisation

Intangible assets are carried at its cost less any accumulated amortisation and accumulated impairment losses, if any.

The intangible assets comprise computer software which is amortized over the estimated useful life, in as straight line method. The amortisation charge is calculated by using the straight line method to write down the cost of intangible assets over their estimated useful life of 6 years as per Management' estimate.

Amortization is recognised as an expense in the statement of profit and loss for the period. The Company has a practice of reviewing the method and period of amortisation at the end of each financial year.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the intangible assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the statement of profit and loss in the year in which the asset is derecognized.

k. Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation or both. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any. When significant parts of the investment property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

The company, based on technical assessment made by management, depreciates the building over its estimated useful life of 60 years. The management believes that these estimated useful life is realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in Note 10. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer."

l. Impairment of Non-Financial Assets

The Company reviews the carrying amounts of PPE, Investment Property and intangible assets to determine,

if there is an indication that those assets have suffered any impairment loss. In case of any such indication those non-financial assets are tested for impairment so as to determine the impairment loss, if any, at the end of each reporting period.

m. Segments

The Company's main business is financing by way of loans in India. All other activities are not significant and incidental to the main business. Thus in the context of Ind AS 108 Operating Segment Reporting is considered to constitute one reportable segment.

n. Employee Benefits

Short Term Employee Benefits

Short-term employee benefits are recognised as expense when the related service is provided. A liability for salaries and wages, Bonus, leave encashment is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution Plan

Employees Provident Fund ("EPF") and Employees State Insurance ("ESI")

Retirement benefits such as employee provident fund and employee state insurance comes under the defined contribution plan for which the Company make contributions to such schemes administered by government organisations set up under the applicable statute and are recognised as expense when an employee renders related service.

Defined Benefit Plan

Gratuity

The obligation in respect of defined benefit plans, which covers Gratuity is provided for on the basis of an actuarial valuation at the end of each financial year by an Independent Actuary using Projected Unit Credit method. The Company makes contribution to a Gratuity Fund administered and managed by Life Insurance Corporation of India ("LIC").

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/termination benefits.

The Company recognises the changes in the net defined benefit obligation such as service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) under employee benefit expenses and net interest expense

or income in the Statement of Profit and Loss in the line item, Employee Benefits Expenses.

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

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Other Long-Term Benefits

Leave Encashment, Compensated Absences and Sick Leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

The service cost, interest on defined benefit liability and remeasurements of defined benefit liability is recognised in the statement of profit or loss.

o. Income

i. Interest Income

The Company recognises interest income using Effective Interest Rate ("EIR") on all financial assets subsequently measured at amortised cost.

EIR is the rate that exactly discounts estimated future cash flows of the financial instruments through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount. The future cash flows are estimated using the contractual terms of the instrument.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets ('Stage 3'), the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest levied on customers for delay in repayments/ non-payment of contractual cash flows is recognised on realization, since the probability of collecting such monies is established when the customer pays.

Interest Income from Government securities is recognized on time proportion basis taking into

account the amount outstanding and the rate applicable.

ii. Dividend Income

Dividend income on equity shares is recognized when the right to receive the payment is established by the reporting date.

iii. Other Operating Income

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in

Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at the fair value of the consideration received or receivable.

The Company recognises income on recoveries of financial assets written off on realisation basis.

iv. Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

Operating leases are leases where the Company does not transfer substantially all of the risks and benefits of ownership of the asset.

v. Fees and Commission Income

The Company recognises service and administration charges towards rendering financial services to its customers on satisfactory completion of performance obligation. Cheque Bouncing charges levied on customers for non payment of instalment on the contractual date is recognised on realization, since the probability of collecting such monies is established when the customer pays. Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on happening of realization, since the probability of collecting such monies is established when the customer pays.

vi. Sale of Power from Windmills

Income from power generation is recognized as per the Power Purchase Agreements with State Electricity Board and on supply of power to the grid by satisfaction of performance obligation.

vii. Net gain/loss on fair value changes

The Company designates certain financial assets for subsequent measurement at FVTOCI. The Company

recognises gains/loss on fair value change of financial assets measured at FVTOCI.

p. Foreign Currency Transaction

The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items are measured in terms of historical cost in foreign currency and are not retranslated.

Exchange differences, if any, that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

q. Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method as per Ind As 109 on Financial instrument and interest in respect of lease liability recognised in accordance with Ind AS 116.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

r. Finance costs

Finance cost include Interest Expenses computed by applying the Effective Interest Rate ("EIR") on the respective financial instrument measured at Amortised Cost. Financial Instruments includes outstanding liabilities. Finance Costs are charged to the Statement of Profit and Loss.

s. Income Taxes

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income)

i. Current tax

Current tax is the amount of tax payable to (recovered from) the taxation authorities on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961 and Income Computation and Disclosure Standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted by the end of reporting date. Current tax relating to items

recognised outside the statement of profit and loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity.

ii. Deferred Tax

Deferred tax is the tax effect on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements as at the reporting date.

Deferred tax liability is recognised for all taxable temporary differences and deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Company reviews the carrying amount of a deferred tax asset as at the end of each reporting period and reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

Deferred tax relating to items recognized outside profit or loss is recognised either in other comprehensive income or in other equity.

t. Goods and Services Input Tax Credit

Input Tax credit is accounted for in the books in the period when the underlying service/supply received is accounted to the extent permitted as per the applicable regulatory laws and when there is no uncertainty in availing/utilising the same. The ineligible input credit is charged off to the respective expense or capitalised as part of asset cost as applicable.

u. Leases

As a Lessee

The Company has applied Ind AS 116 'Leases' for all lease contracts except for short term leases and leases for which underlying asset is of low value on modified retrospective approach.

Right of Use Asset is initially measured as at the sum of initial measurement of the lease liability and any lease payments made at or before the date of commencement of lease, adjusted by any lease incentives received. On subsequent period, the Right of Use Asset is measured at cost less accumulated depreciation and any accumulated impairment losses with adjustment for remeasurement of lease liability.

Lease Liability is initially measured at the present value of the lease payments that are not paid as at the date of recognition discounted at the Company's incremental

borrowing rate. If Lease liability subsequently undergoes changes on account of interest on the lease liability, lease payments and remeasurement of the carrying amount on any reassessment or lease modifications.

As a Lessor

The Company recognises the lease payments from operating lease as income on the basis of contractual terms between the Lessee and the Company.

v. Provisions Contingent Assets and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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, is disclosed as a contingent liability. Contingent liabilities are also 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

Contingent assets are not recognised in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

w. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

x. Statement of Cash Flow

Statement of Cash flows are reported using the indirect method, whereby the net profit before tax 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 expenses associated with investing or financing cash flows. The statement of cash flows from operating, investing and financing activities of the Company are segregated.

y. Earnings Per Share ("EPS")

Basic earnings per share is 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.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for shares issued during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Particulars	As at	As at
	31st March 2022	31st March 2021
3. CASH AND CASH EQUIVALENTS		
Cash on hand	270.41	714.34
Balance with Banks in Current Accounts	1,130.39	109.40
Cheques, drafts on hand	48.71	540.37
Total	1,449.51	1,364.11
4. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked Balances with Banks :		
- Unpaid Dividend Accounts**	46.52	56.83
Term Deposits with Banks :		
- Free	900.00	-
- Under Lien #	182.79	318.96
Total	1,129.31	375.79

Details of Term Deposits under lien

Particulars	As at 31st March 2022		As at 31st March 2021	
	Bank Balances other than Cash and Cash equivalents (Note 4)	Other Financial assets (Note 8)	Bank Balances other than Cash and Cash equivalents (Note 4)	Other Financial assets (Note 8)
For Statutory Liquid Assets*	182.79	9.20	318.96	12.83
Total	182.79	9.20	318.96	12.83

* In accordance with the Reserve Bank of India Directions, the Company has created a floating charge on Statutory Liquid Assets (Bank Deposits and interest accrued thereon) in favour of IDBI Trusteeship Services Ltd, Trustees representing the Public deposit holders of the company.

** Includes minimum bank balance

5. RECEIVABLES

(i) Trade Receivables

Unsecured - Considered good

- Unsecured - Considered good	97.37	111.14
- Unsecured - Credit Impaired	116.35	120.43
Less: Impairment Loss Allowance	(44.47)	(49.16)
Total	169.25	182.41

(ii) Other Receivables

Unsecured - Considered good

Rent Receivables	16.56	3.52
Total	16.56	3.52

There is no amount due from any directors or other officers of the company or any firm or Private Limited Company in which any Director is a partner, a Director or a member.

Trade Receivables Ageing Schedule as at 31st March 2022

	Unbilled Revenue	Outstanding for following periods from due date of payment/where no due date is specified from the date of the transaction					Total
		Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	23.48	73.89	-	-	-	97.37
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	100.81	15.54	-	116.35
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less : Impairment Allowance	-	(4.66)	(19.59)	(18.71)	(1.51)	-	(44.47)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Trade Receivables Ageing Schedule as at 31st March 2021

(₹ Lakhs)

	Unbilled Revenue	Outstanding for following periods from due date of payment/where no due date is specified from the date of the transaction					Total
		Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	40.32	70.82	-	-	-	111.14
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	107.52	12.91	-	120.43
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less : Impairment Allowance	-	(8.47)	(18.77)	(19.96)	(1.96)	-	(49.16)

Particulars	As at 31st March 2022	As at 31st March 2021
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6. LOANS

(A) Loans (at amortised cost) *

Hire Purchase Loans#	1,14,406.27	1,12,645.02
Loans Repayable on Demand	105.56	81.36
Other Loans ##	310.64	260.08
Total (Gross)	1,14,822.47	1,12,986.46
Less: Impairment Loss Allowance	(4,511.27)	(3,632.73)
Total (Net)	1,10,311.20	1,09,353.73

(B) (i) Secured by Tangible Assets

(ii) Secured by Intangible Assets	-	-
(iii) Covered by Bank / Govt. Guarantee	-	-
(iv) Unsecured	416.20	341.44
Total (Gross)	1,14,822.47	1,12,986.46
Less: Impairment Loss Allowance	(4,511.27)	(3,632.73)
Total (Net)	1,10,311.20	1,09,353.73

(C) (i) Loans in India

(a) Public Sector	-	-
(b) Others	1,14,822.47	1,12,986.46
Total (Gross)	1,14,822.47	1,12,986.46
Less: Impairment Loss Allowance	(4,511.27)	(3,632.73)
Total (Net) - C (i)	1,10,311.20	1,09,353.73
(ii) Loans Outside India	-	-
Less: Impairment Loss Allowance	-	-
Total (Net) - C (ii)	-	-
Total (Net) - C (i+ii)	1,10,311.20	1,09,353.73

* There is no loan assets measured or designated at FVTOCI or FVTPL

Includes Repossessed Assets

Represents Staff Loans

Refer Note 44 on Disclosure pursuant to Ind AS "24" - Related Party Disclosures for Loans and Advances given and outstanding dues from related parties

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Particulars			As at 31st March 2022	As at 31st March 2021
7. INVESTMENTS				
At Amortised Cost				
Investments in Government Securities	Number	Face Value per unit (₹)		
Quoted				
Bonds of Central and State Governments #	23,68,000	100	2,374.44	2,577.61
Total (A)			<u>2,374.44</u>	<u>2,577.61</u>
At Fair value through Other Comprehensive Income				
Investments in Equity Instruments				
Sakthi Sugars Limited	5,52,833	10	75.07	52.30
Chokhani International Limited	100	10	0.02	0.02
Total (B)			<u>75.09</u>	<u>52.32</u>
At Cost				
Investments in Equity Instruments				
Unquoted				
ABT Industries Limited	1,50,000	10	15.00	15.00
ABT Foods Agrovet Limited (Formerly Sakthi Beverages Ltd)	1,25,000	10	12.50	12.50
Sri Bhagavathi Textiles Limited	5	100	0.04	0.04
Sri Chamundeswari Sugars Limited	1,86,666	10	7.82	7.82
ABT Co-operative Stores Limited	500	10	0.05	0.05
Stiles India Limited	100	10	-	-
Sakthi Soft Drinks Pvt Limited	30,000	10	3.00	3.00
Total (C)			<u>38.41</u>	<u>38.41</u>
Total (Gross) - (A+B+C)			<u>2,487.94</u>	<u>2,668.34</u>
(i) Investments Outside India			-	-
(ii) Investments In India			<u>2,487.94</u>	<u>2,668.34</u>
Total			<u>2,487.94</u>	<u>2,668.34</u>
Less: Impairment Loss Allowance			0.06	0.06
Total (Net)			<u>2,487.88</u>	<u>2,668.28</u>

In accordance with Master Direction - Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 2016 dated 25th August 2016 (as amended), the Company has created a floating charge on the statutory liquid assets comprising investment in Government securities on the above investments in favour of IDBI Trusteeship services Ltd, trustee representing the Public Deposit holders of the company.

* There is no Investment in Government Securities measured at FTVOCI.

8. OTHER FINANCIAL ASSETS

- Interest accrued on Government Securities		52.71	56.16
- Interest accrued on Term Deposits			
- Free		4.84	-
- Under Lien (Refer Note 4)		9.20	12.83
- Security Deposits		260.20	169.38
- Other Loans and Advances		1,370.36	1,562.29
- Advance to Employees		15.60	29.77
Total		<u>1,712.91</u>	<u>1,830.43</u>

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
9. DEFERRED TAX ASSETS (net)		
a. Application of Expected Credit Loss on Financial Assets	982.42	-
b. Employee benefit expenses	30.87	-
c. Right of Use Assets & Lease Liabilities	7.84	-
d. Application of EIR on Financial Liabilities	(64.83)	-
e. Differences in Carrying amount of Property, Plant and Equipment	(738.36)	-
Total	217.94	-

10. a) INVESTMENT PROPERTY

Particulars	Land	Building	Total
Carrying Amount as at 1st April 2020	66.87	226.74	293.61
Additions	-	-	-
Disposals	-	-	-
Carrying Amount as at 31st March 2021	66.87	226.74	293.61
Additions	-	-	-
Disposals	-	-	-
Carrying Amount as at 31st March 2022	66.87	226.74	293.61
Accumulated depreciation / amortisation and impairment			
Balance as at 1st April 2020	-	9.20	9.20
Depreciation for the year	-	4.60	4.60
Depreciation on disposals	-	-	-
Balance as at 31st March 2021	-	13.80	13.80
Depreciation for the year	-	4.60	4.60
Depreciation on disposals	-	-	-
Balance as at 31st March 2022	-	18.40	18.40
Net Carrying amount			
As at 31st March 2021	66.87	212.94	279.81
As at 31st March 2022	66.87	208.34	275.21
Useful Life of the Asset (In Years)	-	60	-

10. b) Rental Income with respective expenses

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Rental Income - Building	2.32	3.52
Direct operating expenses on properties generating rental income to include	0.42	0.49

10. c) Fair Value of Investment Property with assumptions applied in determining the fair value of investment property

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted avg)	Sensitivity of the input to fair value	Fair value ₹ lakhs	Sensitivity ₹ lakhs
Sensitivity analysis						
Investment Property As at 31st March 2022	Professional valuer	Price per Square Feet	₹ 2,500 - 5,000 per Square Feet	5%	370	19
Investment Property As at 31st March 2021	Professional valuer	Price per Square Feet	₹ 2,500 - 5,000 per Square Feet	5%	370	19

