

Independent Auditor's Report

To the Members of Keshava Prabha Microfin Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Keshava Prabha Microfin Private Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

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 March 31, 2023 and its profit/Loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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.

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 under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 financial 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 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 Rule 7 of the Companies (Accounts) Rules, 2014
 - e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 A.". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h. With respect to the other matters to be included in the Auditor's Report in accordance with 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 3.26 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes 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 person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under(a)and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- vi. 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 Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor’s Report) Order, 2020 (the “Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B.” a statement on the matters specified in paragraphs 3 and 4 of the Order.

Sd/-

Damodaran P Namboodiri

Chartered Accountant

Membership No.221178

UDIN: 23221178BGRXOE2915

Place : Ernakulam

Date : July 13, 2023

Annexure 'A' To the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Keshava Prabha Microfin Private Limited of even date)

Report on the Internal Financial Controls with reference to Standalone Financials Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of **Keshava Prabha Microfin Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements 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.

Sd/-

Damodaran P Namboodiri

Chartered Accountant

Membership No.221178

UDIN: 23221178BGRXOE2915

Place : Ernakulam

Date : July 13, 2023

“Annexure B” to the Independent Auditors’ Report

Referred to in paragraph 2 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2023.

- i. In respect of the Company’s property, plant and equipment, right-of-use assets and intangible assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets
 - (b) 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 a regular programme of physical verification of its property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given by the management, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company;
 - (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 has not revalued its property, plant and equipment or Intangible assets or both during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable;
 - (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii.
 - (a) The Company’s business does not involve inventories and, accordingly, the requirements under clause 3 (ii) (a) of the Order are not applicable to the Company and hence not commented upon.
 - (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable
- iii. During the year, the Company has granted unsecured loans to other parties, during the year, in respect of which:
 - (a) According to the information and explanations given by the management, the principal business of the Company is to give loans. Therefore, in our opinion, the provisions of clause 3(iii)(a) of the Order are not applicable to the Company;
 - (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

The principal business of the Company is to give loans, so the irregular repayments or receipts of loans and advances overdue by more than 90 days are as below;

Number of borrowers	Overdue amount more than 90 days (in Lakhs)	Remarks
889	94.49	-----

- (d) According to the information and explanations given by the management and audit procedure performed by us, the total amount overdue for more than ninety days is ` 94.49 lakhs, and the reasonable steps have been taken by the company for recovery of the principal and interest;
- (e) According to the information and explanations given by the management, the principal business of the Company is to give loans. Therefore, in our opinion, the provisions of clause 3(iii)(e) of the Order are 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 given any loans either repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and security given in respect of which provisions of sections 185 and 186 of the Companies Act are applicable and hence not commented upon.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable
- vi. To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- vii. (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. The provisions relating to sales-tax, service tax, duty of customs, duty of excise, value added tax are not applicable to the Company.
- According to the information and explanations given to us and audit procedure performed by us, no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income-tax, cess, sales-tax, service tax, duty of customs, duty of excise, value added tax and other statutory dues were outstanding as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of goods and service tax, provident fund, employees' state insurance, income-tax, cess, sales-tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and audit procedure performed by us, the Company has not surrendered or disclosed any transaction as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Therefore, the provisions of clause 3(viii) of the Order are not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given by the management, 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 examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given by the management, the Company deploys funds based on their respective maturity pattern. Based on overall examination of the balance sheet of the Company, no funds raised on short term basis have been utilised for long term purposes during the year;
- (e) According to the information and explanations given to us and 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 as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and audit procedure performed by us, the Company does not have any subsidiary, joint venture or associate company. Therefore, the provisions of clause 3(viii) of the Order are not applicable to the Company.
- x. (a) According to the information and explanation given by the Management and audit procedure performed by us, the Company has not raised any money by way of initial public offer or further public offer during the year. Further, monies raised by the Company by way of non-convertible debentures were applied for the purposes for which those were raised;
- (b) 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 made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable
- xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us, no whistle-blower complaints have been received during the year. Therefore, the provisions of clause 3(xi)(c) of the Order are not applicable to the Company;
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards
- xiv. To the best of our knowledge and as explained, the Company is not required to have the Internal Auditor system commensurate with the size and nature of its business, Accordingly, clause 3(xii) of the Order is not applicable.
- xv. According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

- xvi. (a) The company is required and obtained the registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934);
- (b) The company has not conducted 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;
- (c) 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 CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 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 realisation of financial assets and payment of financial liabilities, 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. According to the information and explanations given by the Management and audit procedures performed by us, the CSR requirement norms mentioned in section 135(1) of the Companies Act 2013 doesn't applicable to the company during the year, hence the requirements under clause 3 (xx) of the Order are not applicable to the Company and not commented upon.
- xxi. The Companies (Auditor's Report) Order (CARO) is reported on the standalone financial statements of the Company. Therefore, the provision of clause 3(xxi) of the Order is not applicable to the Company.

Sd/-

Damodaran P Namboodiri

Chartered Accountant

Membership No.221178

UDIN: 23221178BGRXOE2915

Place : Ernakulam

Date : July 13, 2023

**Balance Sheet as at 31st March 2023**

(In ₹ ,'000)

Particulars	Note No	As at 31 st March 2023	As at 31 st March 2022
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3.1	62,531.19	62,531.19
(b) Reserves and surplus	3.2	24,158.46	11,036.25
2 Share application money pending for allotment			
3 Non-current liabilities			
(a) Long-term borrowings	3.3	4,46,326.00	3,07,246.00
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities			
(d) Long-term provisions	3.4	8,444.65	4,950.95
4 Current liabilities			
(a) Short-term borrowings	3.5	1,21,970.00	84,430.00
(b) Trade payables		-	-
(c) Other current liabilities	3.6	66,558.60	64,921.93
(d) Short-term provisions	3.7	5,250.00	1,390.00
Total		7,35,238.90	5,36,506.32
II ASSETS			
1 Non Current Assets			
(a) Property, Plant and Equipment and Intangible assets			
(i) Property, Plant and Equipment	3.8	3,355.32	2,330.48
(ii) Intangible assets	3.8	2,031.36	2,645.05
(iii) Capital work-inprogress		-	-
(iv) Intangible assets under development	3.8	2,161.86	1,513.62
(b) Non-current investments		-	-
(c) Deferred tax assets (net)	3.9	2,351.010	1,178.29
(d) Long-term loans and advances- Financing Activity	3.10	5,18,989.24	3,55,006.90
(e) Long-term loans and advances	3.11	26.39	26.39
(f) Other non-current assets	3.12	1,602.50	1,296.50
2 Current assets			
(a) Current investments		-	-
(b) Cash and cash equivalents	3.13	4,696.87	22,809.56
(c) Short-term loans and advances - Financing Activity	3.10	1,85,052.56	1,27,359.81
(d) Short-term loans and advances	3.14	567.46	2,056.44
(e) Other current assets	3.15	14,404.34	20,283.28
Total		7,35,238.90	5,36,506.32

The accompanying notes are an integral part of the financial statements.

In terms of our report attached.

For and on behalf of the Board of Directors of **Keshava Prabha Microfin Pvt Ltd**

Sd/-

Sd/-

Sd/-

Sd/-

Damodaran P Namboodiri , FCA
Chartered Accountant
Membership No.221178

Vinu Krishnan
Managing Director
DIN : 01743028

T.S.Jagadeesan
Director
DIN: 06775429

Maya P
Company Secretary
Mem No: A31270

Place : Ernakulam
Date : 13-07-2023

Place : Ernakulam
Date : 13-07-2023

**Keshava Prabha Microfin Private Limited**

GE, Ground floor, Easdale Enclave, 83 Sterling Road, Nungambakkam, Chennai, Tamil Nadu

Profit and loss statement for the year ended 31 st March, 2023**(In ₹ , '000)**

Particulars	Note No	From 01.04.2022 to 31.03.2023	From 01.04.2021 to 31.03.2022
I Revenue from operations	3.16	1,50,819.42	1,02,052.31
II Other income	3.17	20.87	1,306.69
III Total Income(I + II)		1,50,840.28	1,03,359.00
IV Expenses			
Employee benefits expense	3.18	36,333.23	28,186.07
Finance Cost	3.19	64,021.02	53,227.65
Depreciation and amortization expense	3.20	1,768.04	1,469.32
Other expenses	3.21	31,518.50	18,729.25
Total expenses		1,33,640.79	1,01,612.30
V Profit before exceptional and extraordinary items and tax (III-IV)		17,199.49	1,746.70
VI Exceptional items		-	-
VII Profit before extraordinary items and tax (V - VI)		17,199.49	1,746.70
VIII Extraordinary Items			
IX Profit before tax (VII- VIII)		17,199.49	1,746.70
X Tax expense:			
Current tax		5,250.00	1,390.00
Deferred tax		(1,172.72)	(932.98)
		4,077.28	457.02
XI Profit (Loss) for the period from continuing operations		13,122.21	1,289.68
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax)		-	-
XV Profit/ (Loss) (XI + XIV)		13,122.21	1,289.68
XVI Earnings per equity share [Nominal value of shares Rs. 10 each]			
Basic		2.10	0.21
Diluted		1.98	0.49

The accompanying notes are an integral part of the financial statements.

