

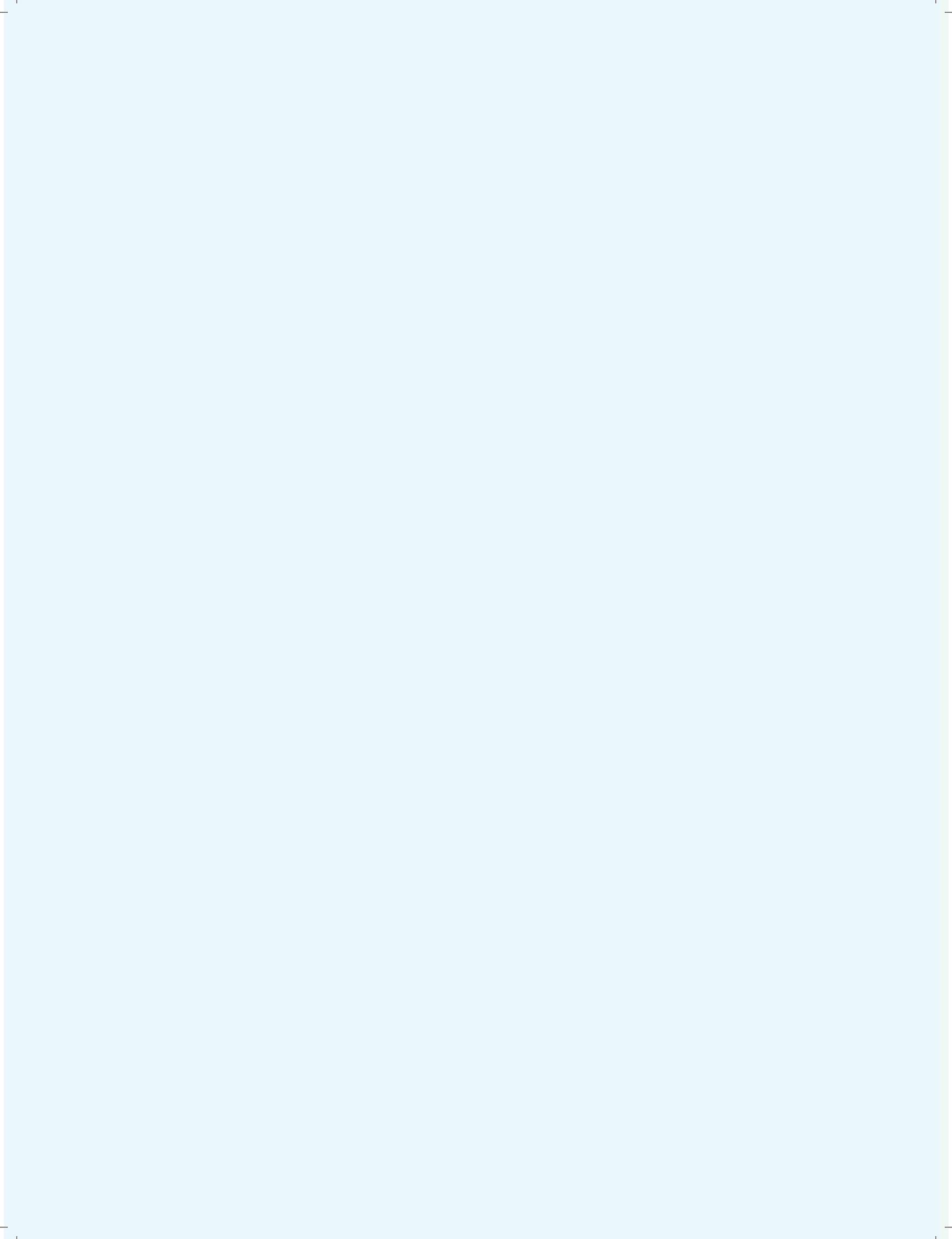
ANNUAL REPORT

2024-2025



KSFE

(ഒരു കേരള സർക്കാർ സ്ഥാപനം)
CIN: U65923KL1969SGC002249





സേവനത്തിന്റെ
അഞ്ചര പതിറ്റാണ്ട്



ANNUAL REPORT

2024-2025

KERALA STATE FINANCIAL ENTERPRISES LIMITED

(A Government of Kerala Undertaking)

REGD, OFFICE: " BHADRATHA", P.B. No. 510, MUSEUM ROAD, THRISSUR - 680 020

Phone: 0487 - 2332255, Fax: 0487 - 2336232, Web: www.ksfe.com, Email: info@ksfe.com

CIN: U65923KL1969SGC002249, GSTIN: 32AABCT3817A1Z0

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Board of Directors

Sri. K.Varadarajan (Chairman)

Board of Directors

Dr. Sanil.S.K (Managing Director)

DIRECTORS

- | | |
|--------------------------------------|---------------------------------------|
| 1. Mrs Sreedhanya Suresh, IAS | 6. Mr. T.Narendran |
| 2. Mrs. B.S.Preetha | 7. Mr. Jennings Jacob |
| 3. Mr. Manoj K | 8. Mr. R. Mohammed Shah |
| 4. Adv. U.P. Joseph | 9. Dr. K. Sasikumar |
| 5. Adv. M.C. Raghavan | 10. Adv. Govindann Pallikappil |

LEGAL ADVISORS

M/s Menon & Pai Advocates, Kochi

TAX CONSULTANTS

M/s Varma & Varma Chartered Accountants, Thrissur

AUDITORS (FY 2024-25)

STATUTORY AUDITOR

M/s Abraham & Jose. Chartered Accountants, Thrissur

BRANCH AUDITORS

I.No	Name of Region	Name of Audit firm
1	Thiruvananthapuram (Urban)	M/s.JRS& Co, Chartered Accountants
2	Thiruvananthapuram (Rural)	M/s.Ananthan & Sundaram, Chartered Accountants
3	Kollam (Urban)	M/s. Dhan & Co., Chartered Accountants
4	Kollam (Rural)	M/s. K. VenkatachalamAiyer& Co., Chartered Accountants
5	Pathanamthitta	M/s. Thomas & Associates, Chartered Accountants
6	Alappuzha	M/s. Elias George & Co., Chartered Accountants
7	Kottayam	M/s. Ayyar& Cherian, Chartered Accountants
8	Kattappana	M/s. Elias George & Co., Chartered Accountants
9	Ernakulam (Urban)	M/s. Sajive Associates, Chartered Accountants
10	Ernakulam (Rural)	M/s. Elias George & Co., Chartered Accountants
11	Palakkad	M/s. Suresh Chandran & Co., Chartered Accountants
12	Malappuram	M/s. AAKK & Associates, Chartered Accountants
13	Kozhikode (Urban)	M/s.SVM Associates, Chartered Accountants
14	Kozhikode (Rural)	M/s. Pavithran & Murali , Chartered Accountants
15	Kannur	M/s. Jacob& George, Chartered Accountants

BANKERS

Axis Bank

Kerala Bank Ltd

Bank of India

CSB Bank Ltd.