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

11 (a) Property, Plant and Equipment - Tangible Assets

(₹ Lakhs)

Particulars	Land - Freehold	Buildings	Plant and Machinery	Plant - Wind Mills	Furniture and Fixtures	Vehicles	Office Equipments	Total Tangible Assets
Carrying Amount as at 1st April 2020	2,764.91	1,712.89	93.22	1,615.39	333.34	97.16	164.98	6,781.89
Additions	-	-	0.99	-	3.86	-	46.52	51.37
Disposals	-	-	-	-	-	-	0.57	0.57
Carrying Amount as at 31st March 2021	2,764.91	1,712.89	94.21	1,615.39	337.20	97.16	210.93	6,832.69
Additions	1.56	-	4.20	-	22.79	-	38.03	66.58
Disposals	-	-	0.23	-	-	-	-	0.23
Carrying Amount as at 31st March 2022	2,766.47	1,712.89	98.18	1,615.39	359.99	97.16	248.96	6,899.04
Accumulated depreciation / amortisation and impairment								
Balance as at 1st April 2020	-	107.98	14.48	209.14	63.72	26.06	43.86	465.24
Depreciation for the year	-	54.02	7.97	104.57	36.16	13.50	28.94	245.16
Depreciation on disposals	-	-	-	-	-	-	-	-
Balance as at 31st March 2021	-	162.00	22.45	313.71	99.88	39.56	72.80	710.40
Depreciation for the year	-	49.32	8.01	104.57	36.52	12.71	30.96	242.09
Depreciation on disposals	-	-	0.08	-	-	-	-	0.08
Balance as at 31st March 2022	-	211.32	30.38	418.28	136.40	52.27	103.76	952.41
Net Carrying amount								
As at 31st March 2021	2,764.91	1,550.89	71.76	1,301.68	237.32	57.60	138.13	6,122.29
As at 31st March 2022	2,766.47	1,501.57	67.80	1,197.11	223.59	44.89	145.20	5,946.63
Useful Life of the Asset (In Years)	-	60	15	22	10	8	10	

Carrying Value of Assets Pledged Against borrowings / Debt Securities as at 31st March 2022 (Refer Note 14 & 15)

As at 31st March 2022	173.80	1,347.64	-	-	-	-	-	1,521.44
As at 31st March 2021	173.80	1,391.56	-	-	-	-	-	1,565.36

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

11 (b) Right of use Assets

(₹ Lakhs)

Particulars	Amount
Gross Carrying Amount as at 1st April 2020	1,492.53
Additions	-
Disposals	7.97
Carrying Amount as at 31st March 2021	1,484.56
Additions	240.82
Disposals	-
Carrying Amount as at 31st March 2022	1,725.38
Accumulated depreciation / amortisation and impairment	
Balance as at 1st April 2020	269.76
Depreciation for the year	144.30
Depreciation on Disposals	-
Balance as at 31st March 2021	414.06
Depreciation for the year	217.72
Depreciation on Disposals	-
Balance as at 31st March 2022	631.78
Net Carrying amount	
As at 31st March 2021	1,070.50
As at 31st March 2022	1,093.60
Useful Life of the Asset (In Years)	3

11 (c) Intangible Assets under development

Particulars	Amount
Carrying Amount as at 1st April 2020	15.07
Additions	71.20
Disposals	-
Carrying Amount as at 31st March 2021	86.27
Additions	10.99
Disposals	97.26
Carrying Amount as at 31st March 2022	-
As at 31st March 2021	86.27
As at 31st March 2022	-

Intangible Assets under Development ageing schedule

As at 31st March 2022

Intangible Assets under Development	Amount in Intangible Asset under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Note: There were no Intangible Assets under Development, whose completion is overdue or has exceeded its cost compared to its original plan

As at 31st March 2021

Intangible Assets under Development	Amount in Intangible Asset under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	86.27	-	-	86.27
Projects temporarily suspended	-	-	-	-	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

11 (d) Other Intangible Assets - Computer Software

(₹ Lakhs)

Particulars	Amount
Carrying Amount as at 1st April 2020	263.61
Additions	15.25
Disposals	-
Carrying Amount as at 31st March 2021	278.86
Additions	103.56
Disposals	-
Carrying Amount as at 31st March 2022	382.42
Accumulated depreciation / amortisation and impairment	
Balance as at 1st April 2020	148.66
Depreciation for the year	27.63
Depreciation on disposals	-
Balance as at 31st March 2021	176.29
Depreciation for the year	26.67
Depreciation on disposals	-
Balance as at 31st March 2022	202.96
Net Carrying amount	
As at 31st March 2021	102.57
As at 31st March 2022	179.46
Useful Life of the Asset (In Years)	6

Capital Work in Progress (CWIP) ageing schedule

As at 31st March 2022

Capital Work-in-progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Note: There were no Capital Work in Progress, whose completion is overdue or has exceeded its cost compared to its original plan

As at 31st March 2021

Capital Work-in-progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Note: There were no Capital Work in Progress, whose completion is overdue or has exceeded its cost compared to its original plan

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
12. OTHER NON-FINANCIAL ASSETS		
Considered good-Unsecured		
- Advance for Property, Plant and Equipment	1,500.00	-
- Prepaid Expenses	124.34	103.49
- GST Input Tax Credit (Refer Note 2 (t))	289.17	221.21
- NCD Public Issue Expenses	12.78	-
- Others	9.85	11.01
Total	1,936.14	335.71

Refer Note 44 on Disclosure pursuant to Ind AS "24" - Related Party Disclosures for Loans and Advances given and outstanding dues from related parties

LIABILITIES AND EQUITY

13. PAYABLES

(I) Trade Payables

(i) Total outstanding dues of micro enterprises and small enterprises	0.28	3.26
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	127.76	140.62

(II) Other Payables

(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	175.13	151.48

Total	303.17	295.36
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Micro, Small and Medium 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") the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per MSMED Act are given below:

a) Dues remaining unpaid to any supplier at the year end		
- Principal	0.28	3.26
- Interest on the above		
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act	-	-
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year		
d) Amount of interest accrued and remaining unpaid	-	-
e) 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		
Total	0.28	3.26

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Trade Receivables Ageing Schedule as at 31st March 2022

(₹ Lakhs)

	Outstanding for following periods from due date of payment/where no due date is specified from the date of the transaction					
	Unbilled Revenue	Less than - 1 year	1-2 Years	2-3 years	More than 3 years	Total
MSME	-	0.28	-	-	-	0.28
Others	-	302.89	-	-	-	302.89
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-

Trade Receivables Ageing Schedule as at 31st March 2021

	Outstanding for following periods from due date of payment/where no due date is specified from the date of the transaction					
	Unbilled Revenue	Less than - 1 year	1-2 Years	2-3 years	More than 3 years	Total
MSME	-	3.26	-	-	-	3.26
Others	-	292.10	-	-	-	292.10
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-

14. DEBT SECURITIES

At Amortised Cost

Non-Convertible Debentures - Secured	41,560.04	28,711.26
Total	41,560.04	28,711.26
Debt Securities in India	41,560.04	28,711.26
Debt Securities outside India	-	-
Total	41,560.04	28,711.26

Note:

- There is no debt securities measured at FVTOCI or designated at FVTPL.
- The Non-Convertible Debentures are secured by immovable properties and Loan receivables of the Company having carrying value of ₹45,051.25 lakhs (31st March 2021 ₹30,902.68 Lakhs).
- For Debt securities subscribed by the related parties Refer Note 44.

Details of Non-Convertible Debentures - Secured :

Particulars	As at 31st March 2022	As at 31st March 2021
A. Issued on private placement basis - Face Value of Rs 1,000/-		
- Repayable on maturity:		
Interest Range 8.75% to 10%		
Maturing within 1 year	3,920.00	4,628.00
Maturing between 1 to 2 years	3,938.30	3,201.00
Maturing between 2 to 3 years	2,454.50	3,426.30
Sub-Total (A)	10,312.80	11,255.30
Add : Interest accrued but not due	454.95	569.28
Less: unamortized charges	44.46	52.10
(A) Total Amortized Cost	10,723.29	11,772.48

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
B) Public Issue - Face value of ₹1,000/-		
- Repayable on maturity:		
Interest Range 9% to 10%		
Maturing within 1 year	5,324.98	1,991.39
Maturing between 1 years to 2 years	11,652.10	5,324.98
Maturing between 2 years to 3 years	6,530.39	5,489.32
Maturing between 3 years to 4 years	5,673.13	3,272.12
Sub-Total (B)	29,180.60	16,077.81
Add : Interest accrued but not due	1,999.49	1,079.40
Less: unamortized charges	343.34	218.43
(B)Total Amortized Cost	30,836.75	16,938.78
TOTAL (A)+(B)	41,560.04	28,711.26
Total Amortized Cost (A + B)	41,560.04	28,711.26

(₹ Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
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15. BORROWINGS (OTHER THAN DEBT SECURITIES)

At amortized cost

Term Loan -Secured

- From Banks

3,810.72 5,568.31

- From Other Lenders

1,240.84 2,925.80

Loan Repayable on Demand

- Cash Credit Facilities from Banks

10,514.13 14,565.05

Total

15,565.69 23,059.16

Borrowings in India

15,565.69 23,059.16

Borrowings outside India

- -

Total

15,565.69 23,059.16

There is no borrowings measured at FVTOCI or designated at FVTPL.

a) Term loans from Banks are secured as under :

i) State Bank of India

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Mora-torium period	Security details	Amount outstanding as on 31st March 2022	Amount outstanding as on 31 March 2021
			Commence-ment date	End date				
1	5,000.00	11.00%	30.09.2020	30.06.2025		Hypothecation of specified Hire Purchase receivables and personal guarantee by a director	3,365.80	4,398.00
2	600.00	7.25%	30.11.2020	30.04.2022			22.00	430.00
Add : Interest accrued but not due							-	-
Less: unamortized charges							43.22	56.52
Total Amortized Cost							3,344.58	4,771.48

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

ii) IndusInd Bank Ltd

(₹ Lakhs)

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Moratorium period	Security details	Amount outstanding as on 31st March 2022	Amount outstanding as on 31 March 2021
			Commencement date	End date				
1	650.00	12.00%	04.03.2020	04.06.2023	3 Mths	Hypothecation of specified Hire Purchase receivables	303.81	512.52
2	350.00	12.00%	04.03.2020	04.06.2023	3 Mths		161.69	274.29
Add : Interest accrued but not due							4.13	6.98
Less: unamortized charges							3.49	3.05
Total Amortized Cost							466.14	790.74

iii) HDFC Bank Ltd

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Moratorium period	Security details	Amount outstanding as on 31st March 2022	Amount outstanding as on 31 March 2021
			Commencement date	End date				
1	19.00	9.50%	05.02.2019	05.01.2022	-	Hypothecation of New Innova Crysta GX Car	-	6.09
Total Amortized Cost							-	6.09

b) Term loans from other Lenders are secured as under:

i) Northern Arc Capital Ltd (formerly IFMR Capital Finance Pvt Ltd)

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Moratorium period	Security details	Amount outstanding as on 31st March 2022	Amount outstanding as on 31 March 2021
			Commencement date	End date				
1	1,500.00	14.00%	06.04.2020	07.03.2022	-	Hypothecation of specified Hire Purchase receivables and personal guarantee by a director	-	801.33
Add : Interest accrued but not due							-	8.30
Less: unamortized charges							-	10.43
Total Amortized Cost							-	799.20

ii) Hinduja Leyland Finance Ltd

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Moratorium period	Security details	Amount outstanding as on 31st March 2022	Amount outstanding as on 31 March 2021
			Commencement date	End date				
1	1,500.00	10.25%	07.03.2018	07.04.2021	2 Mths	Hypothecation of specified Hire Purchase receivables and personal guarantee by a director	-	48.40
Add : Interest accrued but not due							-	0.33
Less: unamortized charges							-	-
Total Amortized Cost							-	48.73

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

iii) Shriram Transport Finance Company Ltd

(₹ Lakhs)

Sl No	Amount of Term Loan sanctioned	Rate of Interest per annum	Repayment		Moratorium period	Security details	Amount outstanding as on 31st March 2022	Amount outstanding as on 31 March 2021
			Commencement date	End date				
1	2,000.00	13.00%	05.09.2019	05.08.2023	-	Hypothecation of specified Hire Purchase receivables	826.37	1330.70
2	1,000.00	13.00%	05.05.2020	05.04.2023	-		408.04	737.19
Add : Interest accrued but not due							11.43	19.15
Less: unamortized charges							5.00	9.17
Total Amortized Cost							1,240.84	2,077.87

c) loans repayable on demand - Cash credit facilities with banks (secured)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Interest Rate Range	Amount outstanding	Interest Rate Range	Amount outstanding
Maturing within 1 Year	9.65 % to 12.25%	10,516.14	9.65 % to 12.60%	14,556.33
Add : Interest accrued but not due		25.77		33.18
Less: unamortized charges		27.78		24.86
Total Amortized Cost		10,514.13		14,564.65

The Cash Credit facilities from Banks are secured by hypothecation of specified hire purchase receivables and a personal guarantee by Director(s). The Company has also extended collateral security of Company's Building and land belonging to a Director.

d) There is no default in repayment of loans and interest thereon.

(₹ Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
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16. DEPOSITS (UNSECURED)

At amortized cost

Public Deposits

8,540.60 17,086.35

Total

8,540.60 17,086.35

There is no Deposits measured at FVTOCI or designated at FVTPL

Details of Deposits - Unsecured :

Particulars	As at 31st March 2022	As at 31st March 2021
- Repayable on maturity:		
Interest Range 7.75% to 9%		
Maturing within 1 year	5,544.55	8,025.57
Maturing between 1 to 2 years	2,217.84	5,763.06
Maturing between 2 to 3 years	-	2,257.83
Sub-Total	7,762.39	16,046.46
Add : Interest accrued but not due	799.48	1,117.20
Less: unamortized charges	21.27	77.31
Total Amortized Cost	8,540.60	17,086.35

For Deposits held by related parties, refer Note No.44

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
17. SUB-ORDINATED LIABILITIES (UNSECURED)		
At amortized cost		
Non-Convertible Debentures - Unsecured	11,640.38	6,460.97
Redeemable Cumulative Preference Shares (RCPS)	1,490.29	1,842.25
Sub-Ordinated Debts	26,400.10	25,176.84
Total	39,530.77	33,480.06
Sub-Ordinated Liabilities in India	39,530.77	33,480.06
Sub-Ordinated Liabilities outside India	-	-
Total	39,530.77	33,480.06

There is no Subordinated liabilities measured at FVTOCI or designated at FVTPL

Terms/rights attached to RCPS: The RCPS do not have voting rights other than matters which directly affect them. In the event of any due and payable dividends remain unpaid for aggregate period of at least two years prior to the start of any general meeting of the equity shareholders, RCPS holders shall have voting rights in line with their voting rights of the equity shareholders. The RCPS will be redeemed at the end of three years from the date of allotment and the payment of dividend would be in accordance with the terms agreed at the time of issuance of RCPS.

On winding up or repayment of capital, RCPS holders enjoy preferential rights vis a vis equity shareholders, for repayment of capital paid-up and shall include any unpaid dividends.