In terms of our report attached.	For and on behalf of the Board of Directors of Keshava Prabha Microfin Pvt Ltd		
Sd/-	Sd/-	Sd/-	Sd/-
Damodaran P Namboodiri , FCA Chartered Accountant Membership No.221178	Vinu Krishnan Managing Director DIN : 01743028	T.S.Jagadeesan Director DIN: 06775429	Maya P Company Secretary Mem No: A31270
Place : Ernakulam Date : 13-07-2023	Place : Ernakulam Date : 13-07-2023		



Cash Flow Statement for the year ended 31st March 2023

In terms of AS - 3 on Cash Flow Statement under Indirect Method

(In ₹ ,'000)

PARTICULARS	2022-23 (In Rs.)	2021-22 (In Rs.)
A. Cash Flow From Operating Activities :		
Net profit Before Taxation	17,199.49	1,746.70
<i>Adjustments for:</i>		
Depreciation	1,768.04	1,469.32
Interest Debited in P & L	64,021.02	53,227.65
(Profit) /Loss from disposal of PPE	5.20	-
Provision for Standard asset & NPA	3,493.70	3,701.52
Dbad Debts w/off	5,202.34	694.96
Operating Profit before Working Capital Changes	91,689.78	60,840.16
(Increase)/Decrease in Loans & Advances - Financing activity	(2,26,877.42)	(11,913.12)
(Increase)/Decrease in Non current asset ,Loans & Advances	(306.00)	157.56
(Increase)/Decrease in Current Assets	7,069.13	2,823.39
Increase/(Decrease) in Other current liabilities	1,636.67	7,154.54
Cash from operations	(1,26,787.84)	59,062.53
Income Tax Paid	(1,091.21)	(1,044.62)
Net Cash From Operating Activities	(1,27,879.05)	58,017.91
B Cash Flow From Investingactivities :		
Acquisition of PPE	(2,199.98)	(876.58)
Intangible Assets - WIP	(648.24)	(1,513.62)
Proceedings from Sale of PPE	15.60	-
(Increase)/ Decrease in Deposits	-	-
Net Cash From Investing Activities	(2,832.62)	(2,390.20)
C Cash Flow From Financing Activities:		
Increase /(Decrease) Short Term Loans	30,000.00	-
Issue/ (Repayment) of Debentures	1,33,620.00	(22,537.00)
Issue/ (Repayment) of Bonds	13,000.00	10,850.00
Interest Paid	(64,021.02)	(53,227.65)
Net Cash From Financing Activities	1,12,598.98	(64,914.65)
Net (decrease)/increase in cash and cash equivalents	(18,112.68)	(9,286.94)
Cash and cash equivalents at the beginning of the year	22,809.56	32,096.50
Cash and cash equivalents at year end	4,696.87	22,809.56

The accompanying notes are an integral part of the standalone financial statements.

In terms of our report attached.

For and on behalf of the Board of Directors of Keshava Prabha
Microfin Pvt Ltd

Sd/-

Sd/-

Sd/-

Sd/-

Damodaran P Namboodiri , FCA
Chartered Accountant
Membership No.221178Vinu Krishnan
Managing Director
DIN : 01743028T.S.Jagadeesan
Director
DIN: 06775429Maya P
Company Secretary
Mem No: A31270Place : Ernakulam
Date : 13-07-2023Place : Ernakulam
Date : 13-07-2023

1. Company Information

Keshava Prabha Microfin Private Limited ('the company') is registered as a NBFC-MFI as defined under section 45-IA of the Reserve Bank of India Act, 1934. The company is principally engaged in lending activity. The Company received the certificate of registration B.07.00091 on 24th August 2022 enabling the Company to carry on business as NBFC-MFI.

Keshava Prabha Microfin is India's first fully paperless and cashless microfinance institution. Every single loan is disbursed into the bank accounts of the customers after a fully paperless on boarding process – which involves tab-based e-KYC and e-sign. Through the cashless MFI, the aim is to empower the deprived sections of society as well as contribute to the country's digitization process by adopting digital payments.

2. Significant Accounting Policies

a. Basis of preparation

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (IGAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 2013 and the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended).

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

Prudential norms: The Company Complies all the material aspect, with the prudential norms relating to the income recognition, asset classification and provisioning for bad and doubtful debts and other matters, specified in the direction issued by the Reserve Bank of India in terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("RBI Directions, 2007), as applicable to the company.

b. Uses of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period.

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c. Revenue recognition

General: Revenue is recognised as earned and accrued when it is reasonably certain that its ultimate collection will be made, and the revenue is measureable.

Income from loans:

Interest income from loan transactions is accounted for by applying the interest rate implicit in such contracts. Service charges, documentation charges and other fees on loan transactions are recognised at the commencement of the contract.

Delayed payment charges, fee-based income and interest on trade advances are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

Income on business assets classified as Non-performing Assets, is recognized strictly in accordance with the guidelines issued by The Reserve Bank of India for Non-Banking Financial Companies.

Other Income: In respect of the other heads of income, the Company accounts the same on accrual basis.

d. Provisioning Norms for Standard & Sub-Standard Assets

Non-performing assets are recognized and provided for, as per management estimates, subject to the minimum provision required as per Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued vide master direction No DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 as amended from time to time. Similarly, provision on standard assets is also made as per the RBI NSI- ND Directions

e. Property, Plant and Equipments

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and accumulated impairment losses if any. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

The cost of fixed assets comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Capital work-in-progress”. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long-Term Loans & Advances.

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognized in the Statement of Profit and Loss.

f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over the estimated useful economic life.

g. Depreciation and Amortisation

In respect of fixed assets acquired during the year, depreciation /amortisation is charged on a straight-line basis so as to write off the cost of the assets over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013.

Intangible Assets are amortised on a Straight-Line basis over the estimated useful economic life. Computer Software which is not an integral part of the related hardware is classified as an intangible asset, and amortised over a period of five years, being its estimated useful life.

h. Impairment

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss for the year.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on written down value basis over its remaining useful life.

i. Investments

Investments are classified into current and non-current investments. Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as Current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Investment in subsidiary company is stated at cost.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

j. Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense)

Post-employment benefits:

• **Defined contribution plans:**

Defined contribution plans are employee state insurance scheme and employee pension scheme all applicable employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

• **Defined benefit plans:**

Eligible Employees receives benefit from the provided fund, which is a defined benefit plan. Both the employee and company make monthly contribution to provided fund plan equal to a specified percentage of covered employee's salary.

The Company makes specified monthly contributions towards to the government administrated pension fund. The Company has no obligation other than the contribution payable to provident fund authorities.

k. Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period they occur.

l. Income taxes

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities using the applicable tax rates and tax laws.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date for any write down, as considered appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

In accordance with the provisions of Section 115BAA of the Income Tax Act 1961, the Company has opted to pay tax at the reduced rate prescribed therein with effect from the current financial year. Consequently, tax expenses for the

year comprising current and deferred tax as per accounting have been recognized using the reduced tax rates applicable. The company need not pay tax under MAT if it opts for Section 115BAA.

m. Compulsorily Convertible Debentures.

A compulsory convertible debenture (CCD) is a type of bond which must be converted into stock by a specified date. It is classified as a hybrid security, as it is neither purely a bond nor purely a stock. A compulsory convertible debenture is a bond that must be converted into stock at its maturity date. CCD offers a return on interest and, later, ownership of shares in the company. Each CCD will convert into such number of equity shares so as to give the investor the required return, without the investor being required to pay any amount for such conversion

n. Segment Reporting

The Company primarily operates as a Loan company and its operations are in India. Since the Company has not operated in any other reportable segments, as per AS 17 'Segment Reporting', no segment reporting is applicable. The company operates in a single geographical segment. Hence, secondary geographical segment information disclosure is not applicable.

o. Cash and Cash equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, term deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

p. Cash Flow Statement

Company has prepared cash flow statement using the Indirect Method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

q. Classification of Debentures

The Company has classified debentures as current and non-current based on the maturity period of debenture as mentioned in debenture certificate.

r. Lease

Where the company is lessee

All the leasing arrangements of the Company are operating lease in respect of its office premises where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset. Such operating lease rental payments are recognized as an expense on accrual basis in the Statement of Profit and Loss.

Where the company is the lessor

Assets subject to operating lease are included in the fixed assets. Lease income on operating lease is recognized in the Statement of Profit and Loss. Costs, including depreciation, are recognized as expenses in the Statement of Profit and Loss.

s. Earnings per share

The basic earnings per share is calculated by dividing the net profit 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 events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

t. Contingent liabilities and Contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statement since this result in the recognition of the income that may never realize.

u. Written 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 are credited to the statement of profit and loss account.

v. Provisions and Contingent liabilities

- A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.
- Provision policy for loan portfolios: Company provides for non-performing loans and advances as mentioned in Master Direction [DNBR.PD.007/03.10.119/2016-17]- Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

3 Notes on accounts for the financial year ended 31st March, 2023

3.1 Share Capital

in ₹ ,000, except as stated otherwise

Particulars	March 31,2023		March 31,2022	
	No.	Value	No.	Value
Authorised:				
Equity shares of Rs 10 each	20000000	2,00,000.00	20000000	2,00,000.00
	20000000	2,00,000.00	20000000	2,00,000.00
Issued, Subscribed & Fully Paid Up:				
Equity shares of Rs 10 each	6253119	62,531.19	6253119	62,531.19
Total	6253119	62,531.19	6253119	62,531.19

3.1.1 Terms / rights attached to equity shares

The Company has issued only one class of equity share having a face value of `10 per share. The holder of each equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The interim and final dividends proposed by the Board of Directors if any are subject to the approval of the shareholders in the Annual General Meeting.