South indian Bank

Bank of Baroda

The Bank of Maharashtra

Canara Bank

Treasury Savings Bank

South Indian Bank
Central Bank of India
Federal Bank Ltd.
Union Bank of India
Kerala Gramin Bank

State Bank of India
Dhanlaxmi Bank Ltd.
HDFC Bank Ltd.
The coastal Urban co-operative Bank
Indian Overseas Bank

EXECUTIVES

Managing Director

Dr. Sanil S.K

General Managers

CA Sarath Chandran S. (Finance)

Sreekumar P (Business)

Deputy General Managers

Smt.Sujatha M.T

(KSFE Digital Business Centre)

Smt. Nisha. A.B (IT)

Smt. Saraswathy. N (Recovery)

Smt. Devi R Nair (DGM, P& HR)

Assistant General Managers

Sri. Raju.R (Business)

Sri. Krishnendu Sureshkumar (Legal)

Smt.Meera K.S (GAD)

Sri Kunhikannan H (P&HR)

Sri. Padmakumar R (Research And Development)

Assistant General Managers (Region)

Sri.Vijayakumar.C

(R.O Tvm Urban)

Smt. Bhadrakumari.K

(R.O EKM Urban)

Sri.Prasantha Kumar .P.K

(R.O Tvm Rural)

Smt. Reena Joseph

(R.O EKM Rural)

Sri.Anilkumar KG

(R.O Kollam Urban)

Sri.John Dennison

(R.O Thrissur)

Smt.Biji S.Basheer

(R.O Kollam Rural)

Sri.Madhumohan C.K

(R.O Palakkad)

Sri.Anilkumar P

(R.O Pathanamthitta)

Sri.Chandrasekharan.K.T.

(R.O Malappuram)

Sri.Jayachandran CN

(R.O Alappuzha)

Sri.Sasikumar K

(R.O Kozhikode Urban)

Sri.Sivaprasad C.P

(R.O Kottayam)

Sri. Sivadasan.K

(R.O Kozhikode Rural)

Sri.Kesavan Nampoothiri.N.

(R.O Kattappana)

Sri.Abhiram Krishna

(R.O Kannur)

Company Secretary

CS Emil Alex

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 56th Annual General Meeting of the Company will be held at 9.30 am on Thursday the 4th day of December 2025 at KSFE Digital Business Centre situated at 6th Floor, KSRTC Bus Terminal Complex, Thampanoor, Thiruvananthapuram 695 001 on shorter notice to transact the following business:

ORDINARY BUSINESS

1. To receive consider and adopt the Directors' Report, the Audited Balance Sheet as on 31st March, 2025 and the Profit and Loss Account for the Year ended 31st March, 2025 together with the Schedules / Notes, Statement of Cash Flow Statement, Statement of Changes in Equity for the year ended 31st March, 2025, Auditors' Report and the Comments of the Comptroller and Auditor General of India thereon.
2. To declare dividend for the year 2024-25.

By Order of the Board of Directors,

For KERALA STATE FINANCIAL ENTERPRISES LTD.,

CS EMIL ALEX

COMPANY SECRETARY

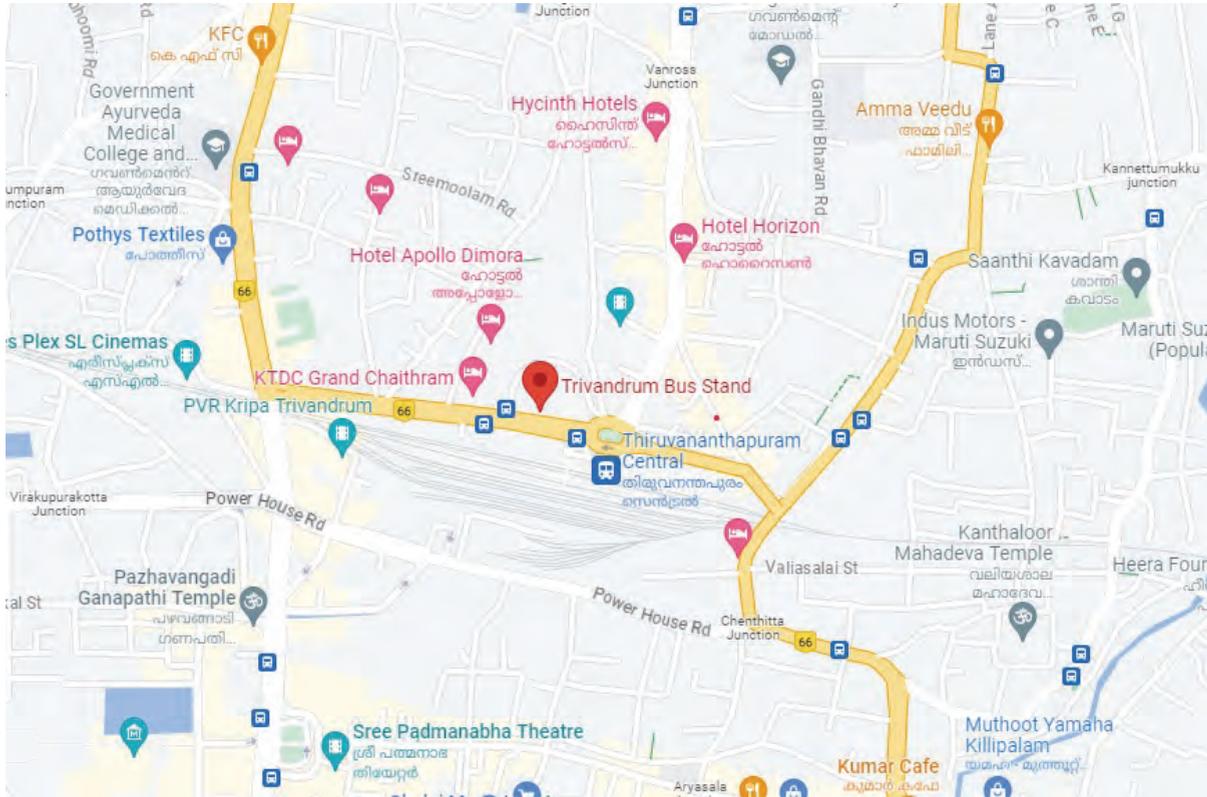
MEMBERSHIP NO. ACS – 45209.