For the year ended 31st March 2022, the Company declared and paid an interim dividend of ₹ 134.06 lakhs after deduction of TDS of ₹ 5.72 lakhs on RCPS of ₹ 100 each fully paid (31st March 2021 : ₹ 134.75 lakhs)

Details of Sub-Ordinated Liabilities - Unsecured :

Particulars	As at 31st March 2022	As at 31st March 2021
A) Non-Convertible Debentures - Unsecured :		
Issued on Public Issue		
Repayable on maturity:		
Interest Range 10% to 11%		
Maturing between 2 years to 3 years	4,374.80	-
Maturing between 3 years to 4 years	1,603.70	4,374.80
Maturing between 4 years to 5 years	4,759.47	1,603.70
Sub-Total (A)	10,737.97	5,978.50
B) Preference Shares		
Repayable on maturity:		
8.25% Redeemable Cumulative Preference Shares		
Maturing within 1 year	-	665.00
Maturing between 2 years to 3 years	1,500.00	1,169.00
Sub-Total (B)	1,500.00	1,834.00
C) Sub-Ordinated Debts		
- Repayable on maturity:		
Interest Range 10% to 11%		
Maturing between 1 to 2 years	9,914.40	-
Maturing between 2 to 3 years	12,221.80	9,914.40
Maturing between 3 to 4 years	1,244.40	12,221.80
Maturing between 4 to 5 years	-	1,244.40
Sub-Total (C)	23,380.60	23,380.60
Sub-Total (A+B+C)	35,618.57	31,193.10

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Add : Interest accrued but not due		
A) Non-Convertible Debentures - Unsecured	1,027.31	532.06
B) Preference Shares	-	8.38
C) Sub-Ordinated Debts	3,122.15	1,944.88
Less: Unamortized charges		
A) Non-Convertible Debentures - Unsecured	124.89	49.59
A) Preference Shares	9.71	0.13
B) Sub-Ordinated Debts	102.66	148.64
Total amortized cost	39,530.77	33,480.06

In respect of Sub-Ordinated Liabilities subscribed by related parties refer Note 44

(₹ Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
18. OTHER FINANCIAL LIABILITIES		
Investor Education and Protection Fund shall be credited by the following amounts (as and when due)		
-Unclaimed dividends	46.42	56.73
-Unclaimed matured deposits and Interest accrued thereon	251.20	349.05
-Unclaimed matured Sub-Ordinated Debts and Interest accrued thereon	25.41	49.32
-Unclaimed matured debentures and Interest accrued thereon	180.40	182.35
-Unclaimed Redeemable Cumulative Preference Shares	13.00	181.00
Advances from Customers	450.33	449.10
Security Deposits	73.21	73.21
Lease Liabilities - Refer Note No.49	386.17	331.61
Total	1,426.14	1,672.37
Note : Equity Dividend pertaining to the financial year 2011 and 2012 for an amount of ₹ 500 have not been transferred into Investor Education and Protection Fund, due to pending legal proceedings.		
19. PROVISIONS		
Provision for Employee Benefits		
Provision for bonus	53.00	47.95
Provision for gratuity (net)	8.69	21.12
Provision for leave encashment	60.96	49.02
Total	122.65	118.09
20. DEFERRED TAX LIABILITIES (net)		
a. Application of Expected Credit Loss on Financial Assets	-	(793.33)
b. Employee benefit expenses	-	(29.72)
c. Right of Use Assets & Lease Liabilities	-	(7.35)
d. Application Of EIR On Financial Liabilities	-	96.20
e. Differences in Carrying amount of Property,Plant and Equipment	-	773.68
Total	-	39.48
21. OTHER NON-FINANCIAL LIABILITIES		
Tax Deducted at source	99.55	68.47
Total	99.55	68.47

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Particulars	As at	As at
	31st March 2022	31st March 2021
22. SHARE CAPITAL		
Authorised Share Capital		
10,00,00,000 Equity shares of ₹ 10 each (FY 2021 10,00,00,000 Equity Shares of ₹ 10 each)	10,000.00	10,000.00
30,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each (FY 2021 30,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each)	3,000.00	3,000.00
	13,000.00	13,000.00
Issued, Subscribed and Paid up Share capital		
6,47,05,882 Equity shares of ₹ 10 each fully paid up (FY 2021 : 6,47,05,882 Equity Shares of ₹ 10 each)	6,470.59	6,470.59
	6,470.59	6,470.59

Shares held by promoters at at 31st March 2022 :

Promoter Name	No of Shares	% of Total Shares	% change during the Year
Dr M Manickam, Chairman	92,813	0.14%	-
Sri M Balasubramaniam, Vice Chairman and Managing Director	192,000	0.30%	-

Shares held by promoters at at 31st March 2021 :

Promoter Name	No of Shares	% of Total Shares	% change during the Year
Dr M Manickam, Chairman	92,813	0.14%	-
Sri M Balasubramaniam, Vice Chairman and Managing Director	192,000	0.30%	-

a) Reconciliation of shares outstanding at the beginning and end of the year

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares with Voting Rights				
Number of Shares at the beginning of the year	6,47,05,882	6,470.59	6,47,05,882	6,470.59
Number of Shares at the end of the year	6,47,05,882	6,470.59	6,47,05,882	6,470.59

b) Details of shareholders holding more than 5% shares in the share capital of the company

Particulars	As at 31st March 2022		As at 31st March 2021	
	% of Holding	No. of Shares	% of Holding	No. of Shares
Equity Shares with Voting Rights				
Sakthifinance Financial Services Limited	19.19	1,24,20,000	19.19	1,24,20,000
ABT Investments (India) Private Limited	13.49	87,27,400	13.49	87,27,400
Sakthi Financial Services (Cochin) Private Limited	11.06	71,57,128	11.06	71,57,128
Avdhoot Finance and Investment Private Limited	8.69	56,24,208	8.69	56,24,208
Sakthi Management Services (Coimbatore) Limited	6.70	43,35,434	7.09	45,85,434
Bridgewater Investment Corporation Limited	6.88	44,50,000	6.88	44,50,000
The Gounder and Company Auto Limited	6.07	39,25,000	6.07	39,25,000
ABT Finance Limited	5.15	33,31,162	5.15	33,31,162

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

c) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders at the ensuing annual general meeting. The Board of Directors have, at their meeting held on 24th May 2022, recommended a dividend of 6 per cent, ₹ 0.60 per share (Dividend for 31st March 2021 : ₹0.60 per share) on equity shares. The Company declares and pays dividend in Indian rupees.

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

(₹ Lakhs)		
Particulars	31st March 2022	31st March 2021
Face Value per share (₹)	10.00	10.00
Dividend Percentage	6%	6%
Dividend per Share (₹)	0.60	0.60
Dividend on equity shares	388.24	388.24
Total Dividend	388.24	388.24

Note : The dividends proposed for the financial year 31st March 2022 shall be paid to share holders on approval of the members of the company at the ensuing Annual General Meeting.

(₹ Lakhs)		
Particulars	As at 31st March 2022	As at 31st March 2021
23. OTHER EQUITY		
Reserves and Surplus		
Statutory Reserve as per Section 45-IC of the RBI Act 1934		
Opening Balance	3,352.67	3,167.51
Add : Transfer from Retained Earnings	190.38	185.16
Closing balance	3,543.05	3,352.67
Capital Reserve		
Balance as at the Opening and Closing of the year	52.61	52.61
Securities Premium		
Opening Balance	1,429.80	1,430.92
Less : Preferential Issue of Equity Shares	-	1.12
Closing Balance	1,429.80	1,429.80
General Reserve		
Balance as at the Opening and Closing of the year	4,436.00	4,436.00
Debenture Redemption Reserve		
Balance as at the Opening and Closing of the year	-	-
Retained Earnings		
Opening Balance	3,478.91	3,126.52
Add : Profit after tax for the year	951.88	925.79
	4,430.79	4,052.31
Less: Appropriations		
Equity Dividend (₹ 0.60 per share)	388.24	388.24
Transfer to Statutory Reserve	190.38	185.16
Closing Surplus	3,852.17	3,478.91

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Item of Other Comprehensive Income ("OCI")		
(i) Fair value changes in Equity Instruments		
Opening Balance	(36.98)	(48.92)
Add : Income/(Expenses) for the year	22.78	11.94
Closing Balance	(14.20)	(36.98)
(ii) Actuarial changes in Defined benefit obligations		
Opening Balance	13.93	12.30
Add : Income/(Expenses) for the year	10.44	1.63
Closing Balance	24.37	13.93
Closing Balance (i) + (ii)	10.17	(23.05)
Total	13,323.80	12,726.94

Nature and purpose of reserves

Capital reserve: Capital reserve is the excess amount received on re-issue of forfeited equity shares in an earlier year.

Securities Premium : The amount received in excess of face value of the equity shares is recognised as Securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act 2013.

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

Debenture redemption reserve:

Consequent to the amendment to the Companies (Share Capital and Debentures) Rules, the requirement to create Debenture Redemption Reserve ("DRR") is no longer required for listed NBFCs registered with Reserve Bank of India under Section 45-IA of the RBI Act 1934, for the value of outstanding both public issue of debentures and privately placed debentures.

The Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the Balance sheet date. Accordingly the Company, subsequent to the year end has invested a sum of ₹ 900 lakhs (Previous Year ₹ 300 lakhs) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

Statutory reserve: Every year the Company transfers a sum of not less than twenty per cent of net profit after tax of that year as disclosed in the statement of profit and loss to its Statutory Reserve as per Section 45-IC of The Reserve Bank of India Act 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

- (1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.
- (2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twentyone days by such further period as it thinks fit or condone any delay in making such report.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC

Retained earnings: Retained earnings are the profits that the Company has earned till date less any transfers to statutory reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Other Comprehensive Income: Other Comprehensive Income comprises items of income and expenses that are not recognised in profit and loss as required or permitted by other Ind AS. They comprise of the following : (a) Cumulative gains/(losses) on account of remeasurement of post employment benefit obligations (b) Cumulative gains/(losses) on remeasurement of equity instruments measured at fair value through Other Comprehensive Income. Such remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Proposed dividend: The Board of Directors of the Company have recommended a dividend of 6% being Rs.0.60 per share on the equity shares of the Company, for the year ended 31st March 2022 (Rs.0.60 per share - 31st March 2021) which is subject to approval of shareholders. Consequently the proposed dividend has not been recognised in the books in accordance with IND AS 10. (Also Refer Note 57).

Particulars	(₹ Lakhs)	
	For the Year ended 31st March 2022	For the Year ended 31st March 2021
24. INTEREST INCOME		
(On Financial Instruments measured at amortised cost)		
Income from Hire purchase operations	17,017.64	16,133.07
Interest from:		
- Loans	172.29	212.06
- Bank deposits	158.80	31.66
- Investments	218.24	221.17
Total	17,566.97	16,597.96
There is no income on Financial Instruments measured at FVTOCI		
25. FEES AND COMMISSION (Services rendered at a point in time)		
- Service Charges	254.83	246.06
- Stamp and documentation charges	66.66	67.17
Total	321.49	313.23
26. SALE OF POWER FROM WINDMILLS (Services rendered at a point in time)		
Income from Wind mill -Sale of Electricity	177.88	181.07
Total	177.88	181.07
27. OTHER INCOME		
- Miscellaneous income	1.40	0.87
Total	1.40	0.87

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	(₹ Lakhs)	
	For the Year ended 31st March 2022	For the Year ended 31st March 2021
28. FINANCE COSTS		
(On Financial Liabilities measured at amortised cost)		
- Deposits	1,084.82	1,610.12
- Borrowings	1,920.21	2,506.24
- Debt Securities	3,672.04	2,941.86
- Sub-Ordinated Liabilities	3,723.67	3,208.85
- Lease Liability	36.28	29.18
Bank Charges	121.13	119.69
Debenture Issue Expenses	217.70	117.02
Total	10,775.85	10,532.96
Note : There is no Finance Costs measured at FVTOCI		
29. IMPAIRMENT ON FINANCIAL INSTRUMENTS		
(On Financial Instruments measured at amortised cost)		
Loans	878.54	641.18
Trade Receivables	(4.69)	(23.69)
Investments	3.17	3.46
Bad Debts	157.35	166.76
Total	1,034.37	787.71
There is no impairment on Financial Instruments measured at FVTOCI		
30. EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	2,608.36	2,386.58
Contributions to Provident and Other Funds	98.88	93.61
Staff Welfare Expenses	128.44	84.44
Gratuity	21.51	33.09
Leave Encashment	38.41	6.48
Total	2,895.60	2,604.20
31. DEPRECIATION AND AMORTIZATION		
Depreciation on Property plant and Equipment	242.08	245.17
Depreciation on Investment property	4.60	4.60
Amortization - Intangibles	26.67	27.63
Amortization - Right of use assets	217.72	144.30
Total	491.07	421.70

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
32. OTHER EXPENSES		
Rent	35.39	60.39
Rates, Taxes and Licences	121.98	155.12
Stamping on documents	11.93	12.91
Communication	45.66	43.80
Insurance	12.99	13.22
Travelling and Conveyance	298.74	232.50
Printing and Stationery	34.24	37.58
Power and Fuel	29.50	28.42
Advertisements	17.02	12.30
Auditor's Remuneration :		
As Auditor:		
- Audit Fee	16.00	16.00
- Limited Review Fee	9.00	9.00
- Certification Fee	7.65	11.28
- Reimbursement of Expenses	2.87	2.17
Legal and Professional Charges	309.84	248.49
Repairs and Maintenance on:		
- Buildings	57.99	62.25
- Machinery	86.51	84.81
- Information Technology	218.49	179.46
- Other Assets	26.85	22.64
Filing Fees	9.80	10.03
Directors' Sitting Fees	34.70	22.70
Corporate Social Responsibility Expenses (Refer Note 38)	37.04	37.58
Loss on Sale of Property, Plant and Equipment	0.12	0.22
Miscellaneous Expenses	38.85	38.70
Total	1,463.16	1,341.57
33. CONTINGENT LIABILITIES		
Claims against the Company not acknowledged as debt;		
a) Income Tax issues	226.99	9.83
b) Service Tax Issues	1,328.29	1,328.29
<p>The Company had deposited with Service Tax department an amount of ₹ 98.63 lakhs against the demand relating to payment of Cenvat credit under Protest. The Company had filed a writ petition before the Honourable High Court of Madras. The Hon'ble High Court of Madras had directed the Company on 9th November 2020 to proceed before the Customs Excise and Service Tax Appellate Tribunal (CESTAT). Accordingly, the Company has filed appeal before CESTAT.</p>		
<p>c) The pending litigations as at 31st March 2022 has been compiled and reviewed. The current position of litigations has been evaluated and effect thereof have been appropriately disclosed in the financial statements.</p>		
d) Contingent Liabilities shall be Classified as:		
i) Claimed against the Company not acknowledged as debt	Nil	Nil
ii) Guarantees excluding financial guarantees; and	Nil	Nil
iii) Other money for which the Company is contingently liable	Nil	Nil
e) Commitments shall be classified as;		
i) Estimated amount of contracts remaining to be excluded on Capital Account and not provided for;	Nil	Nil
ii) Uncalled liability on Shares and other Investments partly paid;	Nil	Nil
iii) Other Commitments (Specify nature);	Nil	Nil
34. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF :		
Annual Maintenance Charges - Information Technology	94.97	85.79

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
35. REMITTANCE OF DIVIDEND IN FOREIGN CURRENCY		
Year to which the dividend relates	2020-21	2019-20
No. of non-resident share holders	1	1
No. of shares on which dividend remittance was made	44,50,000	44,50,000
Amount remitted (₹ Lakhs)	21.15	21.15

36. DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

Period/Year ended or As at	31st March 2022	31st March 2021
Profit or Loss on transactions involving Crypto currency or Virtual Currency	-	-
Amount of currency held as at the reporting date	-	-
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency or virtual currency	-	-

37. ADDITIONAL REGULATORY DISCLOSURES (for the period from 1st April 2021 to 31st March 2022 and for the Year ended 31st March 2021)

- There are no Title deeds of Immovable Properties that were not held in name of the Company.
- The Company measures investment property using cost based measurement.
- There were loans and advances in the nature of loans, which are granted to promoters, directors, KMP and other related parties (as defined under the Companies Act, 2013), either severally or jointly with any other persons that are repayable on demand or without specifying the terms or period of repayment.