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

3.1.2 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Equity Shares	March 31,2023		March 31,2022	
	No.	Value	No.	Value
No: of equity shares at the beginning of	62,53,119	62,531.19	62,53,119	62,531.19
Add: Fresh issue	-	-	-	-
Less: shares bought back	-	-	-	-
Outstanding at the end of the year	62,53,119	62,531.19	62,53,119	62,531.19

3.1.3 Particulars of Shareholders holding more than 5% share in the Company

Name of shareholder	March 31,2023		March 31,2022	
	No: of shares	% of	No: of shares	% of
Equity shares of Rs 10 each,fully paid				
KPB Holding Limited	44,90,928	71.82%	44,90,928	71.82%
Sheela Raja Ram	6,00,000	9.60%	6,00,000	9.60%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial

3.1.4 Particulars of Share held by Promoters of the Company

Name of shareholders	March 31,2023			March 31,2022		
	No: of shares	% of shareholding	% of Changes	No: of shares	% of shareholding	% of Changes
Equity shares of Rs 10 each,fully paid						
Vinu Krishnan	3	0.00%	-	3	0.00%	-
T S Jagadeesan	20,003	0.32%	-	20,003	0.32%	-
Vishnu Prasad	8,154	0.13%	-	8,154	0.13%	-

3 Notes on accounts for the financial year ended 31st March, 2023

3.2 Reserves and Surplus		(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022	
3.2.1 Security Premium Account:			
As Per last balance sheet	5,913.96	5,913.96	
(+) Additions during the year	-	-	
	5,913.96	5,913.96	
3.2.2 Revaluation Reserve			
As Per last balance sheet	1,339.35	1,339.35	
(+) Additions during the year	-	-	
	1,339.35	1,339.35	
3.2.3 Statutory Reserve Fund			
As Per last balance sheet	2,525.31	2,267.37	
(+) Additions during the year	2,624.44	257.94	
	5,149.75	2,525.31	
3.2.4 General Reserve			
Amount as per Last Balance Sheet	1,489.20	1,489.20	
(+) Additions/ transfers during the Year	-	-	
	1,489.20	1,489.20	
3.2.5 Surplus /(Deficit) in Statement of Profit and Loss			
Opening Balance	(231.57)	(1,263.31)	
Net Profit/(Loss) after tax as per Statement of Profit and Loss	13,122.21	1,289.68	
(-) Transfer to Statutory Reserve	(2,624.44)	(257.94)	
Closing Balance	10,266.20	(231.57)	
Total	24,158.46	11,036.25	

3.2.6 Nature and purpose of Reserves

Securities premium

This Reserve represents the premium on issue of equity shares. The reserve can be utilised only for the purposes in accordance with the provisions of the Companies Act, 2013.

Statutory reserve

Statutory Reserve is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934. It requires every non banking finance institution which is a Company to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. The Company has appropriated 20% of the Profit After Tax to the fund for the year.

General reserve

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

Retained earnings or Surplus

This reserve represents the cumulative profits of the Company.

3 Notes on accounts for the financial year ended 31st March, 2023

Particulars	(In ₹ ,'000)			
	Non-Current		Current	
	March 31,2023	March 31,2022	March 31,2023	March 31,2022
Secured				
Non Convertible Debentures	3,93,466.00	2,30,716.00	47,500.00	76,630.00
Unsecured				
Compulsory Convertible Debentures	-	26,000.00	26,000.00	-
Subordinated Debt	52,860.00	50,530.00	18,470.00	7,800.00
Total	4,46,326.00	3,07,246.00	91,970.00	84,430.00

Particulars	(In ₹ ,'000)	
	March 31,2023	March 31,2022
(a) Secured Non-Convertible Debentures - Privately Placed	4,40,966.00	3,07,346.00
(b) Unsecured Non-Convertible Debentures - Privately Placed	-	-
(c) Unsecured Convertible Debentures - Privately Placed	26,000.00	26,000.00
Total	4,66,966.00	3,33,346.00
Borrowings in India	4,66,966.00	3,33,346.00
Borrowings outside India	-	-
Total	4,66,966.00	3,33,346.00

3.3.2 Nature of Security

Non Convertible Debentures are secured by way of first charge on the loan assets along with all the receivables of the company claim which are now due and owing to the company in the course of the business or which at any Th company has issued 26,000 Compulsorily Convertible Debentures of face value of ` 1,000/- each carrying interest rate of 13.50%. The CCDs are issued are convertible into fully paid equity shares at Rs. 15 per equity share (including Rs. 5 premium) fully paid up 'at the end of the 3 years from the date of allotment or as mutually There is no continuing default as on the date of balance sheet in repayment of loans and interest.

Non Convertible Debentures - Private Placement

Coupon rate	(In ₹ ,'000)	
	March 31,2023	March 31,2022
Coupon Rate -10	37,750.00	4,600.00
Coupon Rate -10.25	-	500.00
Coupon Rate -11	67,250.00	19,300.00
Coupon Rate -11.25	8,800.00	10,800.00
Coupon Rate -11.5	1,63,350.00	29,200.00
Coupon Rate-12	72,382.00	90,482.00
Coupon Rate-12.5	91,434.00	1,52,464.00
Total	4,40,966.00	3,07,346.00

3 Notes on accounts for the financial year ended 31st March, 2023

3.3.4 Series wise classification of Non Convertible Debentures

(In ₹ ,'000)

Particulars	Date of allotment	Date of maturity	March 31,2023	March 31,2022
NCD/2017/01	19.07.2017	19.07.2022	-	13,250.00
NCD/2017/02	31.07.2017	31.07.2022	-	17,380.00
NCD/2017/03	31.08.2017	31.08.2022	-	8,550.00
NCD/2017/04	30.09.2017	30.09.2022	-	4,000.00
NCD/2017/05	04.11.2017	04.11.2022	-	5,000.00
NCD/2017/06	12.12.2017	12.12.2022	-	10,100.00
NCD/2018/01	02.01.2018	02.01.2023	-	4,250.00
NCD/2018/02	03.03.2018	03.03.2023	-	6,000.00
NCD/2018/03	26.03.2018	26.03.2023	-	3,000.00
NCD/2018/04	31.03.2018	31.03.2023	-	5,100.00
NCD/2018/05	26.04.2018	26.04.2023	7,900.00	7,900.00
NCD/2018/06	01.06.2018	01.06.2023	2,000.00	2,000.00
NCD/2018/07	12.06.2018	12.06.2023	2,200.00	2,200.00
NCD/2018/08	04.07.2018	04.07.2023	3,000.00	3,000.00
NCD/2018/09	24.08.2018	24.08.2023	6,500.00	6,500.00
NCD/2018/10	20.10.2018	20.10.2013	5,500.00	7,500.00
NCD/2018/11	10.12.2018	10.12.2023	10,400.00	10,400.00
NCD/2018/12	11.02.2019	11.02.2024	10,000.00	10,000.00
NCD/2019/01	12.04.2019	12.04.2024	2,960.00	2,960.00
NCD/2019/02	13.05.2019	13.05.2024	18,552.00	18,552.00
NCD/2019/03	12.06.2019	12.06.2024	16,100.00	16,100.00
NCD/2019/04	12.07.2019	12.07.2024	13,500.00	14,500.00
NCD/2019/05	14.08.2019	14.08.2024	2,000.00	3,000.00
NCD/2019/06	18.09.2019	18.09.2024	4,500.00	5,000.00
NCD/2019/07	18.10.2019	18.10.2024	11,825.00	11,825.00
NCD/2019/08	21.11.2019	21.11.2024	13,374.00	13,374.00
NCD/2019/09	18.12.2019	18.12.2024	4,400.00	4,400.00
NCD/2019/10	15.01.2020	15.01.2025	4,000.00	4,000.00
NCD/2019/11	18.02.2020	18.02.2025	6,435.00	6,435.00
NCD/2019/12	21.03.2020	21.03.2025	2,500.00	2,500.00
NCD/2020/01	27.04.2020	27.04.2025	1,000.00	1,000.00
NCD/2020/02	18.05.2020	18.05.2025	500.00	500.00
NCD/2020/03	15.06.2020	15.06.2025	4,800.00	4,800.00
NCD/2020/04	22.08.2020	22.08.2025	12,800.00	12,800.00
NCD/2020/05	17.10.2020	17.10.2025	5,870.00	5,870.00
NCD/2020/06	21.01.2021	21.01.2026	13,800.00	14,300.00
NCD/2021/01	01.12.2021	01.12.2026	24,300.00	24,300.00
NCD/2021/02	14.03.2022	14.03.2027	15,000.00	15,000.00
NCD/2022/01	12.05.2022	12.05.2027	15,000.00	-
NCD/2022/02	03.06.2022	03.06.2027	23,900.00	-
NCD/2022/03	29.06.2022	29.06.2027	26,450.00	-
NCD/2022/04	18.07.2022	18.07.2027	20,200.00	-
NCD/2022/05	05.08.2022	05.08.2027	14,200.00	-
NCD/2022/06	20.08.2022	20.08.2027	15,350.00	-
NCD/2022/07	17.09.2022	17.09.2027	7,600.00	-
NCD/2022/08	17.10.2022	17.10.2027	19,400.00	-
NCD/2022/09	05.11.2022	05.11.2027	16,050.00	-
NCD/2022/10	01.12.2022	01.12.2027	15,200.00	-
NCD/2022/11	31.12.2022	31.12.2027	5,700.00	-
NCD/2022/12	13.01.2023	13.01.2028	21,200.00	-
NCD/2022/13	16.02.2023	16.02.2028	11,950.00	-
NCD/2022/14	08.03.2023	08.03.2028	3,050.00	-
Total			4,40,966.00	3,07,346.00