Regd.Office: "Bhadraatha",
P.B.No.510, Museum Road,
Thrissur, Kerala – 680 020.
CIN: U65923KL1969SGC002249
www.ksfe.com

Note:

1. A member entitled to attend and vote at the above meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. A form of proxy is enclosed. A member who wishes to appoint a proxy must return the proxy form duly completed so as to reach the Registered Office of the Company not less than 48 hours prior to the time for holding the meeting.
2. A route map along with prominent landmark for easy location to reach the venue of the Annual General Meeting is attached herewith.

Route Map to the venue of AGM:



By Order of the Board of Directors,
For Kerala State Financial Enterprises Ltd.,

Regd.Office: "Bhadra",
P.B.No.510, Museum Road,
Thrissur, Kerala – 680 020.
CIN: U65923KL1969SGC002249

CS Emil Alex
Company Secretary,
Membership No. ACS 45209

Board's Report

Dear Members,

The Board of Directors of your Company are pleased to share the highlights of developments and progress of your Company since its last report along with audited financial statements, Auditors' Report thereon and comments on the financial statements by the Comptroller and Auditor General (C&AG) of India.

Your Directors are pleased to present the 56th Annual Report and the Audited Financial Statements of the Company for the financial year ended March 31, 2025.

Corporate Overview:

Your Company continues to solidify its position as a leading MNBC in the country, while maintaining its market leadership in the chitty business in Kerala. We play a vital role in addressing the financial needs of the people of Kerala, providing innovative and tailor made financial solutions that cater to the diverse requirements of our customers. Our strong presence in the State has enabled us to build trust, credibility and dependability making us a preferred partner for millions of customers. As we move forward, we remain committed to delivering value-driven services that empower individuals, families, and communities, thereby contributing to the overall socio-economic development of Kerala.

FINANCIAL HIGHLIGHTS:

The standalone financial highlights for the year ended 31.03.2025 are summarized below:

Financial Parameters for the year ended	March 31, 2025	March 31, 2024
	(₹ in Crores)	
Gross Income	5555.17	5054.82
Total Expenditure	4994.02	4508.91
Profit Before Tax	561.15	545.91
Provision for Taxes/Deferred tax	185.65	141.81
Profit for the year	375.50	404.10
Other Comprehensive Income (Before of tax)	(49.62)	(56.55)
Other Comprehensive Income (net of tax)	(37.13)	(42.32)
Total Comprehensive Income (after tax)	338.36	361.79
Shareholder's Equity (Networth)	1649.94	1446.58
APPROPRIATION		
Transfer to Reserve	338.36	202.64
Proposed Dividend	70.00	35.00
Basic Earnings per Share (in ₹) [face value ₹ 100/- each]	₹ 187.75	₹ 202.05

Note: - Previous year's figures have been restated wherever necessary, to align with current year's presentation

Your Company achieved a turnover of ₹ 94,553 Crore during the financial year 2024-25 as against ₹ 81,571 Crores during the financial year 2023-24. During the year, your Company had earned an aggregate income of ₹ 5555 Crores registering an increase of 9.90 % over the previous year's gross income of ₹ 5055 crores and registered a profit before tax amounting to ₹ 511.53 crores during FY 2024-25 as against ₹ 489.37 crores for FY 2023-24 thereby signifying a satisfactory growth on a year on year basis (after adjusting the Other Comprehensive Income).

COMPARATIVE INCOME/EXPENDITURE OF PREVIOUS 5 YEARS



Financial Performments and State of Affairs of the company

(Growth of Selected Variables from FY 2015-16 to FY 2024-25)

(₹ in Crores)

Years	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25
Capital & Reserves	490	576	720	950	976	983	1000	1289	1546	1850
Turnover *	28960	32643	35306	39166	45040	52762	59323	69153	81571	94553
Chitty Business	16579	17722	18837	20680	23420	26470	30688	36196	40783	44287
Total Deposits**	8269	10030	11256	12548	14224	17840	19400	21815	25245	30092
Total Advances	4009	4784	5372	5705	7415	8340	9325	10960	13420	17814
Profit after Tax	36	85	144	77	72	71	105	335	404	375
Branches (Nos.)	600	568	577	577	577	621	632	660	684	684
Employees (Nos.)	6426	6819	6877	6777	6571	7515	7917	8287	8281	9071
Contribution to State Exchequer***	81	108	84	130	154	167	183	161	278	235

* Turnover includes total auctioned sala, loans outstanding and deposits

** Total deposits include short term deposit and Chitty Security Deposit in Trust

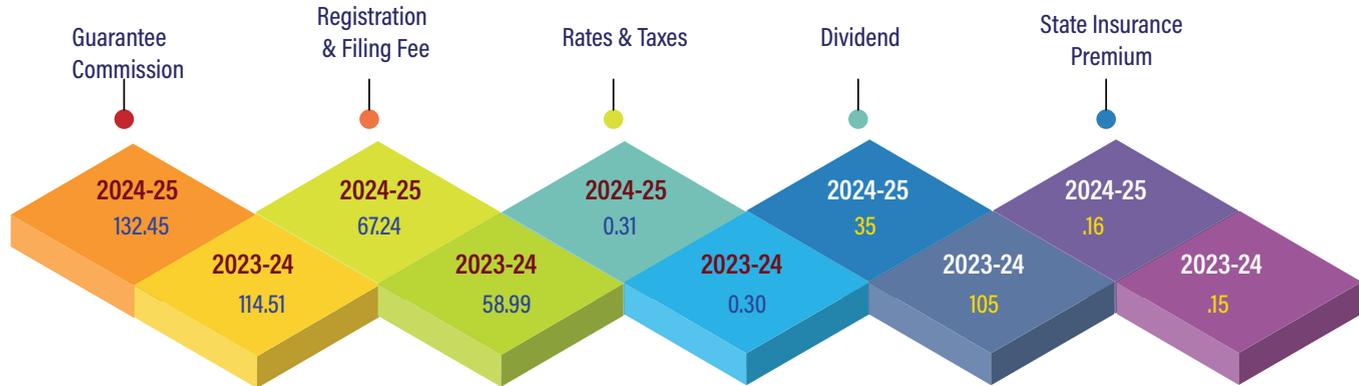
*** The contribution to State Exchequer during FY 2024-25 includes Guarantee Commission – ₹ 132.45, Registration & Filing Fee - ₹ 67.24, Rates & Taxes - ₹ 0.31, Insurance - ₹ 0.16 and Dividend - ₹ 35.00 (amount in crores).