Particulars	Amount of Loan (or) Advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMP's	9.17	0.01
Related Party	1,590.77	1.39%

- There were no proceedings that have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.
- In respect of borrowings from banks or financial institutions on the basis of security of current assets, the Quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of account.
- The Company has not been declared as a wilful defaulter by any bank or financial Institution or other lender.
- The Company did not have any transactions with the companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 except the following :

Particulars	Balance outstanding as at		Relationship with struck off company
	31st March 2022	31st March 2021	
First Choice Financial Services Private Limited	0.00	0.00	Equity Shareholder
Kothari & Sons (Nominees) Private Limited	0.00	0.00	Equity Shareholder
Kwality General Finance Associates Limited	0.00	0.00	Equity Shareholder
West Mambalam Suga Leasing & Finance Limited	0.00	0.00	Equity Shareholder

Note : 0.00 denotes amounts less than Rs. 1,000/-

- The Company did not have any charges or satisfaction of charges under the Companies Act, 2013, which are yet to be registered with ROC beyond the statutory period.
- The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

- j. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- k. The Company has not entered into any Scheme of Arrangements that has been approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013. Therefore disclosures pertaining to the same are not applicable.
- l. The Company has no layers as per the provisions of clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended 31st March 2022 and 31st March 2021.
- m. There are no transactions that are previously not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

38. NOTE ON EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

The following is the information regarding projects/programmes undertaken and expenses incurred on CSR activities during the year ended 31st March 2022:

i. Amount required to be spent by the company during the year: ₹ 37.00 Lakhs (FY 2020-21 : ₹ 37.58 Lakhs)

ii. Amount spent during the year on: (by way of contribution to the trusts and the projects undertaken) (₹ Lakhs)

Particulars	31st March 2022	31st March 2021
a. Construction / acquisition of any asset	-	-
b. On purposes other than (a) above:	37.04	37.58
Total	37.04	37.58

Period / Year ended	31st March 2022	31st March 2021
Amount required to be spent by the company during the year	37.00	37.54
Amount of expenditure incurred	37.04	37.58
Shortfall at the end of the year		
Total of previous years shortfall	Nil	Nil
Reason for shortfall	Nil	Nil
Nature of CSR activities		
1. Education	22.29	2.05
2. Health Care	13.55	16.11
3. Others	1.20	19.42
Details of related party transactions, (e.g.), contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Indian Accounting Standard	11.35	0.40
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 shall be shown separately.	Nil	Nil

Refer Note 44 on disclosure pursuant to Ind AS 24 - Related Party Disclosures for contributions to related party.

39. CAPITAL MANAGEMENT

The company determines the amount of capital required on the basis of factors like funding structure, capital adequacy ratio and leveraging ratios. The capital adequacy ratio working are given below. The capital structure is also monitored on the basis of Capital adequacy ratio.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Particulars	As at 31st March 2022			As at 31st March 2021 Ratio (%)	% of Variance	Reason for variance (If above 25%)
	Numerator	Denominator	Ratio (%)			
Capital to Risk weighted Assets Ratio (CRAR)	26,325.33	121,547.13	21.66%	22.52%	-3.83%	NA
Tier - I Capital	16,697.54	121,547.13	13.74%	13.05%	5.27%	NA
Tier - II Capital	9,627.79	121,547.13	7.92%	9.47%	-16.36%	NA
Liquidity Coverage Ratio	2,888.29	518.34	557.22%	418.65%	33.10%	The reason for variance above 25% is due to change in methodology of calculation of ratio adopted as per the RBI circular dt. 4th November 2019.

The Company has complied with all regulatory requirements related to capital and capital adequacy ratios as prescribed by RBI.

Particulars	As at 31st March 2022	As at 31st March 2021
Tier - I Capital	16,697.54	15,702.21
Tier - II Capital	9,627.79	11,395.40
Total Capital	26,325.33	27,097.61
Aggregate of Risk Weighted Assets	121,547.13	120,332.70
Tier-I Capital adequacy ratio	13.74%	13.05%
Total Capital adequacy ratio	21.66%	22.52%

"Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"Owned fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

"Tier II Capital" includes the following -

- preference shares other than those which are compulsorily convertible into equity;
- revaluation reserves at discounted rate of fifty five percent;
- 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.
- hybrid debt capital instruments;
- Sub-Ordinated debt to the extent the aggregate does not exceed Tier I capital and
- 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.

Aggregate Risk Weighted Assets:

Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off-balance sheet assets. Hence, the value of each of the on-balance sheet assets and off-balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

40. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below show the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

(₹ Lakhs)

Particulars	As at 31st March 2022			As at 31st March 2021		
	Less than 12 months	More than 12 months	Total	Less than 12 months	More than 12 months	Total
ASSETS						
Financial Assets						
Cash and Cash Equivalents	1,449.51	-	1,449.51	1,364.11	-	1,364.11
Bank Balances other than Cash and Cash Equivalents	1,129.31	-	1,129.31	375.79	-	375.79
Derivative Financial Instruments	-	-	-	-	-	-
Receivables						
(i) Trade Receivables	169.25	-	169.25	182.41	-	182.41
(ii) Other Receivables	16.56	-	16.56	3.52	-	3.52
Loans	54,813.83	55,497.37	110,311.20	48,784.87	60,568.86	109,353.73
Investments	375.13	2,112.75	2,487.88	200.54	2,467.74	2,668.28
Other Financial Assets	1,000.32	712.59	1,712.91	973.64	856.79	1,830.43
Non-Financial Assets						
Current tax Assets (net)	17.40	-	17.40	-	-	-
Deferred tax Assets (net)	-	217.94	217.94	-	-	-
Investment Property	-	275.21	275.21	-	279.81	279.81
Property Plant and Equipment	-	5,946.63	5,946.63	-	6,122.29	6,122.29
Right of use assets	-	1,093.60	1,093.60	-	1,070.50	1,070.50
Intangible Assets under development	-	-	-	-	86.27	86.27
Other Intangible Assets	-	179.46	179.46	-	102.57	102.57
Other Non-Financial Assets	436.14	1,500.00	1,936.14	335.71	-	335.71
Total Assets	59,407.45	67,535.55	1,26,943.00	52,220.59	71,554.83	1,23,775.42

NOTES TO THE ACCOUNTS (Contd...)

(₹ Lakhs)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
LIABILITIES AND EQUITY				
Liabilities				
Financial Liabilities				
Payables				
(i) Trade Payables				
(i) Total outstanding dues of micro enterprises and small enterprises	0.28	-	3.26	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	127.76	-	140.62	-
(ii) Total outstanding dues of micro enterprises and small enterprises	127.76	-	140.62	-
(i) Other Payables				
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	175.13	-	151.48	-
Debt Securities				
Borrowings (Other than debt securities)	10,075.19	31,484.85	7,010.62	21,700.64
Deposits	12,870.25	2,695.44	17,971.25	5,087.91
Sub-Ordinated Liabilities	6,160.73	2,379.87	8,700.54	8,385.81
Other Financial Liabilities	16,252.83	23,277.94	475.02	33,005.04
Non-Financial Liabilities	966.77	459.37	1,267.55	404.82
Current tax Liabilities (net)	-	-	47.29	-
Provisions	122.65	-	69.07	49.02
Deferred tax Liabilities (net)	-	-	-	39.48
Other Non-Financial Liabilities	99.55	-	68.47	-
Equity				
Equity Share Capital	-	6,470.59	-	6,470.59
Other Equity	-	13,323.80	-	12,726.94
Total Liabilities and Equity	46,851.14	80,091.86	1,26,943.00	87,870.25
				1,23,775.42

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

41. DISCLOSURE PURSUANT TO IND AS "7" - Change in Liabilities arising from Financing Activities

(₹ Lakhs)

Particulars	31st March 2021	Cash Flows	Others	31st March 2022
Debt Securities	28,711.26	12,788.72	60.06	41,560.04
Deposits	17,086.35	(8,601.79)	56.04	8,540.60
Borrowings Other than Debt securities	23,059.16	(3,528.23)	(3,965.24)	15,565.69
Sub-Ordinated Liabilities	33,480.06	4,326.58	1,724.12	39,530.76
Lease Liability	331.61	1.45	53.11	386.17
Total	1,02,668.44	4,986.73	(2,071.91)	1,05,583.26

42. DISCLOSURE PURSUANT TO IND AS "12" INCOME TAX

a. Explanation of Relationship between tax Expense and Accounting Profit

SI No	Particulars	FY 2021-22	FY 2020-21
1	Profit before Tax	1,292.04	1,257.44
2	Applicable Income Tax Rate (%)	25.17%	25.17%
3	Expected Income Tax Expense	325.23	316.48
4	Tax effect of adjustments to reconcile expected income tax expense at tax rate to reported income tax expense:		
	Effect of expenses / provisions not deductible in determining taxable profit	542.05	471.85
	Effect of expenses / provisions deductible in determining taxable profit	(266.10)	(480.90)
	Effect of tax incentives and concessions	-	-
	Effect of differential tax rate	-	-
	Effect of interest on tax	-	24.22
	Tax Effect of Adjustments	-	-
5	Tax Expense/(Income)	601.19	331.65

b. Deferred Tax Asset/(Liabilities) - Major Components

SI No	Particulars	Balance as at 31st March 2021	Tax Expense/(Income) charged in P&L	Tax Expense/(Income) charged in OCI	Balance as at 31st March 2022
(A)	(B)	(C)	D = (A) - (B+C)		
1	Application of Expected Credit Loss on Financial Assets	793.33	(189.09)	-	982.42
2	Employee benefit expenses	29.72	(4.66)	3.51	30.87
3	Right of Use Assets and Lease Liabilities	7.35	(0.49)	-	7.84
4	Application of EIR On Financial Liabilities	(96.20)	(31.37)	-	(64.83)
5	Differences in carrying amount of Property, Plant and Equipment	(773.68)	(35.32)	-	(738.36)
	Deferred Tax Asset / (Liabilities)	(39.48)	(260.93)	3.51	217.94

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

c. Tax Items in Statement of Profit and Loss

(₹ Lakhs)

Sl No	Particulars	31st March 2022	31st March 2021
1	Current Tax Expense/(Income)	601.09	508.42
2	Deferred Tax Expense/(Income)		
	Amount of deferred tax expense/(income) relating to originating and reversal of temporary difference	(260.93)	(176.77)
	Amount of deferred tax expense/(income) relating to change in tax rates or the imposition of new taxes	-	-
	Income Tax Expense / (Income) recognised in statement of profit and loss	340.16	331.65

d. Tax Items recognised in Other Comprehensive Income

Sl No	Particulars	31st March 2022	31st March 2021
1	Tax Expense		
	- Current Tax Expense	-	-
	- Deferred Tax Expense	3.51	0.55
	Income Tax Expense/(Income) recognised in Other Comprehensive Income	3.51	0.55

e. There is no tax expense charged directly to other equity.

f. Tax U/s 115 BAA of Income Tax Act

Pursuant to the Taxation Laws (Amendment) Ordinance 2019, Finance (No. 2) Act, 2019, the Company had exercised the option permitted Under Section 115BAA of the Income Tax Act, 1961 to compute Income Tax at an effective rate (i.e. 25.17%) from the financial year 2019-20.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

43. DISCLOSURE REQUIREMENTS UNDER IND AS 19 ("Employee Benefits")

a. Defined benefit obligation - Gratuity

The Gratuity scheme is a defined benefit plan, that provides for a lumpsum payment upon death while in employment or at the time of separation. Based on rules of the scheme, the benefits are calculated on basis of last drawn salary and the period of service rendered and paid as lumpsum. There is a vesting period of 5 years. The plan involves the following risks that affect the liabilities and cash flows.

1. Interest rates risk:

The defined benefit obligation calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

2. Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

3. Demographic risks:

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the DBO depend upon the combination of salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short service employees will be less compared to long service employees.

4. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date

5. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the Gratuity plan.

(₹ Lakhs)			
Sl No	Particulars	As at 31st March 2022	As at 31st March 2021
I	Present Value of Defined Benefit Obligation		
	Defined benefit obligation at the beginning of the period	198.87	197.87
	(i) Current service cost	20.78	21.70
	(ii) Past Service Cost	-	-
	(iii) Interest cost	11.63	11.53
	(iv) Re-measurement Loss/(gain) due to :		
	(a) Changes in financial assumptions	(2.38)	(2.01)
	(b) Changes in demographic assumptions	-	(0.13)
	(c) Experience on defined benefit obligation	(6.63)	(6.89)
	(v) Benefits paid	(42.86)	(23.20)
	Defined benefit obligation as at the end of the period	179.41	198.87

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Sl No	Particulars	As at 31st March 2022	As at 31st March 2021
II	Fair Value of Plan Assets		
	Fair Value of Plan Assets at the beginning of the period	177.76	169.16
	(i) Benefits Paid	(42.86)	(23.20)
	(ii) Employer Contribution	19.98	28.02
	(iii) Expected Interest Income on Plan Assets	10.91	10.62
	(iv) Actuarial (Loss)/Gain from Return on plan Assets	4.93	(6.84)
	Fair Value of Plan Assets as at the end of the period	170.72	177.76
	Net (Asset)/Liability Recognised in Balance Sheet (I-II)	8.69	21.11
III	Cost of Defined Benefit Plan for the Year		
	(i) Current service cost	20.78	21.70
	(ii) Past Service Cost	-	-
	(iii) Interest Cost	11.63	11.53
	(iv) Expected Interest Income on Plan assets	(10.91)	(10.62)
	(v) Others	-	10.48
	Net Cost recognized in the Statement of Profit and Loss	21.50	33.09
IV	Re-measurement (loss)/gain due to :		
	(a) Changes in financial assumptions	(2.38)	(2.01)
	(b) Changes in demographic assumptions	-	(0.13)
	(c) Experience on defined benefit obligation	(6.63)	(6.89)
	Actuarial (Loss)/Gain from Return on plan assets	(4.93)	6.84
	Net cost recognised in Other Comprehensive Income	(13.94)	(2.19)
V	Significant Actuarial Assumptions		
	(i) Discount Rate	7%	6%
	(ii) Expected Return on Plan Assets	6%	6%
	(iii) Salary Escalation Rate	4%	4%
	(iv) Attrition Rate	19%	19%
VI	Sensitivity Analysis for significant actuarial assumption		
	(i) Discount Rate		
	+ 100 Basis Rate	(3.61%)	(3.48%)
	- 100 Basis Rate	3.95%	3.81%
	(ii) Salary Growth		
	+ 100 Basis Rate	3.78%	3.66%
	- 100 Basis Rate	(3.51%)	(3.40%)
	(iii) Attrition Rate		
	+ 100 Basis Rate	0.13%	0.00%
	- 100 Basis Rate	(0.15%)	(0.02%)

b. Other Long Term Benefits - Leave Encashment

The leave encashment is long term benefit plan, that provides for a lumpsum payment upon death of employee or at the time of separation. Based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count and paid as lumpsum.