3 Notes on accounts for the financial year ended 31st March, 2023

3.3.5 Maturity wise classification of Non Convertible Debentures			(In ₹ ,'000)
From the Balance Sheet date	(a) Non- current	(b) Current maturity	Total
Repayable on maturity :			
Maturing beyond 5 years			-
Maturing between 3 years to 5 years	1,78,216.00	-	1,78,216.00
Maturing between 1 year to 3 years	2,15,250.00	-	2,15,250.00
Maturing within 1 year	-	47,500.00	47,500.00
Total at face value	3,93,466.00	47,500.00	4,40,966.00
Less: Unamortised discounting charges	-	-	-
Total redemption value net of unamortized discounting charges	3,93,466.00	47,500.00	4,40,966.00

3.3.6 Subordinated Liabilities			(In ₹ ,'000)
Particulars	March 31,2023	March 31,2022	
At Amortised Cost:			
Subordinated Debts	71,330.00	58,330.00	
Total	71,330.00	58,330.00	
Subordinated liability in India	71,330.00	58,330.00	
Subordinated liability outside India	-	-	
Total	71,330.00	58,330.00	

3.3.7 Series wise classification of Subordinated Debt					(In ₹ ,'000)
Particulars	Date of allotment	Date of maturity	March 31,2023	March 31,2022	
SD/2017/01	27.06.2017	17.06.2022	-	4,300.00	
SD/2017/02	17.08.2017	05.08.2022	-	1,000.00	
SD/2017/03	30.09.2017	20.09.2022	-	2,500.00	
SD/2018/01	03.08.2018	03.08.2023	4,600.00	4,600.00	
SD/2018/02	15.09.2018	15.09.2023	8,000.00	8,000.00	
SD/2018/03	26.11.2018	26.11.2023	3,060.00	3,060.00	
SD/2018/04	25.01.2019	25.01.2024	2,810.00	2,810.00	
SD/2019/01	15.01.2020	15.01.2025	3,500.00	3,500.00	
SD/2019/02	18.02.2020	18.02.2025	2,260.00	2,260.00	
SD/2019/03	21.03.2020	21.03.2025	3,300.00	3,300.00	
SD/2020/01	27.04.2020	27.04.2025	1,500.00	1,500.00	
SD/2020/02	18.05.2020	18.05.2025	2,500.00	2,500.00	
SD/2020/03	15.06.2020	15.06.2025	500.00	500.00	
SD/2020/04	22.08.2020	22.08.2025	3,100.00	3,100.00	
SD/2020/05	18.09.2020	18.09.2025	4,550.00	4,550.00	
SD/2021/01	19.04.2021	19.04.2026	10,850.00	10,850.00	
SD/2022/01	20.08.2022	20.08.2027	9,600.00	-	
SD/2022/02	01.10.2022	01.10.2027	11,200.00	-	
Total			71,330.00	58,330.00	

3 Notes on accounts for the financial year ended 31st March, 2023

3.3.8 Interest Rate wise classification of Subordinated Debt			(In ₹ ,'000)
Particulars	Interest %	March 31,2023	March 31,2022
Subordinated Debt-Cumulative	12.00%	7,700.00	-
Subordinated Debt-Cumulative	13.00%	10,000.00	10,000.00
Subordinated Debt-Cumulative	13.50%	2,500.00	2,500.00
Subordinated Debt- Monthly	12.00%	20,950.00	-
Subordinated Debt- Monthly	13.00%	22,180.00	22,180.00
Subordinated Debt- Monthly	13.50%	5,000.00	12,800.00
Subordinated Debt- Annual	12.00%	3,000.00	-
Total		71,330.00	47,480.00

3.3.9 Maturity wise classification of Subordinated Debt			(In ₹ ,'000)
From the Balance Sheet date	(a) Non- current	(b) Current maturit	Total
Repayable on maturity :			
Maturing beyond 5 years			-
Maturing between 3 years to 5 years	32,060.00	-	32,060.00
Maturing between 1 year to 3 years	20,800.00	-	20,800.00
Maturing within 1 year	-	18,470.00	18,470.00
Total at face value	52,860.00	18,470.00	71,330.00
Less: Unamortised discounting charges	-	-	-
Total redemption value, net of unamortized discounting charge	52,860.00	18,470.00	71,330.00

3.4 Long-term provisions			(In ₹ ,'000)
Particulars	March 31,2023	March 31,2022	
Provision for Employee Benefits	-	-	
Others			
Contingent Provision on Standard Asset	-	1,109.89	
Contingent Provision on Sub Standard Assets	1,065.17	3,841.06	
Contingent Provision on Doubtful Asset	7,379.48	-	
Total	8,444.65	4,950.95	

3.5 Short-Term Borrowings			(In ₹ ,'000)
Particulars	March 31,2023	March 31,2022	
(a) Loans repayable on demand	-	-	
(b) Current maturities of long-term Borrowings	91,970.00	84,430.00	
(c) Short term Loans	30,000.00	-	
Total	1,21,970.00	84,430.00	

Short term Loans- Goshree Finance Private Limited'

First charge over all Movable assets and Current Assets including Book Debts and Receivables, Cash and Bank balances

There is no continuing default/default as on the date of balance sheet in repaymnet of loans and interest.

3 Notes on accounts for the financial year ended 31st March, 2023

3.6 Other Current Liabilities		(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022	
(a) Current maturities of long-term Lease	-	-	
(b) Unclaimed Dividends	-	-	
(c) Interest accrued but not due on borrowings;	48,678.28	53,901.15	
(d) Interest accrued and due on borrowings;	5,445.49	3,569.89	
(e) Other Payables			
(i) Statutory remittances (Refer note(i) below)	1,299.54	1,117.04	
(ii) Salaries and Wages Payable	2,483.71	1,855.52	
(iii) Expenses Payable	4,395.01	4,135.51	
(iv) Others	4,256.58	342.81	
Total	66,558.60	64,921.93	
Note (i) Statutory dues includes provident fund, employees state insurance, withholding taxes.			
3.7 Short Term Provisions		(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022	
(a) Provision for Employee Benefit	-	-	
(b) Provision - Others			
(i) Provision for Income Tax	5,250.00	1,390.00	
Total	5,250.00	1,390.00	
3.9 Deferred tax Asset / (Liability)		(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022	
A. Deferred tax liabilities	-	-	
B. Deferred tax assets			
On difference between book balance and tax balance of PPE	225.66	211.57	
Others	2,125.35	966.72	
Total	2,351.01	1,178.29	
3.10 Long Term Loans And Advances - Financing Activities		(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022	
Loans and Advances			
Unsecured, considered good			
Non-Current	5,18,989.24	3,55,006.90	
Current	1,85,052.56	1,27,359.81	
Total - A Gross Amount	7,04,041.80	4,82,366.72	
(i) Secured by Securities and Assets	-	-	
(ii) Covered by Bank/Government guarantees	-	-	
(iii) Unsecured	7,04,041.80	4,82,366.72	
Total - B Gross Amount	7,04,041.80	4,82,366.72	
Loans in India			
(i) Public Sector	-	-	
(ii) Others	7,04,041.80	4,82,366.72	
Total - C Gross Amount	7,04,041.80	4,82,366.72	
Total	7,04,041.80	4,82,366.72	

3 Notes on accounts for the financial year ended 31st March, 2023

3.10.1 Loans And Advances - Financing Activity Maturity Wise (In ₹ ,'000)

Particulars	Non Current		Current	
	March 31,2023	March 31,2022	March 31,2023	March 31,2022
PRL	8,687.29	3,346.54	13,951.12	6,122.75
IGL	5,10,301.95	3,51,660.37	1,71,101.44	1,21,094.68
PL	-	-	-	142.38
Total (A) - Gross	5,18,989.24	3,55,006.90	1,85,052.56	1,27,359.81
(i) Secured by Securities and Assets	-	-	-	-
(ii) Covered by Bank/Government guar:	-	-	-	-
(ii) Unsecured	5,18,989.24	3,55,006.90	1,85,052.56	1,27,359.81
Total (B) - Gross	5,18,989.24	3,55,006.90	1,85,052.56	1,27,359.81
Loans in India				
(i) Public Sector	-	-	-	-
(ii) Others	5,18,989	3,55,007	1,85,053	1,27,359.81
Total (C) - Gross	5,18,989.24	3,55,006.90	1,85,052.56	1,27,359.81
Total	5,18,989.24	3,55,006.90	1,85,052.56	1,27,359.81

3.10.2 Category wise details of Financial Assets (In ₹ ,'000)

Particulars	F.Y. 2022-23			
	Standard	Sub Standard	Doubtful	Total
PRL	22,510.93	71.21	56.27	22,638.41
IGL	6,65,042.67	4,643.76	11,716.96	6,81,403.39
PL	-	-	-	-
Total Closing	6,87,553.60	4,714.97	11,773.23	7,04,041.79

3.10.3 Category wise details of Financial Assets (In ₹ ,'000)

Particulars	F.Y. 2021-22			
	Standard	Sub Standard	Doubtful	Total
PRL	7,951.32	1,517.97	-	9,469.29
IGL	4,36,004.59	36,750.46	-	4,72,755.05
PL	0.20	142.18	-	142.38
Total	4,43,956.11	38,410.61	-	4,82,366.72

3.11 Long Term Loans And Advances (In ₹ ,'000)

Particulars	March 31,2023	March 31,2022
Unsecured, considered good Loans and advances to related parties	-	-
Other Advances		
i. Balances with government authorities Income Tax refund receivable	26.39	26.39
Total	26.39	26.39