Contribution to State Exchequer

	2024-25	2023-24
	(₹ in Crores)	
Guarantee Commission	132.45	114.51
Registration & Filing Fee	67.24	58.99
Rates & Taxes	0.31	0.30
Dividend	35.00	105.00
State Insurance Premium	0.16	0.15
Total	235.16	278.95

(Amount in Crores)

Contribution to State Exchequer



Branch Network Expansion and Up-gradation

As of March 31, 2025, the Company had a network of 684 branches under 16 regional offices, with plans to further expand its presence in unrepresented areas. This expansion aims to provide employment opportunities for educated youth and increase the customer base. As part of a rebranding exercise, 574 branches have been renovated across the State, with initiatives underway to upgrade the remaining branches, ensuring a modern and enhanced customer experience.

Change in the nature of business.

There is no change in the nature of business of the Company for the year under review. Further information on the business overview & outlook & state of the affairs of the Company is discussed in detail in the Management Discussion & Analysis Report.

Material changes and commitments affecting the financial position of the Company

No material changes and commitments which could affect your Company's financial position have occurred between the end of the financial year and date of this report.

DIVIDEND & RESERVES

The Board of Directors have recommended a dividend of 35%, equivalent to ₹35.00 per equity share with a face value of ₹100 each, for the financial year 2024-25. This decision strikes a balance between retained earnings and dividend distribution, maintaining consistency with the previous year's dividend percentage and payout. The dividend is subject to approval by members at the upcoming Annual General Meeting.

During the year, the Board transferred ₹338.36 crores to reserves, comprising ₹56.11 crores to Chitty Reserve and ₹282.25 crores to General Reserve. Your Company expects higher business growth and profits in the coming years.

CAPITAL STRUCTURE

During the financial year 2024-25, your Company successfully strengthened its capital structure through key decisions that underscore its growth trajectory and commitment to shareholder value.

The Authorized Share Capital of the Company was enhanced from ₹100 crores to ₹250 crores. This strategic move provides the Company with the flexibility to raise capital in the future, enabling it to pursue new growth opportunities and reinforce its financial position.

Subsequently, the Company capitalized its reserves by issuing bonus shares in the ratio 1:1, resulting in enhancement of the Paid-up Share Capital from ₹ 100 to ₹200 crores. This initiative not only rewards shareholders but also reflects the Company's confidence in its future prospects.

These developments demonstrate the Company's proactive approach to capital management, aimed at maximizing shareholders value and supporting its long-term growth objectives.

OPERATIONAL HIGHLIGHTS

Chitty Business

- The total monthly sala of Chitties increased by ₹311 crores, reaching ₹3,890 crores as of FY 2024-25, up from ₹ 3,579 crores in the previous year, representing a growth of 8.6%.

- The total number of subscribers rose to ₹27.15 lakhs in FY 2024-25, compared to 26.35 lakhs in FY 2023-24.

KSFE Galaxy Chits Scheme

In FY 2024-25, KSFE launched "KSFE Galaxy Chits," a new scheme designed to boost chitty business.

Key highlights of the scheme are as under:

- ▶ Launch and Duration: The scheme commenced on April 1, 2024 and concluded on March 20, 2025.
- ▶ Series and Prizes: Implemented in three series, featuring attractive prizes, including:
 - ▶ State-level bumper prize: A Mercedes Benz Car worth ₹75 lakhs.
 - ▶ Regional-level prizes: 17 Innova Crysta cars, each valued at ₹25 lakhs.
 - ▶ Additional valuable gifts in each series.
- ▶ Business Targets: The scheme aimed to mobilize ₹1,025 crores in domestic chitty business and ₹ 72 crores in Pravasi Chitty business.
- ▶ Outcome: The scheme mobilized ₹1,071 crores in chitty business. The KSFE Galaxy Chits scheme was a resounding success, demonstrating the Company's ability to innovate and drive growth in the chitty business segment.

KSFE Premium Gold Loan

KSFE has introduced "KSFE Premium Gold Loan," a new scheme designed to boost its gold loan business and achieve a loan target of 10,000 crores. Key features are as under:

- Loan-to-Value Ratio: Provides 85% of the market price of gold as an advance.
- Interest Rate: Attractive interest rate of 9.90% p.a.

This scheme aims to cater to the growing demand for gold loans, offering customers a convenient and flexible financing option. By leveraging this opportunity, KSFE seeks to expand its loan portfolio and strengthen its position in the market.

Aswas 2024 – One Time Settlement Scheme

The Company implemented “Aswas 2024,” a one-time settlement scheme, to address outstanding RR and Non-RR dues. During its campaign period, the scheme helped reduce Non-Prized Default and Non-Performing Assets (NPA) to a certain extent. Under the scheme, the Company was able to collect ₹255 crores in settling Non-RR files and could close 3,141 RR files by collecting ₹143.26 crores.

Business Promoter System

To enhance chitty marketing and increase its popularity, KSFE introduced a Business Promoter system. Key objectives of engaging business promoters were to strengthen the chitty marketing sector and promote chitty products among the masses. Business Promoters were appointed on a contractual basis at the Regional Level. This initiative aims to leverage the promoters’ local presence and network to drive business growth and expand KSFE’s reach.

Regional Level Marketing (RLM) System

To amplify its marketing efforts, KSFE established a dedicated Regional Level Marketing (RLM) system. This framework aims to ensure effective outreach and engagement across various regions. To facilitate the smooth coordination of marketing operations, Regional Level Marketing (RLM) team members were selected at both the regional and branch levels. These teams are responsible for executing marketing campaigns, monitoring campaign performance, and ensuring alignment with the Company’s overall marketing objectives. The dual-level structure allows for better communication, quicker response times, and more localized marketing strategies, ultimately contributing to the growth and visibility of KSFE’s products and services.