The benefit involves the following risks that affect the liabilities and cash flows.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

1. Interest rates risk :

The defined benefit obligation calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

2. Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

3. Demographic risks:

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the DBO depend upon the combination of salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short service employees will be less compared to long service employees.

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the Leave encashment plan. (₹ Lakhs)

Sl No	Particulars	As at 31st March 2022	As at 31st March 2021
I	Present Value of Defined Benefit Obligation		
	Defined benefit obligation at the beginning of the period	41.35	49.02
	(i) Current service cost	13.12	8.91
	(ii) Interest cost	1.38	2.83
	(iii) Re-measurement Loss/(gain) due to :		
	(a) Changes in financial assumptions	(0.84)	(0.38)
	(b) Changes in demographic assumptions	-	0.01
	(c) Experience on defined benefit obligation	46.45	(5.17)
	(iv) Benefits paid	(40.50)	(6.20)
	Closing defined benefit obligation	60.96	49.02
II	Cost of Defined Benefit Plan for the Year		
	(i) Current service cost	13.12	8.91
	(ii) Interest cost	1.38	2.83
	(iii) Others	23.91	(5.26)
	Net Cost recognized in the Statement of Profit and Loss	38.41	6.48
III	Significant Actuarial Assumptions		
	(i) Discount Rate	7%	6%
	(ii) Expected Return on Plan Assets	-	-
	(iii) Salary Escalation Rate	4%	4%
	(iv) Attrition Rate	19%	19%
IV	Sensitivity Analysis for significant actuarial assumption		
	(i) Discount Rate		
	+ 100 Basis Rate	(3.69%)	(3.73%)
	- 100 Basis Rate	4.60%	4.10%
	(ii) Salary Growth		
	+ 100 Basis Rate	3.63%	3.65%
	- 100 Basis Rate	(3.35%)	(3.31%)
	(iii) Discount Rate		
	+ 100 Basis Rate	0.06%	(0.05%)
	- 100 Basis Rate	(0.06%)	(0.08%)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

44. Disclosure pursuant to Ind AS "24" - Related Party Disclosure

Relationships

A	Enterprises in which the Key Management Personnel and their relatives can exercise significant influence	<p>ABT Ltd. ABT Finance Ltd. ABT Foundation Ltd. ABT Industries Ltd. ARC Retreading Co. Pvt. Ltd. N Mahalingam & Co Nachimuthu Industrial Association Ramanandha Adigalar Foundation Sakthifinance Financial Services Ltd. Sakthifinance Financial Services (Cochin) Private Ltd Sakthifinance Holdings Ltd. Sakthi Realty Holdings Ltd. Sakthi Sugars Ltd. Sakthi Auto Components Ltd Sakthi Properties (Coimbatore) Ltd Sri Chamundeswari Sugars Ltd. Sri Sakthi Textiles Ltd. Sakthi Pelican Insurance Broking Private Limited The Gounder and Company Auto Ltd Sakthi Foundation Suddha Sanmarga Nilayam The Vanavarayar Foundation Trust</p>
B	Key Management Personnel	<p>Dr M Manickam, Chairman Sri M Balasubramaniam, Vice Chairman and Managing Director Sri M Srinivaasan, Director Dr A Selvakumar Independent Director Sri P S Gopalakrishnan, Independent Director Smt Priya Bhansali, Independent Director Sri K P Ramakrishnan, Independent Director Dr S Veluswamy, Director (Finance & Operations) and CFO Sri Srinivasan Anand, Chief Financial Officer Sri S Venkatesh, Company Secretary and Chief Compliance Officer</p>
C	Relatives of Key Management Personnel	<p>Smt Vinodhini Balasubramaniam, Wife of Sri M Balasubramaniam Smt Samyuktha Vanavarayar, Daughter of Sri M Balasubramaniam Selvi Shruthi Balasubramaniam, daughter of Sri M Balasubramaniam Sri Amrith Vishnu Balasubramaniam, Son of Sri M Balasubramaniam Sri M Harihara Sudhan, Son of Dr M Manickam Smt Bhavani Gopal, Wife of Sri P S Gopalakrishnan Smt Lalitha Ramakrishnan, Wife of Sri K P Ramakrishnan Smt Karunambal Vanavarayar, Sister of Dr M Manickam Selvi Anusha Bhansali, daughter of Smt Priya Bhansali</p>

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Transactions / Material Transactions with Related Parties made during the year (₹ Lakhs)

Sl No	Nature of Transactions	Related parties where significant influence is exercised where controls exist	Key Management Personnel	Relatives of Key Management Personnel	For the year ended 31st March 2022	For the year ended 31st March 2021
1	Income					
	Rent received					
	Sakthifinance Financial Services Ltd	7.12	-	-	7.12	3.52
	ABT Industries Ltd	18.90	-	-	18.90	-
	Income from HP Operations					
	Sakthi Foundation	19.22	-	-	19.22	21.76
	Suddha Sanmarga Nilayam	2.14	-	-	2.14	3.19
	Interest Income					
	ABT Industries Ltd.	75.01	-	-	75.01	78.65
2	Expenses					
	Purchase of fuel and others					
	N.Mahalingam & Co	10.22	-	-	10.22	7.47
	Reimbursement of Expenses (Electricity / Internet charges)					
	ABT Industries Ltd	7.87	-	-	7.87	9.70
	Rent paid					
	Smt.Vinodhini Balasubramaniam	-	-	2.40	2.40	2.40
	M. Srinivaasan	-	111.86	-	111.86	63.72
	ARC Retreading Company Pvt Ltd	2.23	-	-	2.23	2.01
	Resource Mobilisation Charges					
	Sakthifinance Financial Services Ltd.	77.00	-	-	77.00	153.53
	Printing charges					
	Nachimuthu Industrial Association	12.63	-	-	12.63	15.45
	Sakthi Sugars Ltd. (Om Sakthi)	2.31	-	-	2.31	3.60
	Sakthi Foundation	0.80	-	-	0.80	-
	CSR Expenses					
	Ramanandha Adigalar Foundation	-	-	-	-	0.40
	The Vanavarayar Foundation Trust	11.35	-	-	11.35	-
	Remuneration					
	M.Balasubramaniam	-	49.80	-	49.80	41.40
	S.Veluswamy	-	32.58	-	32.58	29.47
	Srinivasan Anand *	-	29.35	-	29.35	-
	S.Venkatesh	-	16.73	-	16.73	15.45
	Perquisites					
	S.Veluswamy	-	3.15	-	3.15	1.76
	Employee Benefits					
	M.Balasubramaniam	-	4.32	-	4.32	5.87
	S.Veluswamy	-	1.83	-	1.83	2.28
	Srinivasan Anand	-	0.55	-	0.55	-
	S.Venkatesh	-	0.99	-	0.99	1.14

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Sl No	Nature of Transactions	Related parties where significant influence is exercised where controls exist	Key Management Personnel	Relatives of Key Management Personnel	For the year ended 31st March 2022	For the year ended 31st March 2021
	Commission **					
	M.Balasubramaniam	-	63.67	-	63.67	56.73
	Sitting Fees					
	Non-Executive Directors					
	M.Manickam	-	3.50	-	3.50	1.90
	M.Srinivaasan	-	4.20	-	4.20	2.40
	Independent Directors					
	A Selvakumar	-	9.90	-	9.90	6.00
	P S Gopalakrishnan	-	3.60	-	3.60	3.30
	Priya Bhansali	-	5.50	-	5.50	4.10
	K P Ramakrishnan	-	8.00	-	8.00	5.00
** Subject to the approval of shareholders at the ensuing Annual General Meeting						
* CFO with effect from 3rd September 2021						
3	Assets					
	Loans and advances given					
	S.Venkatesh	-	-	-	-	15.00
	ABT Industries Ltd	410.00	-	-	410.00	-
	Advance for Property, Plant and Equipment					
	Sakthi Sugars Ltd.	1,500.00	-	-	1,500.00	-
	Loans and advances repaid					
	ABT Industries Ltd	(410.00)	-	-	(410.00)	(499.00)
	S.Venkatesh	-	(5.00)	-	(5.00)	(0.83)
	Outstanding as at the year end					
	Loans and advances					
	Sakthi Properties (Coimbatore) Ltd	850.00	-	-	850.00	850.00
	Sakthi Foundation	81.66	-	-	81.66	121.18
	Suddha Sanmarga Nilayam	9.01	-	-	9.01	18.96
	Sakthifinance Financial Services Ltd	31.49	-	-	31.49	29.26
	Sakthi Reality Holdings Ltd	-	-	-	-	0.01
	Sakthi Pelican Insurance Broking Private Ltd	10.83	-	-	10.83	10.83
	ABT Industries Ltd	9.14	-	-	9.14	-
	S.Venkatesh	-	9.17	-	9.17	14.17
	Rent / Other reimbursement receivables					
	Sakthifinance Financial Services Ltd	14.87	-	-	14.87	9.13
	ABT Industries Ltd.	6.80	-	-	6.80	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Sl No	Nature of Transactions	Related parties where significant influence is exercised where controls exist	Key Management Personnel	Relatives of Key Management Personnel	For the year ended 31st March 2022	For the year ended 31st March 2021
4	Liabilities					
	Transactions during the year					
	Investment in NCDs:					
	ABT Finance Ltd	-	-	-	-	400.00
	Sakthifinance Financial Services Ltd	45.00	-	-	45.00	704.75
	Smt Samyuktha Vanavarayar	-	-	120.00	120.00	-
	Miss Shruthi Balasubramaniam	-	-	10.00	10.00	5.00
	Smt Karunambal Vanavarayar	-	-	300.00	300.00	-
	ABT Finance Ltd	-	-	-	-	12.46
	Sri P S Gopalakrishnan	-	-	-	-	10.00
	Smt Vinodhini Balasubramaniam	-	-	-	-	10.00
	Smt Lalitha Ramakrishnan	-	-	-	-	6.00
	Miss Anusha Bhansali	-	-	-	-	10.00
	Investment in Deposits:					
	M. Harihara Sudhan	-	-	(7.74)	(7.74)	-
	Investment in Redeemable Cummulative Preference Shares ("RCPS") :					
	Sakthi Financial Services Cochin Pvt Ltd	216.70	-	-	216.70	-
	Outstanding as at the year end					
	Investment in NCDs:					
	ABT Finance Ltd	12.46	-	-	12.46	12.46
	Sakthifinance Financial Services Ltd	49.75	-	-	49.75	4.75
	Sakthi Financial Services (Cochin) Private Ltd	157.06	-	-	157.06	22.06
	Sri P S Gopalakrishnan	-	10.00	-	10.00	10.00
	Smt.Vinodhini Balasubramaniam	-	-	80.00	80.00	80.00
	Smt.Samyuktha Vanavarayar	-	-	195.00	195.00	75.00
	Miss.Shruthi Balasubramaniam	-	-	78.00	78.00	68.00
	Bhavani Gopal	-	-	10.00	10.00	10.00
	Smt Lalitha Ramakrishnan	-	-	30.00	30.00	30.00
	Sri Harihara Sudhan Manickam	-	-	2.00	2.00	2.00
	Miss. Anusha Bhansali	-	-	10.00	10.00	10.00
	Smt Karunambal Vanavarayar	-	-	300.00	300.00	-
	Investment in Deposits:					
	Sri Harihara Sudhan Manickam	-	-	-	-	7.74
	Investment in SD Bonds:					
	Smt.Vinodhini Balasubramaniam	-	-	10.00	10.00	10.00
	Ms.Shruthi Balasubramaniam	-	-	10.00	10.00	10.00
	Investment in Redeemable Cummulative Preference Shares ("RCPS") :					
	Sakthi Financial Services (Cochin) Private Ltd	216.70	-	-	216.70	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Sl No	Nature of Transactions	Related parties where significant influence is exercised where controls exist	Key Management Personnel	Relatives of Key Management Personnel	For the year ended 31st March 2022	For the year ended 31st March 2021
	Liabilities for Expenses Payable:					
	ABT Ltd	-	-	-	-	3.79
	ABT Industries Ltd	-	-	-	-	7.97
	ARC Retreading Company Pvt Ltd	0.19	-	-	0.19	0.19
	Nachimuthu Industrial Association	0.28	-	-	0.28	3.26
	N. Mahalingam And Co.	0.99	-	-	0.99	0.98
	Sakthi Sugars Ltd.	0.41	-	-	0.41	0.66
	Commission Payable to Mr. Balasubramaniam	-	63.67	-	63.67	56.73
	M.Srinivaasan	-	5.73	-	5.73	2.89

45. Disclosure pursuant to Ind AS 33 - Earnings Per Share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
a) Weighted average number of equity shares of ₹ 10 each		
(i) Number of shares at the beginning of the year	6,47,05,882	6,47,05,882
(ii) Number of shares at the end of the year	6,47,05,882	6,47,05,882
(b) Weighted average number of shares outstanding during the year (nos)	6,47,05,882	6,47,05,882
(c) Net Profit after tax available for equity shareholders (₹ lakhs)	985.10	939.37
Basic and diluted earnings per share (₹)	1.52	1.45

46. FINANCIAL RISK MANAGEMENT FRAMEWORK

The company is engaged in finance business and like any other NBFC is exposed to risks such as credit risk, liquidity risk, market risk, operational risks etc. The company follows pro-active risk management practices to mitigate these risks. The risk management policies are periodically reviewed by the Risk Management Committee and Audit Committee.

Credit Risk

Credit risk is the risk that arises when the borrowers of the company are unable to meet the financial obligations.

The Company has a comprehensive and well - defined credit policy, which encompasses a credit approval process for all businesses along with guidelines for mitigating the risks associated with them. The appraisal process includes a detailed risk assessment of the borrowers, physical verifications and field visits. The company has a robust post sanction monitoring process supervision and follow-up to identify portfolio trends and early warning signals. This enables the company to implement necessary changes to the credit policy, whenever the need arises. Also being in asset finance, the company's lending is secured by adequate collaterals from the borrowers.

Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

In assessing the impairment of financial loans under Expected credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The difference in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income

The Company categorises loan assets into stages primarily based on the Days of Past Due Status.

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days past due

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Expected Credit Loss ("ECL")

As a result of adoption of IndAs , the company has followed Ind As 109 for the calculation of expected credit loss. The measurement of ECL involves three main components Viz,

Exposure at default (EAD), Probability of Default (PD) and Loss Given Default (LGD).

Definition of Default

If the borrower is past due for more than 90 days on any material credit obligation to the Company; or the borrower is unlikely to pay his credit obligations to the Company in full, it is considered as default.