3 Notes on accounts for the financial year ended 31st March, 2023

3.12 Other non-current assets		(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022	
Unsecured considered good; Security Deposit	1,602.50	1,296.50	
Total	1,602.50	1,296.50	
3.13 Cash And Cash Equivalents		(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022	
Balance with banks			
(i) In Current Accounts	4,616.94	22,613.38	
(ii) In Deposits Accounts	-	-	
(iii) In Earmarked Accounts	-	-	
Cash in Hand	79.93	196.18	
Total cash and cash equivalents	4,696.87	22,809.56	
Total	4,696.87	22,809.56	
3.14 Short Term Loans And Advances		(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022	
Unsecured, considered good Loans and advances to related parties	-	-	
Other Loans and Advance			
i. Balances with government authorities			
TDS, TCS and Advance Income Tax	347.72	646.51	
GST Receivables	15.17	268.55	
ii. Others (Prepaid Expenses and other advances)	204.57	1,141.38	
Total	567.46	2,056.44	
Advances recoverable in cash or in kind or for value to be received			
3.15 Other Current Assets		(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022	
(a) Accruals			
Accrued Interest on Loan	3,670.85	8,007.92	
Other Income Receivables	1,486.57	972.15	
(b) Others			
Insurance Deposit	169.52	109.52	
Insurance recoverable	810.56	1,053.12	
Other Receivable	8,266.84	10,140.56	
Total	14,404.34	20,283.28	

3 Notes on accounts for the financial year ended 31st March, 2023

3.16 Revenue From Operations		(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022	
Income from Financing activity	1,44,187.89	97,169.41	
Processing Fee	6,631.53	4,882.90	
Total	1,50,819.42	1,02,052.31	
3.17 Other Income		(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022	
Interest Income	-	1,192.28	
Other non-operating income (Net of expenses directly attributable to such income).			
Interest from Income Tax Dept	-	5.87	
Profit on Sale of Assets	3.50	-	
Other Miscellaneous Income	17.37	108.54	
Total	20.87	1,306.69	
3.18 Employee Benefit Expenses		(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022	
Salaries and Wages	32,262.92	24,977.73	
Contributions to provident and other funds	2,375.84	1,792.33	
Workmen and Staff Welfare Expenses - Bonus	1,107.21	1,416.00	
Gratuity	587.27	-	
Total	36,333.23	28,186.07	
3.19 Finance Cost		(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022	
Interest expense on :			
Borrowings	63,571.70	52,952.96	
Others			
Bank Charges	449.32	274.70	
TOTAL	64,021.02	53,227.65	
3.20 Depreciation And Amortisation Expenses		(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022	
Depreciation [Refer Note No.3.8]	874.25	613.34	
Amortisation [Refer Note No.3.8]	893.79	855.98	
Total	1,768.04	1,469.32	

3 Notes on accounts for the financial year ended 31st March, 2023

3.21 Other Expenses		(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022	
Advertisement Expense	86.59	8.51	
Annual Maintenance Charge	182.51	179.37	
Audit fees	120.00	100.00	
Subscription Charges	98.23	31.81	
Boarding Charges	533.98	284.48	
Bad debts written off	5,202.34	694.96	
Communication Expense Charges	2,475.65	1,998.44	
Donation	15.00	-	
Electricity Charges	204.88	144.77	
Food Expenses	55.71	15.28	
Fuel Expenses	4,026.44	2,112.20	
Late payment fees - Statutory Payments	112.35	68.12	
GST written off	1,110.24	1,046.24	
Insurance	352.70	407.30	
Labour Welfare Fund Employer Contribution	43.97	15.72	
Loss on disposal of PPE	8.70		
Meeting Expense	1.72	0.14	
Membership Fees	395.75	141.25	
MFI Reports Subscription Fees	885.52	244.74	
NCD Incentive	751.18	403.50	
Office Expenses	514.89	379.91	
Printing & Stationery	310.98	135.54	
Professional fees	3,610.07	1,395.13	
Rates & Taxes	12.18	7.52	
Rent (Branches and HO)	1,990.75	1,640.03	
ROC Expenses	81.41	1.30	
Software Maintenance	3,373.17	3,047.80	
Staff welfare expenses	129.32	125.81	
Sweeper Charges - Branch	176.40	113.53	
Travelling Expenses	283.74	19.63	
Vehicle Repair expenses	43.65	2.09	
Repairs and Maintenance- Others	40.46	28.62	
Water Charges	35.41	32.47	
Moratorium insurance	758.93	-	
Preoperative expenses written off	-	201.53	
Provision for Standard Assets	(1,109.89)	(67.02)	
Provision for Sub Standard Assets	(2,775.89)	3,806.19	
Provision for Doubtful Assets	7,379.48	(37.65)	
Total	31,518.50	18,729.25	

3.21.1 Payment to Auditors Comprises of :		(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022	
As auditors - statutory audit	75.00	65.00	
For taxation matters	30.00	25.00	
For other services	15.00	10.00	
Total	120.00	100.00	

3 Notes on accounts for the financial year ended 31st March, 2023

3.21.2 Provisions and Written Offs

Particulars	(In ₹ ,'000)	
	March 31,2023	March 31,2022
Provision for		
Standard assets	(1,109.89)	(67.02)
Non performing assets	4,603.59	3,768.53
Bad debts written off	5,202.34	694.96
Total	8,696.04	4,396.48

3.22 Earnings Per Share

Particulars	(In ₹)	
	March 31,2023	March 31,2022
Basic		
Profit after tax as reported	1,31,22,210	12,89,682
Add: Interest on liability component of compound financial instrument charged to Statement of profit and loss	26,91,573	26,59,300
Adjustable net profit after tax	1,58,13,783	39,48,982
Weighted average number of equity shares for basic EPS	62,53,119	62,53,119
Add: Effect of compound financial instrument which are dilutive from the date of allotment (in number)	17,33,333	17,33,333
Weighted average number of equity shares o/s during period	79,86,452	79,86,452
Basic earnings per share (face value of Rs. 10) -in INR	2.10	0.21
Diluted		
Profit after tax as reported	1,31,22,210	12,89,682
Adjustable net profit after tax	1,58,13,783	39,48,982
Weighted average number of equity shares for diluted EPS	79,86,452	79,86,452
Diluted earnings per share (face value of Rs. 10)- in INR	1.98	0.49

3.23 Employee Benefits

Details of Employee Benefits : Disclosures required under Accounting Standard 15 – Employee Benefits (Revised 2005)

a. Defined Contribution Plans :

During the Year, the following amounts have been recognised in the Profit and Loss account on account of

Particulars	March 31,2023	March 31,2022
Employers Contribution to Provident Fund	1,742.01	1,325.34
Employers Contribution to Employee's State Insurance	633.83	467.00

b. Defined benefit Plans- Gratuity: Nil

3.24 Related party disclosures

3.24.1 Names of related parties and related party relationship, irrespective of whether transactions have occurred or not is given below:

Nature of relationship	Name of related party	
Holding Company	KPB Holdings Limited	
Key Management Personnel	Vinu Krishnan Maya P	Managing Director Company Secretary
Entities in which KMP / Relatives of KMP can exercise significant influence	KPB Digital Private Limited	
(D) Relatives of Key Management Personnel	Aruna Krishnan Pranav Krishnan	Wife of Vinu Krishnan Son of Vinu Krishnan

3 Notes on accounts for the financial year ended 31st March, 2023

(In ₹ ,'000)

3.24.2 The details of the related parties transactions entered into by the Company for the years ended March 31, 2023 and March 31, 2022 are as follows :

Particulars	Name of the Related party	March 31,2023	March 31,2022
Interest paid on NCD	Pranav Krishnan	143.00	319.55
	Aruna Vinu krishnan	219.98	6.76
Interest paid on subordinate debts	Aruna Vinu krishnan	76.88	337.50
Interest paid on CCD	Aruna Vinu Krishnan	270.00	270.00
	Vinu Krishnan	1215.00	1215.00
Remuneration paid	Vinu Krishnan	5,674.88	5,000.00
	Maya P	929.00	674.88
Service Rendered	KPB Holdings Limited	1,333.00	1,049.50
	KPB Digital Private Limited	4,755.24	4,980.64

3.24.3 The details of amounts due to or due from related parties as at March 31, 2023 and March 31, 2022 are as follows :

Particulars	Name of the Related party	March 31,2023	March 31,2022
CCD - Private Placed	Vinu Krishnan	9000.00	9000.00
	Aruna Vinu krishnan	2000.00	2000.00
Interest payable on NCD	Pranav Krishnan	11.92	11.92
	Aruna Vinu Krishnan	25.00	6.76
Interest payable on SD	Aruna Vinu Krishnan	-	28.13
Interest payable on CCD	Vinu Krishnan	101.25	101.25
	Aruna Vinu Krishnan	22.50	22.50
Receivables	KPB Holdings Limited	392.00	-
	KPB Digital Private Limited	6,289.25	9,556.25
Payables	KPB Digital Private Limited	60.48	-

3.25 Transaction with non executive director

(In ₹ ,'000)

Name	Nature of Transaction	March 31, 2023	March 31, 2022
T S Jagadeesan (Director)	Interest paid on CCD	135.00	135.00
Vishnu Prasad B Menon (Director)	Interest paid on CCD	135.00	135.00

3.26 Contingent liabilities and capital commitments

(In ₹ ,'000)

Particulars	March 31,2023	March 31,2022
Contingent Liabilities: -		
Claim not acknowledge as debt by the company	-	-
Capital commitments :-	-	-

Future cash outflow in respect of above is determinable only on receipt of judgments /decision pending with various forums/authorities. The Company is of the opinion that the above demands are not tenable and expects to succeed in its appeals/defense. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations

3 Notes on accounts for the financial year ended 31st March, 2023

3.27 Other Payables - Trade payables

Particulars	March 31,2023	March 31,2022
Trade payables, carried at amortised cost		
- Total o/s dues of micro and small enterprises		
- Total o/s dues of creditors other than micro and small enterprises	4,256.58	342.81
Total	-	-

3.27.1 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	March 31,2023	March 31,2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
Total	-	-

* The management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. The company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

3.27.2

Trade payables ageing schedule for the years ended as on March 31, 2023 and March 31, 2022 is as follows :

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2023						
Undisputed Trade payables:						
Outstanding dues of micro and small enterprises	-	-	-	-	-	-
Outstanding dues other than micro and small enterprises	4,090.71	165.87	-	-	-	4,256.58
Disputed dues:						
Outstanding dues of micro and small enterprises	-	-	-	-	-	-
Outstanding dues other than micro and small enterprises	-	-	-	-	-	-
Total	4,090.71	165.87	-	-	-	4,256.58
March 31, 2022						
Undisputed Trade payables:						
Outstanding dues of micro and small enterprises	-	-	-	-	-	-
Outstanding dues other than micro and small enterprises	-	342.81	-	-	-	342.81
Disputed dues:						
Outstanding dues of micro and small enterprises	-	-	-	-	-	-
Outstanding dues other than micro and small enterprises	-	-	-	-	-	-
Total	-	342.81	-	-	-	342.81

3 Notes on accounts for the financial year ended 31st March, 2023

3.28 Additional Regulatory Information

Particulars	Numerator	Denominator	Current Period	Previous Period	% of variance*	Explanation
Liquidity Ratio						
Current Ratio (times)	Current assets	Current liabilities	1.06	1.14	-7.7%	
Solvency Ratio						
Debt-Equity Ratio (times)	Total debt	Shareholder's equity	7.12	6.06	17.5%	
Debt Service Coverage Ratio (times)	Earnings available for debt service	Debt service	0.54	0.49	11.3%	
Profitability ratio						
Net Profit Ratio (%)	Net profits	Revenue	8.70%	1.25%	597.2%	Note 1
Return on Equity Ratio (%)	NPAT	Average shareholder's equity	16.65%	1.80%	824.4%	Note 1
Return on Capital employed (%)	EBIT	Capital employed	12.40%	11.82%	4.9%	
Return on Investment (%)	Income generated from investments	Time weighted average investments	-	-	-	Note 2
*Utilization Ratio						Note 3

1. The post-COVID scenario and boost in the economic market resulted in better performance for the company, which resulted in growth in its business activities and profitability.

2. Entity has not made any investment hence ratio is not determinable

3. The Entity is operating in Service sector- Finance Company, hence Utilization ratios are not determinable

3.29 Capital Adequacy Ratio

Particulars	March 31,2023	March 31,2022
CRAR (%)	18.60	22.85
CRAR - Tier I Capital (%)	10.88	13.16
CRAR - Tier II Capital (%)	7.71	9.70
Amount of subordinated debt raised as Tier - II capital (In ₹, '000)	20,800	10,850

3.30 Investments

Particulars	March 31,2023	March 31,2022
Gross Value of Investments	(a) India In India	
	(b) Outside India	-
Provisions for Depreciation	(a) India In India	
	(b) Outside India	-
Net Value of Investments	(a) India In India	
	(b) Outside India	-
Movement of provisions held towards depreciation on investments		
Opening balance	-	-
Add : Provisions made during the year	-	-
Less : Write off / write back of excess provisions during the year	-	-
Closing balance	-	-

3.31 Details of Rating assigned by credit rating agency and migration of rating during the year

Instrument	Rating Agency	Rating Assigned	
		March 31,2023	March 31,2022
Long Term Loan Facilities	CARE Ratings	CARE BB-	CARE BB-

3 Notes on accounts for the financial year ended 31st March, 2023

3.32	Provisions and Contingencies	(In ₹ ,'000)	
Break up of Provisions and Contingencies shown under the head Expenses in		March 31,2023	March 31,2022
	Provisions for depreciation on Investment	-	-
	Provision towards NPA	4,603.59	3,768.53
	Provision made towards Income Tax (net of Deferred Tax)	4,077.28	457.02
	Other Provision and Contingencies (with details)	-	-
	Provision for Standard Assets	(1,109.89)	(67.02)

3.33 **Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)**

The company does not have any joint venture or subsidiary overseas during the year 2022-23 & 2021-22

3.34 **Draw Down from Reserves**

No reserves have been draw down during the financial year 2022-23 & 2021-22

3.35 **Registration obtained from other financial sector regulators**

The Company has not obtained registration from other financial sector regulators except RBI

3.36 **Disclosure of Penalties imposed by RBI & other regulators**

No penalties have been imposed by RBI and other regulators on the Company during the financial year ended

3.37 **Movement of NPAs**

	(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022
Net NPAs* to Net Advances (%)	1.16%	7.22%
Movement of NPAs* (Gross)		
(a)Opening balance	38,410.61	386.39
(b)Net Changes	(21,922.41)	38,024.21
(c)Closing balance	16,488.20	38,410.61
Movement of Net NPAs*		
(a)Opening balance	34,569.55	313.87
(b)Net Changes	(26,526.00)	34,255.68
(c)Closing balance	8,043.55	34,569.55
Movement of provisions for NPAs* (excluding Provisions on Standard Assets)		
(a)Opening balance	3,841.06	72.53
(b)Provisions made during the year	4,603.59	3,768.53
(c)Closing balance	8,444.65	3,841.06

The company obtained obtained MFI licence during the year, and the NPA classification has changed in compariso

3.38 **Exposures:-**

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous

3.39 **Concentration of Advances**

	(In ₹ ,'000)	
Particulars	March 31,2023	March 31,2022
Total Advances to twenty largest borrowers	-	-
Percentage of Advances to twenty largest borrowers to Total Advances of the	-	-

Note: The Company operates in the business of microfinance providing collateral free loans for fixed amounts ranging from Rs. 20,000 to Rs. 1,20,000 to women engaged in various income generating activities. As at 31 March 2023, the Company has provided loans to more than 35 Thousand customers and hence, the disclosure relating to concentration to advances, exposures and NPA's are not applicable to the Company.

3 Notes on accounts for the financial year ended 31st March, 2023

3.40 Disclosure as required under RBI/DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17 dated

Particulars	More than ` 1 lakh		Less than ` 1 lakh	
	Number of Instances	Amount	Number of Instances	Amount
Current Year				
Embezzlement/ misappropriation of cash				
- By Employees	-	-	-	-
- By Others.	-	-	-	-
Previous Year				
Embezzlement/ misappropriation of cash				
- By Employees	-	-	-	-
- By Others.	-	-	-	-

3.41 Disclosure as required under DNBS (PD) CC. No. 300 / 03.10.038/2012-13 dated August 3, 2012
Information on net interest margin

Particulars	March 31,2023	March 31,2022
Average Interest (a)	22.40%	21.81%
Average effective cost for borrowing Interest (b)	10.78%	12.44%
Net Interest Margin (a-b)	11.62%	9.37%

The Average interest represents the effective rate at which loans have been disbursed to the customers for the years ended March 31, 2023 and March 31, 2022

The Average interest cost of borrowings of the Company for the years ended March 31, 2023 and March 31, 2022 have been computed based on the monthly interest cost divided by the average monthly balances of outstanding borrowings.

a) Upfront processing fees paid by the Company for availing loans.

b) Interest loss on fixed deposits placed as collateral, being difference between rate of interest on fixed deposit and the interest rate on the borrowings

3.42 Customer complaints

Particulars	March 31,2023	March 31,2022
No. of complaints pending as at the beginning of the year	-	-
No. of complaints received during the year	-	5
No. of complaints redressed during the year	-	5
No. of complaints pending as at the end of the year	-	-

3.43 Details of S.ingle Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company did not exceed the limits prescribed for single and group borrower during the current and

3.44 The company has not imported any goods therefore value of import on CIF basis is Nil during the year 2022-23 (2021-22 – Nil)

3.45 The company does not have any expenditure in Foreign Currency during the year 2022-23 (2021-22 – Nil)

3.46 The company does not have any earnings in Foreign Currency during the year 2022-23 (2021-22 – Nil)

3.47 In the opinion of the management , the current assets, loans and advances shall realise the value as shown in the balance sheet, if realised in the normal course of business.

3.48 Balance of some of the debtors, creditors & loans and advances are subject to confirmation/reconciliation.

3.49 Other notes as required by Schedule III of the Act are either nil or not applicable hence not disclosed.

3 Notes on accounts for the financial year ended 31st March, 2023

3.50 The company has a single reportable segment i.e. financing which has similar risk & return for the purpose of AS-17 on 'Segment Reporting' notified under the Companies (Accounting Standard) Rules, 2006 as amended. The company operates in a single geographical segment i.e. domestic.

Additional Regulatory information as per MCA notification

3.51 The Company doesn't have any Immovable Property whose title deeds are not held in the name of the Company.

3.52 The company doesn't hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and no proceedings have been initiated or pending against the company for the same

3.53 The Company has not revalued its Property, Plant and Equipment during the financial year 22-23

3.54 The Company has not revalued its intangible assets during the financial year 22-23

3.55 The Company has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved

3.56 The company doesn't have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

3.57 The Company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

3.58 The Company has not given any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are a) repayable on demand; or b) without specifying any terms or period of repayment.

3.59 The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.

3.60 Company has not traded/invested in crypto currency or virtual currency for the current financial year and previous year

3.61 The Company hasn't advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
Directly or indirectly lend or invest in other persons or entities identified in any manner what so ever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

3.62 The Company hasn't 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
Directly or indirectly lend or invest in other persons or entities identified in any manner what so ever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Other Notes

3.63 Corresponding previous year figures have been regrouped/recast and reclassified, wherever necessary to conform to current year's classifications/disclosure to make them comparable.