Introduction of Agents App & PoS Machines

To enhance the efficiency and transparency of the Chitty Door Collection system at KSFE, the Company has introduced the Agent App. This digital solution streamlines the collection process, allowing agents to record transactions in real time and reducing manual paperwork. As part of this initiative, 2,800 agents have been equipped with POS (Point of Sale) machines. These devices enable secure, instant payment processing and automatic updates to the central database, ensuring accuracy and accountability in collections.

This initiative marks a significant step towards digitization, facilitating smoother customer transactions, strengthening monitoring and reporting, and driving operational excellence

KSFE Smart Gold Overdraft Scheme

KSFE has launched “KSFE Smart Gold OD,” a new scheme offering an overdraft facility of up to ₹ 50 lakhs against gold ornaments security. The scheme allows borrowing up to 80% of the market price of gold at an interest rate of 10.50% p.a. Notably, all transactions could be carried out entirely online, providing a convenient and secure way to access funds while leveraging gold assets.

Vandanam Deposit Scheme

KSFE had introduced “Vandanam,” a new deposit scheme designed specifically for senior citizens aged 60 and above. The scheme offers an attractive interest rate of 8.75% p.a., providing a secure and rewarding investment option for seniors.

Mahila Samrudhi Trio Plan

To commensurate International Women’s Day on March 8, KSFE launched the Mahila Samrudhi Trio Plan, a set of three schemes designed to promote women’s financial empowerment. The plan offers special benefits to women through:

1. Mahila Plus Consumer Loan
2. Mahila Plus Gold Overdraft
3. Mahila Plus Sugama

This initiative aims to foster women’s prosperity and financial independence.

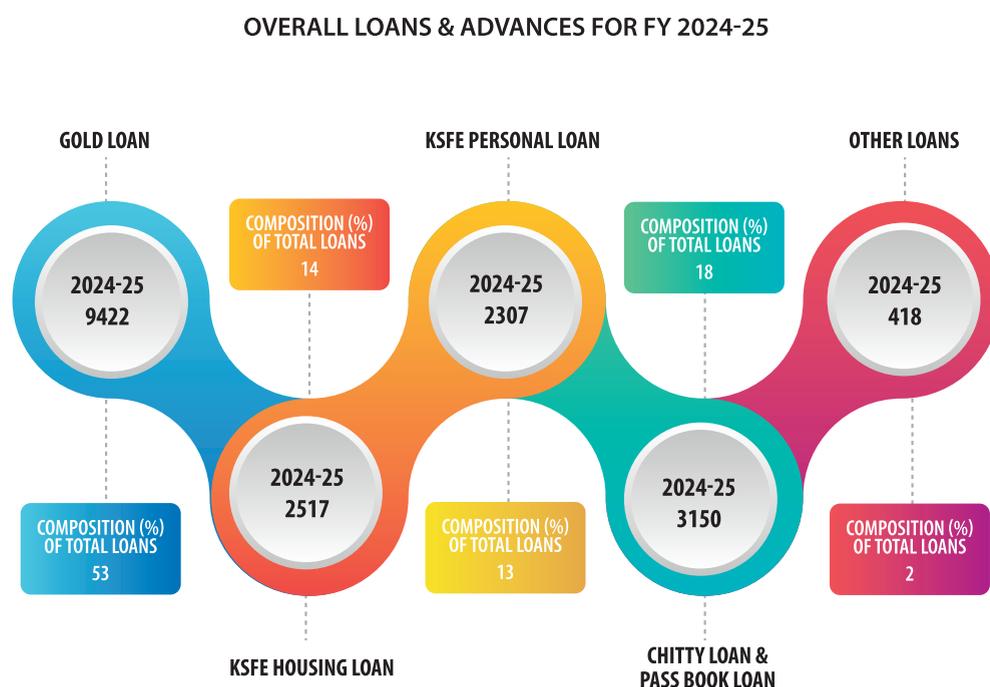
LOANS & ADVANCES

KSFE prioritizes its loan portfolio to align with its social objectives, offering various loan schemes catering to diverse customer needs. Some key loan products include, Gold Loan, Home Loan, Personal Loan, Chitty & Pass Book Loans and Vehicle Loans.

The breakup of overall loan portfolio as on 31.03.2025 is as tabulated below:

Gold Loan

Total gold loan disbursed during the year under review amounted to ₹19,662 crores and the total outstanding as on 31st March, 2025 stood at ₹ 9422 crores as against ₹5332 crores for the previous year.



KSFE Personal Loan (KPL) & Fixed Deposit Loan (FDL)

Disbursements amounting to ₹1549 crores were made under the Reliable Customer Loan Scheme & FD Loan during the year under review and the total outstanding as on 31.03.2025 stood at ₹ 2459 crores as against ₹2099 crores as on 31.03.2024.

KSFE Chitty Loan/Pass Book Loan

KSFE Chitty loan amounting to ₹2643 crores were disbursed during the year and the total loan outstanding as on 31.03.2025 stood at ₹3150 crores as against ₹3458 crores for the immediately preceding previous year.

KSFE Housing Loan Scheme

During the financial year under review, disbursement under the scheme amounted to ₹662 crores. The total loan outstanding including loans under Housing Loan Scheme as on 31st March, 2025 increased by 15% to ₹2517 crores as against ₹2179 crores for 2023-24.

Consumer /Vehicle Loan

Total amount of advance disbursed during the year under Consumer/Vehicle loan scheme was ₹ 11.00 crores. The outstanding advances under Consumer Vehicle Loan schemes as on 31st March, 2025 stood at ₹5.30 crores as against ₹5.32 crores for the previous year.

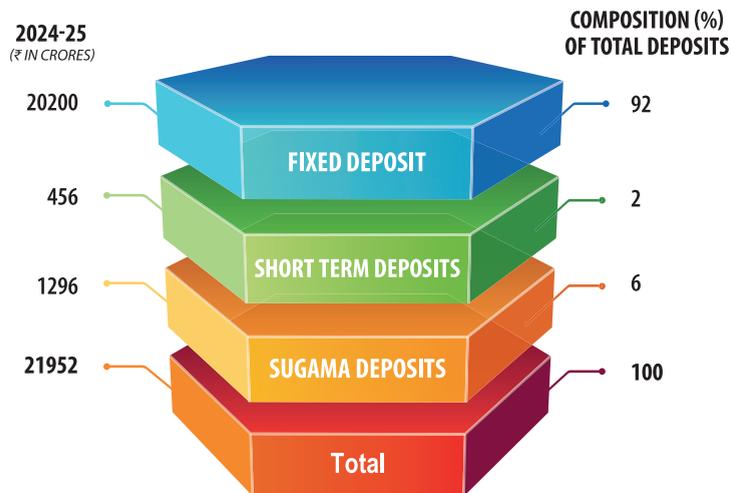
It could be noticed from the above that all the major schemes of the Company viz Chitty, Gold Loan, KSFE Personal Loan and KSFE Housing Loan Scheme showed increasing trend vis-à-vis previous year. In short, the net result reflects a better position as total advances, during 2024-25 rose to ₹17814 crores as against ₹13420 crores for 2023-24, signifying an increase of ₹4394 crores which translates to 30%. In addition to the above ₹3440.69 crores has been advanced to M/s Kerala Social Security Pension Limited as inter corporate loan.