Probability of Default (PD)

The Probability of Default is an estimate of the likelihood of an account getting into default over a given time horizon. The PD model reflects the probability of default, taking into consideration the residual tenor of each contract and it relies not only on historical information and the current economic environment, but also considers forward-looking information such as the forecasts on the macroeconomic factors like GDP, Inflation rate etc.

Loss Given Default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Exposure at Default

Exposure at Default (EAD) is defined as the sum of Principal outstanding and interest accrued at the reporting date.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc.

Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

The following table provides an overview of the gross carrying amount of loan assets stage-wise :

Particulars	31st March 2022			31st March 2021				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	97,136.73	10,255.72	5,594.01	112,986.46	88,735.09	16,319.59	4,983.03	110,037.71
New business - net of recovery	53,042.83	1,476.15	17.14	54,536.12	49,384.44	1,458.82	-	50,843.26
Transfer due to change in credit worthiness								
Stage 1	2,639.69	(2,486.81)	(152.88)	-	3,455.57	(3,414.05)	(41.52)	-
Stage 2	(6,071.61)	6,102.17	(30.56)	-	(6,197.08)	6,303.02	(105.94)	-
Stage 3	(1,054.61)	(684.56)	1,739.17	-	(1,203.51)	(1,007.37)	2,210.88	-
Financial Assets that have been derecognised	(45,956.83)	(5,456.32)	(1,129.61)	(52,542.76)	(37,016.55)	(9,397.49)	(1,313.70)	(47,727.74)
Write off during the year	(56.42)	(5.87)	(95.06)	(157.35)	(21.23)	(6.80)	(138.74)	(166.77)
Balance at the end of the year	99,679.78	9,200.48	5,942.21	114,822.47	97,136.73	10,255.72	5,594.01	112,986.46

(₹ Lakhs)

The following table provides an overview of the Expected Credit Loss, stage-wise :

Particulars	31st March 2022			31st March 2021				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	130.73	296.92	3,205.09	3,632.74	97.12	322.72	2,571.69	2,991.53
New business - net of recovery	80.99	11.99	1.40	94.38	36.00	35.59	-	71.59
Transfer due to change in credit worthiness								
Stage 1	19.90	(18.71)	(1.19)	-	12.14	(11.90)	(0.24)	-
Stage 2	(58.78)	59.30	(0.52)	-	(179.80)	183.19	(3.39)	-
Stage 3	(174.16)	(196.07)	370.23	-	(247.36)	(237.62)	484.98	-
Financial Assets that have been derecognised	503.61	(33.45)	397.06	867.22	413.18	7.18	259.03	679.39
Write off during the year	(23.50)	(24.45)	(35.12)	(83.07)	(0.36)	(2.24)	(106.98)	(109.78)
Balance at the end of the year	478.79	95.53	3,936.95	4,511.27	130.72	296.92	3,205.09	3,632.73

Stage	31st March 2022			31st March 2021		
	Gross Value	Impairment Allowance	Net Carrying Value	Gross Value	Impairment Allowance	Net Carrying Value
Stage 1	99,679.78	478.79	99,200.99	97,136.73	130.72	97,006.01
Stage 2	9,200.48	95.53	9,104.95	10,255.72	296.92	9,958.80
Stage 3	5,942.21	3,936.95	2,005.26	5,594.01	3,205.09	2,388.92
Total	1,14,822.47	4,511.27	110,311.20	1,12,986.46	3,632.73	1,09,353.73

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Geographical break-up of portfolio - Net Stock on Hire

(₹ Lakhs)

Particulars	FY 2022	FY 2021
Tamil Nadu & Puducherry	94,816	92,271
Kerala	14,897	15,579
Karnataka	2,409	2,787
Andhra	2,284	2,008
Total	1,14,406	1,12,645

Portfolio composition - Net Stock on Hire

Particulars	FY 2022	FY 2021
Commercial Vehicles	1,02,620	1,00,345
Cars & Jeeps	8,112	9,173
Construction Equipment	2,929	2,435
Machinery	670	689
Consumer Durables	75	3
Total	1,14,406	1,12,645

Liquidity Risk

Liquidity risk is the risk related to cash flows and the inability to meet the company's liabilities as and when they become due. It arises from the mismatches in the maturity pattern to cope with a decline in liabilities or increase in assets

The Company monitors these risks through appropriate risk limits. Asset Liability Management Committee ("ALCO") reviews these risks and related trends and helps adopt various strategies related to assets and liabilities, in line with company's risk management framework.

The contracted cash flow arising out of the financial liabilities and financial assets as at 31st March 2022 is furnished hereunder :

Particulars	Up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial Liabilities							
Deposits	2,096.24	2,007.06	2,308.63	2,379.87	-	-	8,791.80
Borrowings	7,401.46	2,166.92	13,595.67	60,020.66	13,677.61	-	96,862.32
Foreign Currency Assets	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-
Total	9,497.70	4,173.98	15,904.30	62,400.53	13,677.61	-	1,05,654.12
Financial Assets							
Cash and cash equivalents	270.41	-	-	-	-	-	270.41
Bank balances	2,308.40	-	-	-	-	-	2,308.40
Loans	14,922.10	14,125.03	25,766.70	51,359.65	3,420.27	717.45	1,10,311.20
Investments	-	240.05	135.08	1,046.14	514.43	552.18	2,487.88
Other financial assets	814.21	200.86	415.48	774.74	-	707.42	2,912.71
Total	18,315.12	14,565.94	26,317.26	53,180.53	3,934.70	1,977.05	1,18,290.60

The contracted cash flow arising out of the financial liabilities and financial assets as at 31st March 2021 is furnished hereunder :

Particulars	Up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial Liabilities							
Deposits	1,387.46	3,902.83	3,816.16	8,328.95	-	-	17,435.40
Borrowings	5,377.82	2,759.84	18,062.21	33,780.98	25,501.30	-	85,482.15
Foreign Currency Assets	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-
Total	6,765.28	6,662.67	21,878.37	42,109.93	25,501.30	-	1,02,917.55

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Particulars	Up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial Assets							
Cash and cash equivalents	714.34	-	-	-	-	-	714.34
Bank balances	937.19	-	101.20	-	-	-	1,038.39
Loans	12,837.84	12,406.18	23,540.85	54,996.22	5,098.34	474.30	1,09,353.73
Investments	-	-	200.54	1,073.17	613.44	781.13	2,668.28
Other financial assets	864.33	217.19	342.46	800.76	738.88	-	2,963.62
Total	15,353.70	12,623.37	24,185.05	56,870.15	6,450.66	1,255.43	1,16,738.36

Market Risk

Market Risk is the risk arising in financial instruments due to changes in market variables such as interest rates, liquidity etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

Interest Rate Risk

Interest Rate Risk is the possibility of loss arising from changes in the value of financial instruments as result of changes in market variables such as interest rates and other asset prices. The company's exposure to market risk is a function of asset liability management activities. Except the borrowings from banks, the interest rates of which are linked to MCLR, other borrowings are fixed rate instruments. The Company has not availed any foreign currency borrowings. The major portion of lending is at fixed rates.

The interest rate profile of the interest bearing financial instruments is as follows

Particulars	As at 31st March 2022	As at 31st March 2021
Financial assets		
Fixed rate instruments		
Loans	1,14,822.47	1,12,986.46
Investments	2,374.44	2,577.61
Bank Balances	182.79	318.96
Variable rate Instruments	-	-
Total	1,17,379.70	1,15,883.03
Financial Liabilities		
Fixed rate instruments		
Debt securities	41,740.44	28,893.61
Borrowings (other than debt securities)	5,051.56	8,494.11
Deposits	8,791.80	17,435.40
Sub-Ordinated liabilities	38,065.89	31,687.13
Preference Shares	-	1,842.25
Variable rate instruments		
Bank Borrowings	10,514.13	14,565.05
Total	1,04,163.82	1,02,917.55

As the fixed rate instruments are carried at amortised cost, their carrying amount will not vary because of changes in market interest rate.

A cash flow sensitivity analysis for variable rate instruments, indicating the possible change in Profit and Loss / equity for 1% change in interest rate is furnished hereunder:

Particulars	31st March 2022		31st March 2021	
	1 % increase in interest rate	1 % decrease in interest rate	1 % increase in interest rate	1 % decrease in interest rate
Variable rate instruments- carrying amount	+77	(77)	+83	(83)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems or from external events.

The operational risks of the company are managed through comprehensive internal control systems and procedures and key back up processes.

Further submission of exceptional reports for procedural lapses at the branches level, risk-based audits on a regular basis across all business units/functions and IT disaster recovery plans are put in place for evaluating key operational risks the processes of which are meant to adequately mitigate them on an on-going basis.

47. Disclosure Pursuant To Ind AS "108" - Operating Segments

The Company is primarily engaged in the business of asset financing. This, in the context of Ind AS 108 on "Operating Segments" notified by the Companies (Indian Accounting Standards) Rules 2016, is considered to constitute a single primary segment.

The Company operates in single segments only. There are no operations outside india and hence there is no external revenue or assets which require disclosure.

48. Disclosure pursuant to Ind AS "113"

1. Financial Assets designated at Fair value through Other Comprehensive Income

(₹ Lakhs)

Particulars	Fair Value hierarchy	As at 31st March 2022	As at 31st March 2021
Investment in Equity Instruments	Level 1	75.09	52.32

2. Financial assets and financial liabilities measured at amortised cost as at 31st March 2022

Particulars	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Cash and Cash Equivalents	1,449.51	1,449.51	-	-	1,449.51
Bank Balances other than Cash and Cash Equivalents	1,129.31	1,129.31	-	-	1,129.31
Trade Receivables	185.81	-	230.28	-	230.28
Loans	1,10,311.20	-	-	1,10,311.20	1,10,311.20
Investments	2,412.79	2,507.18	38.35	-	2,545.53
Other Financial Assets	1,712.91	-	1,712.91	-	1,712.91
Financial Liabilities					
Payables					
(I) Trade Payables	128.04	-	128.04	-	128.04
(II) Other Payables	175.13	-	175.13	-	175.13
Debt Securities	41,560.04	30,836.75	10,723.29	-	41,560.04
Borrowings (Other than debt securities)	15,565.69	15,565.69	-	-	15,565.69
Deposits	8,540.60	-	-	8,540.60	8,540.60
Sub-Ordinated Liabilities	39,530.77	-	-	39,530.77	39,530.77
Other Financial Liabilities	1,426.15	-	1,426.15	-	1,426.15

3. Financial assets and financial liabilities measured at amortised cost as at 31st March 2021

Particulars	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Cash and Cash Equivalents	1,364.11	1,364.11	-	-	1,364.11
Bank Balances other than Cash and Cash Equivalents	375.79	375.79	-	-	375.79
Trade Receivables	185.93	-	235.09	-	235.09
Loans	1,09,353.73	-	-	1,09,353.73	1,09,353.73
Investments	2,615.96	2,776.55	38.37	-	2,814.92
Other Financial Assets	1,830.43	-	-	1,830.43	1,830.43

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Particulars	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Liabilities					
Payables					
(I) Trade Payables	143.88	-	143.88	-	143.88
(II) Other Payables	151.48	-	151.48	-	151.48
Debt Securities	28,711.26	16,938.78	11,772.48	-	28,711.26
Borrowings (Other than debt securities)	23,059.16	23,059.16	-	-	23,059.16
Deposits	17,086.35	-	-	17,086.35	17,086.35
Sub-Ordinated Liabilities	33,480.06	-	33,480.06	-	33,480.06
Other Financial Liabilities	1,672.37	-	1,672.37	-	1,672.37

Note:

The Management assessed that cash and cash equivalents, bank balances other than cash and cash equivalents, receivables, other financial assets, payables, and other financial liabilities approximates their carrying amount largely due to short-term maturities of these instruments.

There were no transfers between level 1 and level 2 for any asset or liabilities during the year.

49. Disclosure Pursuant to Ind AS "116" Leases

In cases of leases where the Company is a lessee (Operating Lease)

The Company's lease asset class primarily consists of land and buildings taken on lease for Corporate office and Branch office premises used for operating activities

(₹ Lakhs)

Particulars	31st March 2022	31st March 2021
(a) Depreciation charge for Right-of-Use Assets	217.72	144.30
(b) Interest expense on Lease Liabilities	36.28	29.18
(c) The expense relating to short-term leases	-	-
(d) The expense relating to leases of low-value assets	35.39	60.39
(e) Total cash outflow for leases	231.81	215.75
(f) Additions to right-of-use assets	-	-
(g) The carrying amount of right-of-use assets at the end of the reporting period	1,093.60	1,070.50
Maturity Analysis	31st March 2022	31st March 2021
Less than 1 year	214.23	127.27
1-3 years	194.54	159.03
3-5 years	21.53	81.17
More than 5 years	10.32	51.53
Total future undiscounted cash outflow on lease liability	440.62	419.00

In cases of leases where the Company is a lessor (Operating Lease)

The Company has given four buildings on operating lease for commercial purposes and recognises the income as per the contractual terms of lease.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

50. Disclosures under RBI Directions

50.1 Schedule to the Balance Sheet of an Non-Banking Financial Company as required under Master Direction- Non-Banking Financial Company / Systemically important Non-Deposit taking Company and Deposit-taking company (Reserve Bank) Directions 2016 (₹ Lakhs)

Sl No	Particulars	As at 31st March 2022		As at 31st March 2021	
		Amount outstanding	Amount Overdue #	Amount outstanding	Amount Overdue #
(1)	Liabilities Side: Loans and advances availed by the Non Banking Financial Company inclusive of interest accrued thereon but not paid:				
	(a) Debentures : Secured	41,740.44	180.40	28,893.61	182.35
	: Unsecured (Other than falling within the meaning of Public deposit)	-	-	-	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	3,810.72	-	5,568.31	-
	(d) Inter-Corporate loans and borrowing	1,240.84	-	2,925.80	-
	(e) Commercial paper	-	-	-	-
	(f) Public Deposits	8,791.80	251.20	17,435.40	349.05
	(g) Sub-Ordinated Debts	39,556.18	25.41	33,529.38	49.32
	(h) Other Loans - Cash Credit	10,514.13	-	14,565.05	-
(2)	Break-up of (1) (f) and (g) above (Outstanding Public deposits inclusive of interest accrued thereon but not paid):				
	(a) In the form of Unsecured Debentures	11,640.38	-	6,460.97	-
	(b) In the form of Partly secured Debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c) Other Public Deposits	8,791.80	251.20	17,435.40	349.05
	(d) Sub-Ordinated Debts	26,425.51	25.41	25,226.16	49.32
	# Represents unclaimed deposits and interest accrued thereon				
(3)	Assets Side: Break-up of Loans and Advances including bills receivables (Other than those included in (4) below):		Amount outstanding		Amount outstanding
	(a) Secured		-		-
	(b) Unsecured		416.20		341.44
(4)	Break-up of Leased Assets and Stock on Hire and Other assets counting towards AFC activities:				
	(1) Lease Assets including lease rentals under Sundry Debtors				
	(a) Financial Lease		-		-
	(b) Operational Lease		-		-
	(2) Assets on Hire including Hire charges under Sundry Debtors				
	(a) Stock on Hire		1,14,215.90		1,12,435.69
	(b) Repossessed Assets		190.37		209.33
	(3) Other Loans counting towards AFC activities				
	(a) Loans where assets have been repossessed		-		-
	(b) Loans other than (a) above		-		-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