3 Notes on accounts for the financial year ended 31st March, 2023

3.64 Disclosures required as per Reserve Bank of India Master Direction – NBFC – Non Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(` in lakhs)

Sl. No	Particulars		As at March 31, 2023	
	<u>Liabilities side :</u>		Amount outstanding	Amount overdue
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:			
	(a)	Debentures : Secured	4,846.02	-
		: Unsecured	273.94	-
		(other than falling within the meaning of public deposits)	-	-
	(b)	Deferred Credits	Nil	-
	(c)	Term Loans	Nil	-
	(d)	Inter-corporate loans and borrowing	Nil	-
	(e)	Commercial Paper	Nil	-
	(f)	Public Deposits	Nil	-
	(g)	Other Loans –	-	-
		Secured Loans	301.96	-
		Subordinated debts	802.27	-
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of			
	(a)	In the form of Unsecured debentures	Nil	-
	(b)	In the form of partly secured debentures i.e. debentures	Nil	-
	(c)	Other public deposits	Nil	-
Assets side :			Amount outstanding	
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :			
	(a)	Secured		-
	(b)	Unsecured		7,077.13
4	Break up of Leased Assets and stock on hire and other assets			
	(i)	Lease assets including lease rentals under sundry debtors:		
		(a) Financial lease	Nil	
		(b) Operating lease	Nil	
	(ii)	Stock on hire including hire charges under sundry debtors:		
		(a) Assets on hire		
		(b) Repossessed Assets		
	(iii)	Other loans counting towards asset financing activities		
		(a) Loans where assets have been repossessed	Nil	
		(b) Loans other than (a) above	Nil	
5	Break-up of Investments			
	Current Investments :			
	1	Quoted :		
	(i)	Shares (Equity / Preference)		
	(ii)	Debentures and Bonds	-	
	(iii)	Units of mutual funds	-	
	(iv)	Government Securities	-	
	(v)	Others (please specify)	-	
	2	Unquoted :		
	(i)	Shares (Equity / Preference)		
	(ii)	Debentures and Bonds	-	
	(iii)	Units of mutual funds	-	
	(iv)	Government Securities	-	
	(v)	Others (please specify)	-	

3 Notes on accounts for the financial year ended 31st March, 2023

Long Term investments :				
1	Quoted :			
(i)	Shares			
	(a) Equity			
	(b) Preference			
(ii)	Debentures and Bonds			
(iii)	Units of mutual funds			
(iv)	Government Securities			
(v)	Others (please specify)			
2	Unquoted :			
(i)	Shares			
	(a) Equity			
	(b) Preference			
(ii)	Debentures and Bonds			
(iii)	Units of mutual funds			
(iv)	Government Securities			
(v)	Others (please specify)			
6	Borrower group-wise classification of assets financed as in (3) and (4) above :			
Category		Amount net of provisions		
		Secured	Unsecured	Total
1	Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2	Other than related parties	-	7,077.13	7,077.13
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)			
Category		Market Value/FV/NAV	Book Value (Net of Provisions)	
1	Related Parties			
	(a) Subsidiaries			
	(b) Companies in the same			
	(c) Other related parties			
2	Other than related parties			
Total		-		-
8	Other information			
Particulars		Amount		
(i)	Gross Non-Performing Assets*			
	(a) Related parties			
	(b) Other than related parties	0.16		
(ii)	Net Non-Performing Assets*			
	(a) Related parties			
	(b) Other than related parties	0.08		
(iii)	Assets acquired in satisfaction of debt	-		

In terms of our report attached.

For and on behalf of the Board of Directors of **Keshava Prabha Microfin Pvt Ltd**

Sd/-
Damodaran P Namboodiri , FCA
Chartered Accountant
Membership No.221178

Sd/-
Vinu Krishnan
Managing Director
DIN : 01743028

Sd/-
T.S.Jagadeesan
Director
DIN: 06775429

Sd/-
Maya P
Company Secretary
Mem No: A31270

Place : Ernakulam
Date : 13-07-2023

Place : Ernakulam
Date : 13-07-2023

3 Notes on accounts for the financial year ended 31st March, 2023

3.8 Property Plant and Equipments

Particulars	Furniture and Fittings	Electrical Fittings	Computers	Motor Vehicle	Total
Cost:					
As at April 1, 2022	3218.83655	2842.77263	2,926.70	453.62	9,441.93
Additions	478.74	18.52	1,422.61	-	1,919.88
Disposals	-	-	416.00	-	416.00
As at March 31, 2023	3,697.58	2,861.30	3,933.32	453.62	10,945.81
Depreciation and impairment:					
As at April 1, 2022	1,563.34	2,720.14	2,407.18	420.78	7,111.44
Additions	263.91	50.05	554.44	5.85	874.25
Disposals	-	-	395.20	-	395.20
As at March 31, 2023	1,827.25	2,770.19	2,566.42	426.63	7,590.49
Net book value:					
As at April 1, 2022	1,655.50	122.63	519.52	32.83	2,330.48
As at March 31, 2023	1,870.33	91.11	1,366.90	26.98	3,355.32

3.8 Intangible Assets

Particulars	Company Logo	Softwares	Licence Fee	Total
Cost:				
As at April 1, 2022	-	779.91	3,500.00	4,279.91
Additions	90.50	189.60	-	280.10
Disposals	-	-	-	-
As at March 31, 2023	90.50	969.51	3,500.00	4,560.01
Depreciation and impairment:				
As at April 1, 2022	-	234.87	1,400.00	1,634.87
Additions	12.53	181.26	700.00	893.79
Disposals	-	-	-	-
As at March 31, 2023	12.53	416.13	2,100.00	2,528.65
Net book value:				
As at April 1, 2022	-	545.05	2,100.00	2,645.05
As at March 31, 2023	77.98	553.39	1,400.00	2,031.36

3.8 Intangible assets under development

Particulars	Softwares	Total
Cost:		
As at April 1, 2022	1,513.62	1,513.62
Additions	648.24	648.24
Disposals	-	-
As at March 31, 2023	-	2,161.86

DIRECTORS' REPORT

To,
 The Members
 Keshava Prabha Microfin Private Limited

Your directors have pleasure in submitting the Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2023.

1. FINANCIAL RESULTS

The year under review, 2022-23 was the sixth financial year of our microfinance-focused lending business.

The key financial numbers in comparison with the previous year's figures are given below:

Particulars	F.Y 2022-23 (Amt. in Rs.)	F.Y 2021-22 (Amt. in Rs.)
Interest Income from lending activity	13,30,56,231	9,33,40,667
Interest and Finance Expenses	6,40,21,017	5,32,27,655
Net Interest Income	6,90,35,214	4,01,13,012
Other Interest and Income	1,77,84,051	1,00,18,331
Operating Income	8,68,19,260	5,01,31,334
Operating Expenses	6,78,51,737	4,69,15,317
Depreciation	17,68,038	14,69,325
Profit/(Loss) Before Tax	1,71,99,490	17,46,702
Current Tax	52,50,000	13,90,000
Deferred Tax	(11,72,720)	(9,32,980)
Profit/(Loss) for the year	1,31,22,210	12,89,682
Financial Position as on 31.03.2023		
Total Loans & Advances	70,40,41,895	48,23,66,715
Total Borrowings	56,82,96,000	39,16,76,000
Equity	6,25,31,190	6,25,31,190

The comparison of key operational metrics:

Particulars	F.Y 2022-23 (Amt. in Rs.)	F.Y 2021-22 (Amt. in Rs.)
Average Loan Outstanding	59,40,72,269	42,78,78,629
Balance Sheet Size	73,52,38,901	53,62,11,199
Customers	18,609	14,398
Operating Cost Ratio	11.13%	10.4%
Return on Assets	2.21%	0.30%
Return on Equity	15.14%	2.06%
Net Interest Margin	11.62%	9.40%
CRAR	18.60%	17.75%

2. Highlights of Financial & Business Performance

The first full year after the pandemic subsided was a very good year for your company. On all performance parameters, we exceeded our best results in our short history. Not only we recorded the highest AUM, we also recorded our best ever profit figures.

The summary of achievements is listed below.

- The total income of your company increased to Rs. 15.08 from Rs. 10.36 Cr, a jump of 46%.
- Total loans and advances of the Company grew by 46% to Rs. 70.40 Cr from Rs. 48.24 Cr as on 31.03.2022.
- Borrowings constituted by NCDs, Sub Debt, CCDs and term loans registered an increase of 45 % to Rs. 56.82 Cr from Rs. 39.16 Cr.
- The company disbursed 23,778 loans to 14,124 customers through 17 branches in Kerala and Tamil Nadu.
- The Net Interest Margin improved from 9.40% to 11.62%.
- Employee strength increased from 118 to 154 during the year of which comprised 31 head office employees and 123 branch employees.
- Total number of branches increased from 17 to 22.

NBFC MFI License & Change of Name

The company received the formal NBFC-MFI licence from the Reserve Bank of India, which we have been seeking for the past two years.

Post receipt of the MFI licence the company changed its name from KPB Fincare Private Limited to **Keshava Prabha Microfin Private Limited** to better position us in the customer segments that we operate. Though the company has changed its name, there is no change in the object clause of the company.

3. SOURCES/ APPLICATION OF FUNDS

During the F.Y. 22-23 company raised Rs. 26.60 Cr by way of debt out of which Rs. 21.52 Cr was raised through private placement of secured NCD's, Rs. 2.08 Cr by way of unsecured Subordinated Debt and Rs. 3.00 Cr from a financial institution.