DEPOSITS

The total deposits viz. Fixed Term Deposits under Government Guarantee increased by 26% to ₹ 20,200 crores as on 31.03.2025 as compared to ₹16,030 crores as of 31.03.2024. The amount outstanding under Sugama Deposits, as of 31.03.2025 was ₹1296 crores as against the previous year's figure of ₹1230 crores. Short-term deposit increased to ₹456 crores from ₹400 crores as of 31.03.2024.

The breakup of the deposit portfolio as on 31.03.2025 is as under:

OVERALL DEPOSIT PORTFOLIO

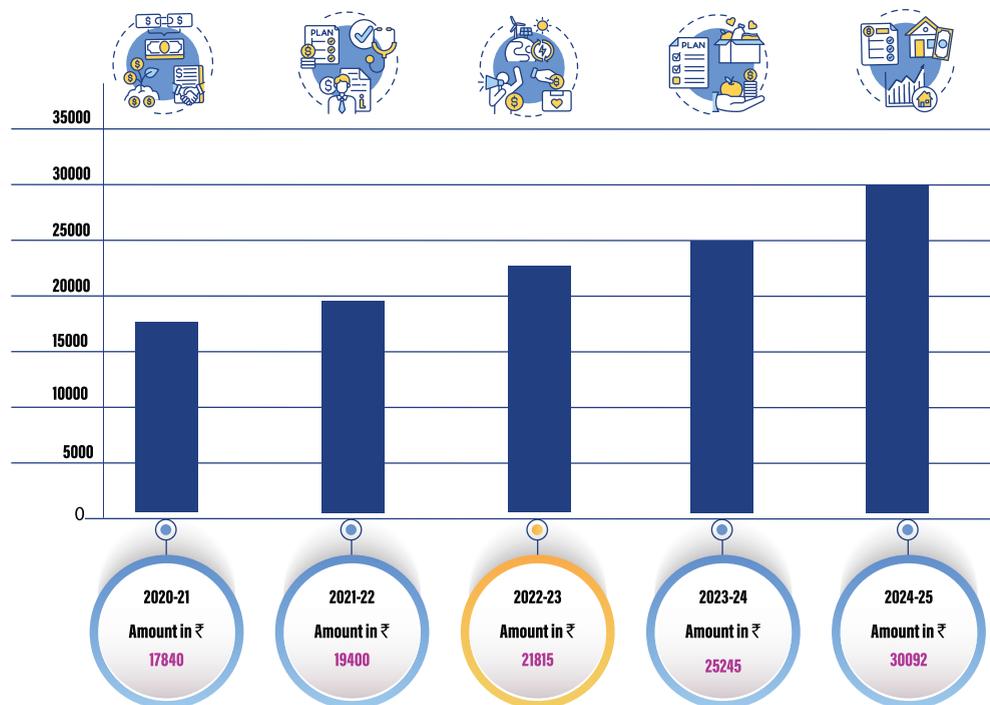


CHITTY DEPOSIT IN TRUST

Chitty Deposit in Trust Scheme (meant for prized subscribers which enable them to deposit amount equivalent to their future liability in the chitty) rose by 7% and stood at ₹ 8140 crores as on 31.03.2025 as against ₹ 7585 crores as on 31.03.2024.

The total deposits of the year ended 31.03.2025 stood at ₹ 30,092 crores as against ₹ 25,245 crores as on 31.03.2024, representing a growth of 19%

Total Deposit (₹ in crores)



Repayment of deposits accepted by the Company is fully guaranteed by the Government of Kerala and falls under the category of exempted deposits read with Rule (2)(1)(c)(i) of Companies (Acceptance of Deposits) Rules, 2014. During the year under review Company had transferred an amount of INR 370,015/- being unclaimed deposits beyond 7 years to Investor Education and Protection Fund as stipulated under section 125 of the Companies Act, 2013.

NON-PERFORMING ASSETS

KSFE's total dues as of March 31, 2025, stood at ₹5814 crores, comprising ₹3395 crores in Non-RR dues and ₹2419 crores in RR, reflecting an increase from ₹4972 crores in the previous year. The Company prioritizes preventing fresh NPAs and reducing existing default levels through a multi-pronged strategy, including effective follow-up, settlement processes and technology upgradation via initiatives like CAMRA and Receivables Management System. Relief measures such as Adalat and the Samashwas-2025 OTS Scheme, offering concessions on interest and penal interest for one-time settlements, aiming to reduce default rates in RR and Non-RR accounts were also conducted during the year under review.

RISKS AND CONCERNS

The Company has put in place a mechanism to minimise operational risks through effective control systems which call for constant review and an ongoing internal audit. Our risk management framework aims at identifying the diverse risks faced by the Company and come up with appropriate mitigation strategies. Risk is an integral part of the financial/Chitty business. The risks we face in our business are market risk, interest rate risk, credit risk, liquidity risk, operational risk, IT risk, reputation risk, cash management risk, collateral risk and legal risk, among others.

We continue to focus on risk management, ground audit, vigilance checks and crisis-tested collection capabilities leading to healthy asset quality.

From on boarding through disbursement and even thereafter, we have audit and diligence oversight across branches. All branches are audited on a periodical basis with higher risk branches being audited with higher frequency and for longer durations. Further, there is an independent internal audit & vigilance team which oversees the function of the audit personnel and reports directly to the Managing Director.