(5)	Break-up of Investments:	As at 31st March 2022	As at 31st March 2021
	Current Investments :		
	1. Quoted		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. Unquoted		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	Long Term Investments :		
	1. Quoted		
	(i) Shares : (a) Equity	75.09	52.32
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	2,374.44	2,577.61
	(v) Others	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	38.41	38.41
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)						
(6) Borrower group-wise classification of assets financed as in 3 and 4 above						
Category	31st March 2022 (Amount net of provisions)			31st March 2021 (Amount net of provisions)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	90.77	9.17	99.94	140.14	14.17	154.31
2. Other than related parties	1,09,804.23	407.03	1,10,211.26	1,08,872.15	327.27	1,09,199.42
Total	1,09,895.00	416.20	1,10,311.20	1,09,012.29	341.44	1,09,353.73
(7) Investor group-wise classification of all Investments (Current and non-Current Long term) in shares and securities (both quoted and unquoted)						
Category	Market value / Break up or fair value or NAV	Book value (Net of provisions)	Market value / Break up or fair value or NAV	Book value (Net of provisions)		
	31st March 2022		31st March 2021			
1. Related parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	110.43	110.39	87.66	87.62		
(c) Other related parties	-	-	-	-		
2. Other than related parties	2,371.09	2,377.49	2,568.00	2,580.66		
Total	2,481.52	2,487.88	2,655.66	2,668.28		
(8) Other information						
Particulars	Amount		Amount			
(i) Gross Non Performing Assets	5,942.21		5,594.01			
(a) Related parties	-		-			
(b) Other than Related parties	5,942.21		5,594.01			
(ii) Net Non Performing Assets	2,355.20		2,522.83			
(a) Related parties	-		-			
(b) Other than Related parties	2,355.20		2,522.83			
(iii) Assets acquired in satisfaction of debt	-		-			

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

50.2 Balance Sheet disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit - Taking Company (Reserve Bank) Directions 2016 (₹ Lakhs)

Sl No	Particulars	31st March 2022	31st March 2021
1	Capital to Risk (Weighted) Assets Ratio		
	CRAR (%)	21.66	22.52
	CRAR - Tier I Capital (%)	13.74	13.05
	CRAR - Tier II Capital (%)	7.92	9.47
	Amount of Sub-Ordinated debt considered as Tier-II capital	6,519.72	16,202.20
	Amount raised by issue of Perpetual Debt Instruments	-	-
2	Investments		
	Value of Investments		
	Gross Value of Investments		
	In India	2,487.94	2,668.34
	Outside India	-	-
	Provisions for Diminution in value of investments		
	In India	0.06	0.06
	Outside India	-	-
	Net Value of Investments		
	In India	2,487.88	2,668.28
	Outside India	-	-
	Movement of provisions held towards diminution in value of investments		
	Opening balance	0.06	0.06
	Add : Provisions made during the year	-	-
	Less: Write-off / write-back of excess provisions during the year	-	-
	Closing balance	0.06	0.06
3	Derivatives		
	Forward Rate Agreement / Interest Rate Swap	-	-
	Exchange Traded Interest Rate (IR) Derivatives	-	-
	Disclosures on Risk Exposure in Derivatives Qualitative Disclosure:-	-	-
	The Company has no derivatives transactions	-	-
4	Disclosures relating to Securitisation		
	SPV and Minimum Retention Requirements	-	-
	Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction	-	-
	Details of Assignment transactions undertaken by NBFCs	-	-
	Details of non-performing financial assets purchased / sold	-	-
	Details of non-performing financial assets purchased	-	-
	Details of Non-performing Financial Assets sold	-	-

NOTES TO THE ACCOUNTS (Contd....)

(₹ Lakhs)

Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31st March 2022												
Sl.No	Particulars	Upto 0-7 days	Upto 8-14 days	Upto 15-30 days	Over 1 Month upto 2 Month	Over 2 Months upto 3 Months	Over 3 Months & upto 6 Months	Over 6 Months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
(i)	Deposits	87.46	107.09	296.69	945.27	659.73	2,007.06	2,308.63	2,379.87	-	-	8,791.80
(ii)	Advances	1,316.16	974.93	2,589.64	5,034.36	5,007.01	14,135.03	25,766.70	51,359.65	3,420.27	717.45	110,311.20
(iii)	Investments	-	-	-	-	-	240.05	135.08	1,046.14	514.43	552.18	2,487.88
(iv)	Borrowings	60.17	47.55	397.76	6,106.96	789.02	2,166.92	13,595.67	60,020.66	13,677.60	-	96,862.31
(v)	Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
(vi)	Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31st March 2021												
Sl.No	Particulars	Upto 0-7 days	Upto 8-14 days	Upto 15-30 days	Over 1 Month upto 2 Month	Over 2 Months upto 3 Months	Over 3 Months & upto 6 Months	Over 6 Months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
(i)	Deposits	120.55	214.61	299.12	473.32	279.86	3,902.83	3,816.16	8,328.95	-	-	17,435.40
(ii)	Advances	1,121.79	830.96	2,290.48	4,321.44	4,273.17	12,406.18	23,540.85	54,996.22	5,098.34	474.30	109,353.73
(iii)	Investments	-	-	-	-	-	-	200.54	1,073.17	613.44	781.13	2,668.28
(iv)	Borrowings	112.53	57.49	1,293.58	2,937.57	976.65	2,759.84	18,062.21	33,780.98	25,501.30	-	85,482.15
(v)	Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
(vi)	Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Sl No	Particulars	31st March 2022	31st March 2021															
6	Exposures																	
(i)	Exposure to Real Estate Sector	-	-															
(ii)	Exposure to Capital Market	-	-															
a	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	113.50	90.73															
b	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds	-	-															
c	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-															
d	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-															
e	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-															
f	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-															
g	Bridge loans to companies against expected equity flows / issues	-	-															
h	All exposures to Venture Capital Funds (both registered and unregistered)	-	-															
	Total Exposure to Capital Market	113.50	90.73															
(iii)	Details of financing of parent company products	Nil	Nil															
(iv)	Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the NBFC	Nil	Nil															
(v)	Unsecured Advances	416.20	341.44															
7	Miscellaneous																	
(i)	Registration obtained from other financial sector regulators	NA	NA															
(ii)	Disclosure of Penalties imposed by RBI and other regulators	-	-															
(iii)	Related Party Transactions - Ref. Note 44																	
(iv)	Ratings assigned by credit rating agencies and migration of ratings during the year																	
	<table border="1"> <thead> <tr> <th>Sl No.</th> <th>Particulars</th> <th>ICRA Ltd</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Deposits</td> <td>(ICRA) MA-Stable</td> </tr> <tr> <td>(ii)</td> <td>Debentures</td> <td>(ICRA) BBB Stable</td> </tr> <tr> <td>(iii)</td> <td>Long-Term Borrowings</td> <td>(ICRA) BBB Stable</td> </tr> <tr> <td>(iv)</td> <td>Short-Term Borrowings</td> <td>(ICRA) A2</td> </tr> </tbody> </table>	Sl No.	Particulars	ICRA Ltd	(i)	Deposits	(ICRA) MA-Stable	(ii)	Debentures	(ICRA) BBB Stable	(iii)	Long-Term Borrowings	(ICRA) BBB Stable	(iv)	Short-Term Borrowings	(ICRA) A2		
Sl No.	Particulars	ICRA Ltd																
(i)	Deposits	(ICRA) MA-Stable																
(ii)	Debentures	(ICRA) BBB Stable																
(iii)	Long-Term Borrowings	(ICRA) BBB Stable																
(iv)	Short-Term Borrowings	(ICRA) A2																
	Migration of ratings during the year : NIL																	
(v)	Remuneration of Directors																	
	Ref. Page No. 30 of Corporate Governance Report 2022																	

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Sl No	Particulars	31st March 2022	31st March 2021
(vi)	Management Ref. Management and Discussion and Analysis Report on Page No. 27		
(vii)	Net Profit or Loss for the period, prior period items and changes in accounting policies	Nil	Nil
8	Other Disclosures		
(i)	Provisions and Contingencies Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss		
a	Provisions for diminution in value of Investment	3.17	3.46
b	Provision towards NPA	878.54	641.18
c	Provision for Standard Assets	-	-
d	Provision made towards Income Tax	340.16	331.65
e	Other Provision and Contingencies (with details)	(4.69)	(23.69)
(ii)	Draw down from Reserves	-	-
(iii)	Concentration of Deposits, Advances, Exposures and NPAs		
a	Concentration of Deposits: Total Deposits of twenty largest depositors	416.06	553.10
	Percentage of Deposits of twenty largest depositors to Total Deposits	4.73%	3.38%
b	Concentration of Advances: Total Advances to twenty largest borrowers	1,398.28	1,613.13
	Percentage of Advances to twenty largest borrowers to Total Advances	1.22%	1.43%
c	Concentration of Exposures: Total Exposure to twenty largest borrowers / customers	860.24	1,052.09
	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	0.75%	0.93%
d	Concentration of NPAs: Total Exposure to top four NPA accounts	73.50	72.28
e	Sector-wise NPAs	% NPAs to Total Advances in that sector	
(i)	Agriculture & allied activities	1.62%	3.64%
(ii)	MSME – Engineering	-	-
(iii)	Corporate borrowers - Textiles	-	-
(iv)	Services - Others	1.42%	0.92%
(v)	Unsecured personal loans	-	-
(vi)	Auto loans - Transport	6.23%	6.40%

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ Lakhs)

Sl No	Particulars	31st March 2022	31st March 2021
f	Movement of NPAs		
(i)	Net NPAs to Net Advances (%)	2.14%	2.30%
(ii)	Movement of NPAs (Gross)		
	Opening balance	5,594.01	4,983.03
	Additions during the year	2,223.89	2,508.70
	Reductions during the year	1,875.69	1,897.72
	Closing balance	5,942.21	5,594.01
(iii)	Movement of Net NPAs		
	Opening balance	2,522.83	2,439.42
	Additions during the year	1,380.13	1,682.19
	Reductions during the year	1,547.76	1,598.78
	Closing balance	2,355.20	2,522.83
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	Opening balance	3,071.18	2,543.61
	Provisions made during the year	843.76	826.51
	Write-off / write-back of excess provisions	327.93	298.94
	Closing balance	3,587.01	3,071.18
(v)	Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)	Nil	Nil
(vi)	Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)	Nil	Nil
9	Disclosure of Complaints		
a	No. of complaints pending at the beginning of the year	-	-
b	No. of complaints received during the year	4	-
c	No. of complaints redressed during the year	4	-
d	No. of complaints pending at the end of the year	-	-

50.3 Disclosures as required under guidelines on liquidity risk management frame work for NBFCs issued by RBI by notification no. RBI/2019-20/88 DOR.NBFC (PD) CC .No.102/03.10.001/2019-20 dated 4th November 2019.

Public disclosure on Liquidity Risk:

i. Funding concentration based on significant counterparty (both deposits and Borrowings)

Sl No	Type of Instruments	No. of Significant counter parties	Amount (₹ lakhs)	% of total deposits	% of total liabilities
1	Borrowings As at 31st March 2022	4	13,713.00	171.82	12.80
2	Borrowings As at 31st March 2021	6	20,600.00	126.01	19.65

ii. Top 20 Large Deposits (amount ₹ in Lakhs) and % of Total Deposits

Sl No	Descriptions	Amount (₹ lakhs)	% of total deposits
1	Total for Top 20 Large Deposits as at 31st March 2022	416.06	4.73%
2	Total for Top 20 Large Deposits as at 31st March 2021	553.10	3.38%

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022.

iii. Top 10 Borrowings (amount ₹ in Lakhs) and % of Total Borrowings

(₹ Lakhs)

Sl No	Descriptions	Amount (₹ lakhs)	% of total Borrowings
1	Total for Top 10 Borrowings as at 31st March 2022	15,661.00	15.96%
2	Total for Top 10 Borrowings as at 31st March 2021	23,041.00	23.47%

iv. Funding concentration based on significant instrument / products

Sl No	Name of the Instrument / Products	31st March 2022		31st March 2021	
		Amount (₹ lakhs)	% of total Liabilities	Amount (₹ lakhs)	% of total Liabilities
1	Sub-Ordinate Debts	26,425.51	24.66%	25,226.16	24.12%
2	Non-Convertible Debentures - Public Issue (Unsecured)	11,640.38	10.86%	6,460.97	6.18%
3	Fixed Deposits	8,791.80	8.21%	17,435.40	16.67%
4	Non-Convertible Debentures - Public Issue (Secured)	30,836.75	28.78%	16,938.78	16.20%
5	Non-Convertible Debentures - Private placement	10,903.69	10.18%	11,954.83	11.43%
6	Preference Shares	1,490.29	1.39%	1,842.25	1.76%
	Total	90,088.42	84.08%	79,858.39	76.36%

v. Stock Ratios:

a. Commercial Papers as a % of Total Public Funds, Total Liabilities and Total Assets

Sl No	Name of the Instrument / Products	31st March 2022		31st March 2021	
		Amount (₹ lakhs)	% of total deposits	Amount (₹ lakhs)	% of total deposits
1	Commercial Paper Outstanding	NA	NA	NA	NA
2	% to Total Public Funds	-	-	-	-
3	% to Total Liabilities	-	-	-	-
4	% to Total Public Assets	-	-	-	-

b. Non-Convertible Debentures (on maturities of less than 1 year) as a percentage of Total Public Funds, total Liabilities and Total Assets

Sl No	Name of the Instrument / Products	31st March 2022	31st March 2021
1	Non-Convertible Debentures (on maturities of less than 1 year)	-	-
2	% to Total Public Funds	-	-
3	% to Total Liabilities	-	-
4	% to Total Assets	-	-

c. Other Short term Liabilities, if any as a percentage of Total Public Funds, Total Liabilities and Total Assets

Sl No	Name of the Instrument / Products	31st March 2022	31st March 2021
1	Other Short term Liabilities	10,514.13	14,565.05
2	% to Total Public Funds	-	-
3	% to Total Liabilities	9.81%	13.93%
4	% to Total Assets	8.28%	11.77%

vi. Institutional set-up of liquidity risk management

The Board of Directors of the Company have an overall responsibility for the management of all types of risks, including liquidity risk, to which the Company is exposed in the normal course of its business. Further, the Board of Directors have constituted a Risk Management Committee ("RMC"), as mandated by RBI, for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are presently held as may be necessary, Moreover, the Board of Directors have also constituted

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

an Asset Liability Committee ("ALCO"), for the management of the Company's short and long-term funding and meeting liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves and surplus, accessing undrawn bank facilities and obtaining funding from various other sources, as may be feasible. ALCO provides guidance and direction in terms of interest rate, liquidity, funding sources etc. ALCO meetings are held as may be required, The minutes of ALCO meetings are placed before the Board of Directors at their next meeting for their perusal / approval / ratification.

Definition of terms as used in the table above:

a) Significant counter party:

A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

b) Significant instrument/product:

A "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities.

c) Total liabilities:

Total liabilities include all external liabilities (other than equity).

d) Public funds:

"Public funds" includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of commercial papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue. It includes total borrowings outstanding under all types of instruments/products.

e) Other short-term liabilities:

All short-term borrowings other than CPs and NCDs with original maturity less than 12 months.