4. CHANGES IN SHARE CAPITAL

During the period under review, the paid-up capital is Rs. 6,25,31,190/-

5. COMPOSITION OF BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, no changes were made to the composition of the Board.

Name of Director	Designation
Vinu Krishnan	Managing Director
T S Jagadeesan	Director
Vishnu Prasad B Menon	Director
Maya P	Company Secretary

6. ACCOUNTING POLICY

There have been no material changes and commitments during the financial year of the Company.

8. PARTICULARS OF MATERIAL ORDERS

During the year under review, no Regulator, Court or Tribunal has passed any significant and material order impacting the going concern status and the company's operations in future.

9. NUMBER OF MEETINGS OF THE BOARD

A total of 14 meetings of Board of Directors was held during the year under review. As per Section 173 of the Companies Act, 2013, the Company held at-least one Board Meeting in every three months. The details of the Board Meeting held during the year under review are as under;

Sl. No	Date	Board Strength	No of Directors Present
1	12 May 2022	3	3
2	03 June 2022	3	3
3	29 June 2022	3	3
4	18 July 2022	3	3
5	05 August 2022	3	3
6	20 August 2022	3	3
7	20 September 2022	3	3
8	17 October 2022	3	3
9	05 November 2022	3	3
10	01 December 2022	3	3
11	31 December 2022	3	3
12	13 January 2023	3	3
13	16 February 2023	3	3
14	08 March 2023	3	3

11. DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of section 134(5) of the Companies Act, 2013, the Director's hereby confirm that:

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2022-23 and of the profit of the Company for that period.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts on a going concern basis.
- v. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such other system were adequate.

12. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE

The reports of the Statutory Auditor for the year ended 31st March 2023 are free from any qualification, reservation or adverse remark by the auditor. The audit reports along with detailed audited financials are attached in the report.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year, company has not given any loans, guarantees or investments under section 186.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 IN THE PRESCRIBED FORM

There has been no materially significant related party transaction between the Company and its Directors, KMPs or the relatives except for those disclosed in the Financial Statements, which are in ordinary course of business.

Pursuant to section 134(3)(h) read with rule 8(2) of the companies (Accounts) Rules, 2014, there are no transactions to be reported under section 188(1) of the Companies Act 2013. Accordingly, the disclosure of Related Party Transactions as required under section 134(3)(h) of the Companies Act 2013 in Form AOC 2 is not applicable.

15. TRANSFER TO RESERVES

During the year under review, 20% of the Net Profit i.e. Rs. 26.24 lacs have been transferred to statutory reserve.

16. DIVIDEND

The directors have not recommended any dividend for this financial year.

17. THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO, IN SUCH MANNER AS MAY BE PRESCRIBED

There is no significant particular, relating to conversion of energy, technology absorption under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988. During the period under review, the company has no earnings and outgo in foreign exchange.

18. CORPORATE SOCIAL RESPONSIBILITY

As per Companies Act 2013, the provision of CSR is not applicable on Keshava Prabha Microfin Pvt. Ltd.

19. CHANGE IN THE NATURE OF BUSINESS, IF ANY

None

20. COMPLIANCE WITH RBI GUIDELINES

Your Company being an NBFC-MFI has complied with all applicable regulations of the Reserve Bank of India prescribed for NBFC-MFIs. As per Non-Banking Finance Companies RBI Directions 1998, the Directors hereby report that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

21. CODE OF CONDUCT, TRANSPARENCY AND CLIENT PROTECTION

The Company has fully implemented the Reserve Bank of India's Fair Practice Code and Code of Conduct. The same has been displayed on the website and notice board of respective branches of your company.

22. VARIOUS COMMITTEES

Keshava Prabha Microfin Pvt. Ltd. has 3 Board sub-committees viz.

- 1. Finance & Audit Committee:** The FAC Committee comprises three directors namely;
 1. Mr. Vinu Krishnan
 2. Mr. T S Jagadeesan
 3. Mr. Vishnu Prasad B Menon
- 2. ALM & Risk Management Committee:** This committee comprises three directors namely;
 1. Mr. Vinu Krishnan
 2. Mr. T S Jagadeesan
 3. Mr. Vishnu Prasad B Menon
- 3. Remuneration and Nomination Committee:** This committee comprises three directors namely;
 1. Mr. Vinu Krishnan
 2. Mr. T S Jagadeesan
 3. Mr. Vishnu Prasad B Menon

The committees meet on regular basis and discuss and review various issues as referred in their respective TOR.

23. AUDITOR

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, Mr. Damodaran P, ACA (Membership no. 221178), is our Statutory Auditor for the Financial Year 2022-23.

24. EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format (MGT 9) is appended as "Annexure 1" to the Board's Report.

25. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

26. HOLDING, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Sl. No.	Name of the Company	CIN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	KPB Holdings Limited	U74999KL2016PLC045766	Holding Company	71.82	2(87)
2	KPB Digital Private Limited	U74999KL2018PTC051953	Associate Company	0	2(6)

27. ACKNOWLEDGEMENT

The Directors wish to thank the customers, shareholders, bankers, and other service agencies for their consistent support. The directors especially thank the employees for their substantial contribution to the Company during the period under review.

By order of the Board

For Keshava Prabha Microfin Private Limited

Sd/-

Vinu Krishnan
 Managing Director
 DIN 01743028

Sd/-

T S Jagadeesan
 Director
 DIN 06775429

Place: Ernakulam
 Date: 13/07/2023

ANNEXURE - I
Form No.MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2023

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN:	U65191TN1993PTC024410
2.	Registration Date:	16/02/1993
3.	Name of the Company:	Keshava Prabha Microfin Limited
4.	Category/ Sub-Category of the Company:	Company limited by Shares/ Non-govt company
5.	Address of the registered office and contact details:	Regd Office: GE, Ground Floor, Easdale Enclave, New No. 83, Sterling Road, Nungambakkam, Chennai - 600034 Corporate Office: Floor 3, AK Tower, Kalamassery, Kochi, Kerala – 682033
6.	Whether listed company	Unlisted
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

Sr. No.	Name and Description of main Products/ Services	National Product Classification for Service Sector	% of total turnover of the company
1	Non Banking Financial Services	99711400	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1.	KPB Holdings Limited	U74999KL2016PLC045766	Holding Company	71.82%	2(87)
2	KPB Digital Pvt Ltd	U74999KL2018PTC051953	Associate Company	0	2(6)

h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	62,53,119	62,53,119	100	-	62,53,119	62,53,119	100	-

(ii) Shareholding of Promoters-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	KPB Holdings Limited	4490928	71.82	-	4490928	71.82	-	-
2.	Vinu Krishnan	3	0.00	-	3	0.00	-	-
3.	Jagadeesan T S	20003	0.32	-	20003	0.32	-	-
4.	Krishna Chandran	70000	1.12	-	70000	1.12	-	-
5.	Chithra M	117207	1.87	-	117207	1.87	-	-
6.	Vijayalakshmi Menon	8154	0.13	-	8154	0.13	-	-
7.	Vishnu Prasad	8154	0.13	-	8154	0.13	-	-
8.	Sheela Raja Ram	600000	9.60	-	600000	9.60	-	-
9.	Dinesh Nair	70000	1.12	-	70000	1.12	-	-
10.	Ajith G	50755	0.81	-	50755	0.81	-	-
11.	Rajiv Thampi	10000	0.16	-	10000	0.16	-	-
12.	Mohandas Parayath	15226	0.24	-	15226	0.24	-	-
13.	Syam Sunder S	50000	0.80	-	50000	0.80	-	-
14.	Roopa K Pai	60000	0.96	-	60000	0.96	-	-
15.	Priya Jishnu	12689	0.20	-	12689	0.20	-	-
16.	Suresh Kumar DS	20000	0.32	-	20000	0.32	-	-
17.	Radhakrishnan Nair	200000	3.20	-	200000	3.20	-	-
18.	Girija Anantharaman	250000	4.00	-	250000	4.00	-	-
19.	Rajat Sabharwal	200000	3.20	-	200000	3.20	-	-
	Total	62,53,119	100	-	62,53,119	100	-	-

(iii) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding during the year	
		No. of shares	% of total shares of the company
A.	At the beginning of the year		
1.	Vinu Krishnan	3	0.00004
2.	Jagadeesan T S	20003	0.32
3.	Vishnu Prasad B Menon	8154	0.13
B.	At the end of the year		
1.	Vinu Krishnan	3	0.00004
2.	Jagadeesan T S	20003	0.32
3.	Vishnu Prasad B Menon	8154	0.13

V. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	CCD	Total Indebtedness
Indebtedness at the beginning of the financial year	30,73,46,000	5,83,30,000	2,60,00,000	39,16,76,000
Indebtedness at the end of the financial year	47,09,66,000	7,13,30,000	2,60,00,000	56,82,96,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	Particulars of Remuneration	Vinu Krishnan (MD) (in Rs.)	Maya (CS) (in Rs.)	Total Amount (in Rs.)
1	Gross Salary (per month)	4,14,700	65,030	4,70,940
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission- as % of profit- others, specify...	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
6	Others, please specify	NIL	NIL	NIL
7	Ceiling as per the Act	NIL	NIL	NIL

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

By order of the Board

For Keshava Prabha Microfin Private Limited

Sd/-

**Vinu Krishnan
Managing Director
DIN 01743028**

Sd/-

**T S Jagadeesan
Director
DIN 06775429**

Place: Ernakulam
Date: 13/07/2023