INFORMATION TECHNOLOGY

Your Company has introduced several innovative features and upgrades during the year under review namely:

- Integrated payment gateways with South Indian Bank, Federal Bank, and Cash free Axis Bank gateway.
- Online collection of temporary chitty first instalments
- Launch of Gold OD scheme
- Sugama collection from bank accounts
- Standing Instruction in Sugama.
- KSFE Power App Enhancements

Two innovative apps were launched viz, Door Collection Agent's App and Business Promoters App. These cutting edge apps aim to enhance user experience and to streamline processes. Process automations like Customer Loyalty Gift Card Automation and Customer De-dupe piloting were done. Technology Upgrades like live streaming through smart TVs and e-Office implementation piloting were done. AWS Cloud Cost



Optimization was also done. As a part of Infrastructure Upgrades during the year under review 2612 new desktops were procured for enhanced efficiency and 603 ink tank printers cum scanners (multi functional devices) were procured for improved productivity. Core Application has undergone substantial enhancements resulting in streamlined processes and operational efficiency.

RIGHT TO INFORMATION ACT -2005

The Right to Information Act introduced in 2005 had entered into a matured level now and the Company, as in the past is giving utmost importance to transparency in its functioning and maximum information is made available in the website. Accordingly, over the years an effective system has evolved for complying with the requirements of Right to Information Act - 2005. As required by the Act the Company has designated Assistant Public Information Officers (APIO), Public Information Officers (PIO) and Appellate Officer(AO). At branches, Branch Managers are Public Information officers for the Branch concerned and one of the Assistant Managers is designated as Assistant Public Information Officer. At SDT Offices also, PIOs and APIOs are appointed. During the year under review Company brought in major changes in disposing RTI applications. At all Regional Offices, Assistant General Managers (Region) now serve as Appellate Authorities, handling appeals related to replies from branches under their region. Additionally, Manager (General Administration) acts as the Public Information Officer (PIO), while Deputy/Assistant Manager (Administration) serves as the Assistant Public Information Officer (APIO), managing applications received at the Regional Offices. At the Corporate Office, DGM (Recovery) has been re-designated as the Appellate Authority for applications received at SDT Offices. Meanwhile, the Chief/Senior Manager of the Recovery Department has been appointed as the Public Information Officer (PIO) to handle applications received at the Recovery Department in the Corporate Office. At Corporate office of the Company, following officers are appointed as PIOs, APIO and Appellate Authority. The Company is complying with the latest circulars and directions under the Act.

PIOs and APIO under the Right to Information Act 2005 at HO as on 31.03.2025:

Department	Designation	Status Under RTI
Accounts	General Manager (Finance)	PIO
Business	General Manager (Business)	PIO
Personnel and Human Resource Development	Deputy General Manager (P&HR)	PIO
Information Technology	Deputy General Manager (IT)	PIO
Digital Business Centre	Deputy General Manager	PIO
Legal	Asst. General Manager (Legal)	PIO
Research & Development	Asst. General Manager	PIO
General Administration	Asst. General Manager	PIO
Recovery	Deputy General Manager (Recovery)	PIO
Internal Audit & Vigilance	Chief Manager	PIO
Secretarial	Company Secretary	PIO (Secretarial) & APIO for Head Office
Appellate Officer	a) Head Office Departments/ Regional Offices/Digital Business Centre b) KSFE Branches c) SDT Offices	a) Managing Director b) AGM(Regions) c) DGM (Recovery)

According to the provisions of the Act, information should be furnished within 30 days from the date of receipt of request in normal cases. If not satisfied with the reply of PIO, first appeal shall be filed with Appellate Officer (AO) and 2nd appeal lies with Information Commissioner. The Company received a total of 248 applications under RTI Act at Head Office alone during FY 2024-25 compared to 364 applications received during FY 2023-24.

BOARD OF DIRECTORS

The Board of Directors of Company comprises 12 Directors including Chairman and Managing Director, as on 31.03.2025. Following are the changes in the Board during the year under review:

Adv VT Joseph, Director (DIN: 07044562) resigned from the Board on 25.07.2024 and Government vide GO 55/2024/TAXES dated 04.09.2024 accepted the same. Subsequently, Government vide GO 56/2024/Taxes dated 05.09.2024 appointed Mr. Jennings Jacob (DIN: 03349896) as director of the Company.

CHANGE IN KEY MANAGERIAL PERSONNEL

There were no changes in the Key Managerial Personnel during FY 2024 – 25.

COMPLIANCE DEPARTMENT

The Company had institutionalized a strong compliance culture and mechanism across the Company, under its strategic goals of transparency and trust, among all its stakeholders. The Company Secretary is responsible for ensuring compliance with various Acts, Rules and regulations, especially the Companies Act, 2013. One of the key functions of this department includes, dissemination of key regulatory updates affecting the various business verticals of the Company, review of processes from a regulatory compliance perspective, guide on compliance-related matters, among others.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has put in place adequate policies and procedures to ensure that the system of internal financial control is commensurate with the size and nature of its business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with company's policies.

Additionally, the Company has a well-established system for auditing its branches. Regular audits are carried out by 28 dedicated teams, which conduct inspections at fixed intervals across all units. In addition to these, the Company has six specialized Preventive Vigilance Teams responsible for conducting surprise inspections and special investigations whenever required.

The internal audits for the financial year 2023–24 were successfully completed across all units. Starting from FY 2023–24, the Company transitioned from a manual audit process to a software-based system, the Internal Audit Management System (IAMS), which was implemented during December 2023. After completing the audits for FY 2023–24 using IAMS, the audits for the first half of FY 2024–25 have been progressing efficiently, with satisfactory results.

The company is continuously enhancing its control systems to prevent fraud and irregularities, with ongoing efforts to align its processes and controls with best practices. Furthermore, the company is committed to fostering a culture in which employees can safely raise concerns about poor practices or misconduct.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors of the Company had approved the Policy on Vigil Mechanism/ Whistle Blower to deal with instance of fraud and mismanagement, if any and the same is also available on the website of the Company and can be accessed at <http://ksfe.com/grivance/whistleblower.aspx>

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Corporate Social Responsibility (CSR) activities have been undertaken by the Company in accordance with the CSR Policy of the Company as formulated by the Board of Directors on the recommendation of the CSR Committee in pursuance to Section 135 of the Companies Act. For detailed information regarding CSR Committee, refer the Corporate Governance Report. Further, CSR Annual Report is attached herewith as "Annexure-III", which forms an integral part of this report. The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013. KSFE is committed to the society at large through its CSR initiatives. The Company meticulously took care of its social responsibility and allocated INR 7,30,00,000/- during the financial year 2024-25. The details of the CSR policy, projects and programmes are available on the website of the Company at <https://www.ksfe.com/csr>

AUDIT

STATUTORY AUDIT

M/s.Abraham & Jose., Chartered Accountants, Thrissur were appointed as Central Statutory Auditors for FY 2024-25, by the Comptroller & Auditor General of India (C&AG) for Corporate Office, Auditors of Branches under Thrissur Region and Regional Consolidation of accounts of 16 Regional Offices. They will hold office till conclusion of the ensuing Annual General Meeting.