Disclosure on Liquidity Coverage Ratio (LCR)

The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio ("LCR"), which aim to ensure that an NBFC maintains an adequate level of unencumbered HOLAS which can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

The LCR is computed as per the formula given below:

$LCR = \text{Stock of High-Quality Liquid Assets ("HQLAs")} / \text{Total Net Cash Outflows over the next 30 calendar days}$

HQLAs consist of Cash (would mean cash on hand and demand deposits with Scheduled Commercial Banks), investment in Central and State Government Securities, and highly-rated Corporate Bonds and Commercial papers, including those of Public Sector Enterprises, as adjusted after assigning the haircuts as prescribed by RBI.

Total net cash outflows are arrived after taking into consideration total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days.

As prescribed by RBI, total net cash outflows over the next 30 days = Stressed Outflows [Min (stressed inflows; 75% of stressed outflows)]. Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow).

The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Management ("ALM") Committee oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board.

The Company maintains a robust funding profile with no undue concentration of funding sources. In order to ensure a diversified borrowing mix, concentration of borrowing through various sources is monitored. Further, the Company has prudential limits on investments in different instruments to maintain a healthy investment profile. Any potential collateral calls from the same forms a miniscule part of cash outflows. There is no currency mismatch in the LCR. The above is periodically monitored and reviewed by ALCO.

Major source of borrowings for the Company are Non-Convertible Debentures, Term loans from Banks, and Public deposits. Details of funding concentration from Significant counter party are given in Note 50 (3)

NOTES TO THE ACCOUNTS (Contd....)

For the year ended 31st March 2022

S. No.	Particulars	Apr-Jun 2021		Jul-Sep 2021		Oct-Dec 2021		Jan-Mar 2022		Jan-Mar 2021	
		Unweighted Value (Average)	Weighted Value (Average)	Unweighted Value (Average)	Weighted Value (Average)	Unweighted Value (Average)	Weighted Value (Average)	Unweighted Value (Average)	Weighted Value (Average)	Unweighted Value (Average)	Weighted Value (Average)
	High Quality Liquid Assets										
1	Total High Quality Liquid Assets (HQLA)	3,632.54	3,118.94	9,881.39	9,367.79	3,412.49	2,898.89	3,361.89	2,888.29	-	3,354.38
	Cash Outflows:										
2	Deposits (for deposit taking companies)	682.74	785.15	1,635.64	1,880.99	1,276.50	1,467.97	627.71	721.87	1,153.12	1,326.09
3	Unsecured wholesale funding	36.37	41.83	35.62	40.96	27.59	31.73	21.57	24.80	46.53	53.51
4	Secured funding	1,483.67	1,706.22	1,180.05	1,357.05	677.07	778.64	534.00	614.11	900.10	1,035.12
5	Additional requirements, of which										
(i)	Outflows related to derivative exposure and other collateral requirements	-	-	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	629.15	723.52	853.91	982.00	415.39	477.70	619.63	712.57	687.14	790.20
6	Other contractual funding obligations	221.67	254.92	-	-	-	-	-	-	-	-
7	Other contingent funding obligations	-	-	-	-	-	-	-	-	-	-
8	TOTAL CASH OUTFLOWS	3,053.60	3,511.64	3,705.22	4,261.00	2,396.55	2,756.04	1,802.91	2,073.35	2,786.89	3,204.92
	Cash Inflows:										
9	Secured Lending	4,644.86	3,483.65	5,010.88	3,758.16	5,504.50	4,128.38	5,254.72	3,941.04	5,053.21	3,789.91
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-	-	-
11	Other cash inflows	-	-	7,200.00	5,400.00	5,716.66	4,287.50	3,600.00	2,700.00	-	-
12	TOTAL CASH INFLOWS	4,644.86	3,483.65	12,210.88	9,158.16	11,221.16	8,415.88	8,854.72	6,641.04	5,053.21	3,789.91
13	TOTAL HQLA		3,118.94		9,367.79		2,898.89		2,888.29		3,354.38
14	TOTAL NET CASH OUTFLOWS		877.91		1,065.25		689.01		518.34		801.23
15	LIQUIDITY COVERAGE RATIO (%)		355.27%		879.40%		420.73%		557.22%		418.65%
	Components of HQLA										
	- Cash on Hand		341.07		249.26		300.02		310.28		416.81
	- Balances with Banks		723.47		7,064.13		544.48		683.61		883.17
	- Government Securities		2,568.00		2,568.00		2,568.00		2,368.00		2,054.40
	- Commercial Paper		-		-		-		-		-
	TOTAL		3,632.54		9,881.39		3,412.50		3,361.89		3,354.38

(₹ Lakhs)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

50.4 In terms of RBI Circular No. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 in relation to the Resolution Framework for COVID-19-related Stress, disclosure as follows:

(₹ Lakhs)

Type of Borrowers	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year	Of such accounts, aggregate debt that slipped into NPA during the half-year	Of such accounts amount written off during the half-year	Of such accounts amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	695.26	94.31	-	209.72	391.23
Corporate Loans*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	695.26	94.31	-	209.72	391.23

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

50.5 Disclosure as required under RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No .109/22.10.106/2019-20 dated 13th March 2020 on Implementation of Indian Accounting Standards

A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109

For the year 31st March 2022

(₹ Lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Performing Assets Standard	Stage 1	99,679.78	478.79	99,200.99	398.72	80.07
	Stage 2	9,200.48	95.53	9,104.95	36.80	58.73
Sub-Total		1,08,880.26	574.32	1,08,305.94	435.52	138.80
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,905.11	397.72	1,507.39	267.39	130.33
Doubtful - up to 1 year	Stage 3	1,095.91	700.65	395.26	521.22	179.43
1 to 3 years	Stage 3	297.37	194.76	102.61	154.60	40.16
More than 3 years	Stage 3	-	-	-	-	-
Sub-Total for doubtful assets		1,393.28	895.41	497.87	675.82	219.59
Loss	Stage 3	2,643.82	2,643.82	-	2,643.82	-
Sub-Total for NPA		5,942.21	3,936.95	2,005.26	3,587.03	349.92
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	-	-	-	-	-	-
Sub-Total		-	-	-	-	-
Total	Stage 1	99,679.78	478.79	99,200.99	398.72	80.07
	Stage 2	9,200.48	95.53	9,104.95	36.80	58.73
	Stage 3	5,942.21	3,936.95	2,005.26	3,587.03	349.92
	Total	1,14,822.47	4,511.27	1,10,311.20	4,022.55	488.72

Note : In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 on Implementation of Indian Accounting Standards, Non-Banking Finance Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the corporation exceeds the total provision required under IRACP (including standard asset provisioning), as at 31st March 2022 and accordingly, no amount is required to be transferred to impairment reserve.

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

For the year 31st March 2021

(₹ Lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	97,136.73	130.73	97,006.00	388.55	(257.82)
	Stage 2	10,255.72	296.92	9,958.80	41.02	255.90
Sub-Total		1,07,392.45	427.65	1,06,964.80	429.57	(1.92)
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,384.58	556.70	1,827.88	335.43	221.27
Doubtful - up to 1 year	Stage 3	757.47	469.67	287.80	385.76	83.91
1 to 3 years	Stage 3	85.62	19.06	66.56	22.17	(3.11)
More than 3 years	Stage 3	53.69	6.75	46.94	15.17	(8.42)
Sub-Total for doubtful assets		896.78	495.48	401.30	423.10	72.38
Loss	Stage 3	2,312.65	2,152.90	159.75	2,312.65	(159.75)
Sub-Total for NPA		5,594.01	3,205.08	2,388.93	3,071.18	133.90
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	-	-	-	-	-	-
Sub-Total		-	-	-	-	-
Total	Stage 1	97,136.73	130.73	97,006.00	388.55	(257.82)
	Stage 2	10,255.72	296.92	9,958.80	41.02	255.90
	Stage 3	5,594.01	3,205.08	2,388.93	3,071.18	133.90
	Total	1,12,986.46	3,632.73	1,09,353.73	3,500.75	131.98

50.6 The Company commenced the process for implementing the RBI Direction as per clause 13 of the harmonising circular dt 12th November 2021 with regard to the concepts of date of overdue, SMA and NPA classification and upgradation with specific reference to day end process for compliance for applicable for period beyond 31st March 2022.

51. Disclosure under clause 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	31st March 2022	31st March 2021
a) Loans and advances in the nature of loans to subsidiaries		
Name of the Company	-	-
Amount	-	-
b) Loans and advances in the nature of loans to associates		
Name of the Company	-	-
Amount	-	-
c) Loans and advances in the nature of loans to firms/companies in which directors are interested		
Sakthi Foundation	81.76	121.18
Suddha Sanmarga Nilayam	9.01	18.96
d) Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.		

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

52. Disclosure under clause 53(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Debentures are secured by way of a first and pari passu mortgage in favour of the Security Trustee on the Company's Office at 'GDA House', First Floor, Plot No.85, Bhusari Colony (Right), Paud Road, Pune.

53. Public Issue of Secured, Redeemable, Non-Convertible Debentures for ₹ 10,000 lakh

During April 2022, the Company made a Public Issue of Secured, Redeemable, Non-Convertible Debentures ("NCDs") of ₹ 1,000 each for an amount not exceeding ₹ 5,000 lakh, with an option to retain over-subscription for an amount not exceeding ₹ 5,000 lakh, aggregating ₹ 10,000 lakhs. The NCD issue opened on 11th April 2022 and closed early on 25th April 2022, as against the scheduled closure date of 5th May 2022. The Company received a valid subscription for ₹ 10,852.48 lakh. The Company made allotment of 10,00,000 NCDs aggregating ₹ 10,000 lakh to the eligible allottees on 29th April 2022. The NCDs have been listed and admitted for trading with BSE Limited with effect from 4th May 2022. The entire proceeds of the NCD issue are being utilized for the objects stated in the NCD Prospectus.

54. Disclosure under Code on Social Security, 2020

The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

55. The Company does not fall under the definition of large corporate as per SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 dated 26th November 2018 and as such furnishing of necessary disclosures does not arise.

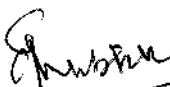
56. Ministry of Corporate Affairs (MCA) vide notification G.S.R. 207(E) dated 24th March 2021 have notified Amendments which are applicable from 1st April 2021, which require elaborate disclosures to various Financial Statement Line Items. The company will evaluate and make the disclosures from subsequent year.

57. There have been no events after the reporting date that require disclosure in these Financial Statements. However, the Board of Directors of the Company have recommended a dividend of 6% being ₹ 0.60 per share on the equity shares of the Company for the year ended 31st March 2022 (₹ 0.60 per share - 31st March 2021) which is subject to approval of shareholders. The proposed dividend has not been recognised in the books in accordance with IND AS 10.

58. No fraud by the Company or on the Company has been noticed or reported during the Financial Year 2021-22.


59. Previous year figures have been regrouped, reclassified and rearranged, wherever necessary, to conform to current year presentation.


As per our report attached
For CSK Prabhu & Co.,
Chartered Accountants
Firm Regn. No. : 0024855


CSK PRABHU
Partner
Membership No. 019811




Coimbatore
24th May 2022


M. BALASUBRAMANIAM
Vice Chairman and Managing Director
DIN : 00377053


S. VENKATESH
Company Secretary and
Chief Compliance Officer
FCS 7012

For and on behalf of the Board


M. MANICKAM
Chairman
DIN : 00102233


SRINIVASAN ANAND
Chief Financial Officer
Membership No.020694

ANNEXURE G : INPRINCIPAL APPROVAL LETTER FROM BSE LIMITED

DCS/COMP/RM/IP-PPDI/039/24-25

June 04, 2024

SAKTHI FINANCE LIMITED
62, Dr. Nanjappa Road
Post Box No. 3745
Coimbatore - 641 018, Tamil Nadu

Dear Sir/Madam

Re: Private Placement of General Information Document for Issue of Rated, Secured, Redeemable, Non-Convertible Debentures of Face Value of Rs. 1,00,000 each ("NCDs") on Private Placement Basis. In one or more KID (Gid Ref No: SFL - Gid 01/24-2025).

We acknowledge receipt of your application on the online portal on May 30, 2024 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing of captioned security subject to fulfilling the following conditions at the time of seeking listing:

1. Filing of listing application.
2. Payment of fees as may be prescribed from time to time.
3. Compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder and also Compliance with provisions of Companies Act 2013.
4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.
5. Compliance with change in the guidelines, regulations, directions, circulars of the Exchange, SEBI or any other statutory authorities, documentary requirements from time to time.
6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors.:
<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200610-31>
7. Issuers, for whom use of EBP is not mandatory, specific attention is drawn towards compliance with Chapter XV of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and BSE Circular No 20210519-29 dated May 19, 2021. Accordingly, Issuers of privately placed debt securities in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 or ILDM Regulations for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of such issuance. The details can be uploaded using the following links [Electronic Issuance - Bombay Stock Exchange Limited \(bseindia.com\)](#).

8. It is advised that Face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021

9. *Issuers are hereby advised to comply with signing of agreements with both the depositories as per Regulation 7 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.*

10. *Company is further requested to comply with SEBI Circular SEBI/HO/DDHS/DDHS-RACPOD1/CIR/P/2023/56 dated April 13, 2023, (if applicable) read along with BSE Circular <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20230428-18> and ensure compliance of the same.*

This In-Principle Approval is valid for a period of 1 year from the date of issue of this letter or period of 1 year from the date of opening of the first offer of debt securities under the General information Document, whichever ever applicable. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,
For BSE Limited



Hardik Bhuta
Assitn. Gen. Manager



Akshay Arolkar
Deputy Manager

ANNEXURE H : DUE DILIGENCE – ANNEXURE B OF DEBENTURE TRUSTEE

Will be attached in the relevant Key Information Document for the relevant issuance of Debentures

CL/24-25/12207

(Annexure IIA)

DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING THE DRAFT OFFER DOCUMENT/ INFORMATION MEMORANDUM

[In reference to Chapter II, Clause 2.2.4 of SEBI Master Circular for Debenture Trustees dated May 16, 2024]

To,
The Manager,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001.

Dear Sir / Madam,

SUB: ISSUE OF 358 SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1,00,000/- EACH AGGREGATING TO RS. 3,58,00,000/- (THE 'DEBENTURES') BY WAY OF PRIVATE PLACEMENT BY OF SAKTHI FINANCE LIMITED.

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

We confirm that:

- a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued and listed.
- b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).
- c) The Issuer has made all the relevant disclosures about the security and 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 / information memorandum and all disclosures made in the offer document / information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.

CATALYST TRUSTEESHIP LIMITED

Registered Office : CDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038 Tel : +91 (20) 6680 7200
Delhi Office : 910-911, 9th Floor, Kailash Building, 26 Kasturba Gandhi Marg, New Delhi - 110 001 Tel : +91 (11) 4302 9101/02
Corporate Office : 901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013
Tel : +91 (22) 4922 0555 Fax : +91 (22) 4922 0505
CIN No. U74999PN1997PLC110262 Email : dt@ctitrustee.com Website : www.catalysttrustee.com

An ISO 9001 Company

- e) 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.
- f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document / placement memorandum.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Place: Mumbai

Date: December 13, 2024



For Catalyst Trusteeship Limited

For CATALYST TRUSTEESHIP LIMITED

K. Pandey
Authorized Signatory

**Ms. Kalyani Pandey
Compliance Officer**