The Central Statutory Auditors have been paid a total remuneration of INR 15.46 lakhs towards Head Office audit fees, consolidation, tax audit fees and branch audit fees including regional consolidation. The above fees exclude taxes, reimbursement of travelling and out of pocket expenses.

BRANCH/REGIONAL AUDITORS

The following firms of Chartered Accountants were appointed by Comptroller and Auditor General of India as Branches/Regional Auditors for the year 2024-25:

Sl.No	Name of Region	Name of Audit firm
1	Thiruvananthapuram (Urban)	M/s.JRS & Co, Chartered Accountants
2	Thiruvananthapuram (Rural)	M/s.Ananthan & Sundaram, Chartered Accountants
3	Kollam (Urban)	M/s. Dhan & Co., Chartered Accountants
4	Kollam (Rural)	M/s. K. VenkatachalamAiyer& Co., Chartered Accountants
5	Pathanamthitta	M/s. Thomas & Associates, Chartered Accountants
6	Alappuzha	M/s. Elias George & Co., Chartered Accountants
7	Kottayam	M/s. Ayyar& Cherian, Chartered Accountants
8	Kattappana	M/s. Elias George & Co., Chartered Accountants
9	Ernakulam (Urban)	M/s. Sajive Associates, Chartered Accountants
10	Ernakulam (Rural)	M/s. Elias George & Co., Chartered Accountants

11	Palakkad	M/s. Suresh Chandran & Co., Chartered Accountants
12	Malappuram	M/s. AAKK & Associates, Chartered Accountants
13	Kozhikode (Urban)	M/s.SVM Associates, Chartered Accountants
14	Kozhikode (Rural)	M/s. Pavithran & Murali , Chartered Accountants
15	Kannur	M/s. Jacob& George, Chartered Accountants

The fees paid to Branches / Regional Auditors towards audit fees (branch/RO), tax audit fees and regional consolidation was INR 1.21 crores. The above fees exclude applicable taxes, reimbursement of travelling and out of pocket expenses.

SECRETARIAL AUDIT

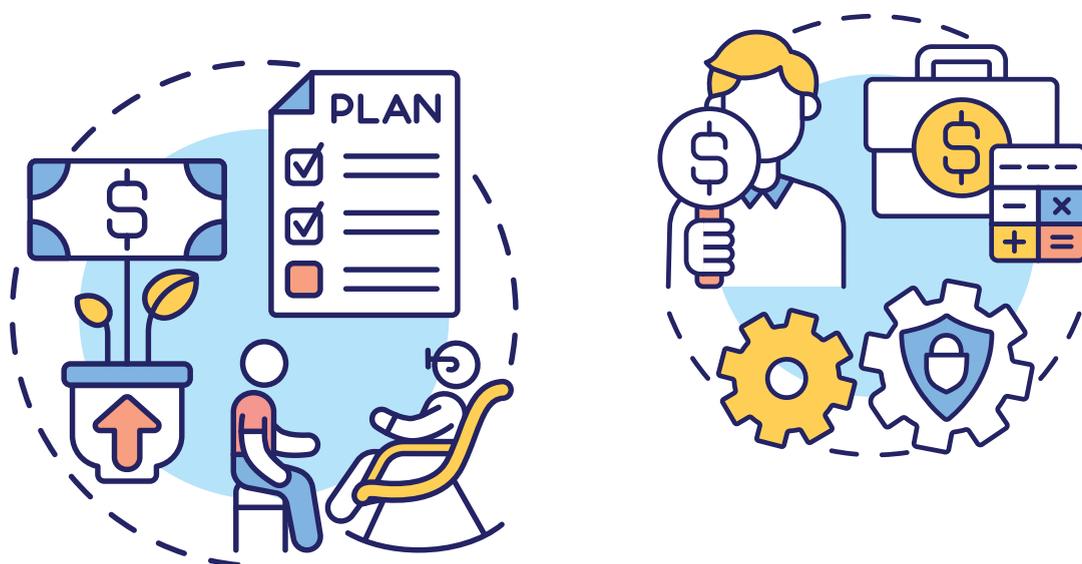
The Board had appointed M/s SMS & CO Company Secretaries LLP, Practicing Company Secretaries, Thrissur, to conduct the Secretarial Audit of the Company to conduct the Secretarial Audit for the financial year ended March 31, 2025. The Secretarial Audit Report as received in the prescribed Form No.MR-3, do not contain qualification, reservation, or adverse remarks. The Secretarial Audit Report for the Financial Year 2024-25 is appended as "Annexure- II" to this report. Management reply to the observations of the Secretarial Auditor is attached as an addendum to Director's report.

AUDITORS' REPORT

Auditors' Report on the annual accounts for the FY 2024-25 is appended to this report. Replies to observations of Statutory Auditors are attached as an addendum to this report.

COMMENTS OF C&AG U/S 143 (6) (b) OF COMPANIES ACT, 2013 ON THE STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED AND STANDALONE FINANCIAL STATEMENTS FOR THE FY 2024-25

The Comptroller & Auditor General of India (C&AG) for the financial year under review had issued a "NIL" comment certificate u/s 143(6)(b) of The Companies Act 2013 for FY 2024-25 and the same is attached 'Annexure- IV'.



NON-APPLICABILITY OF MAINTENANCE OF COST RECORDS

The provisions of Section 148 of the Companies Act, 2013 and rules framed thereunder pertaining to maintenance of cost records as well as cost audit are not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of our knowledge and belief and according to the information and explanations obtained to us, the Directors make the following statements in terms of Section 134 (3) (c) of the Companies Act, 2013:

- (a) In the preparation of the annual accounts for the financial year ended 31st March 2025, the applicable Accounting Standards were followed along with proper explanation relating to material departures, if any;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year 2024-25 and of the profit of the Company for year ended that period.
- (c) 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 Company and for preventing and detecting fraud and other irregularities.
- (d) The Directors had prepared Annual accounts for the financial year ended 31st March, 2025, on a going concern basis
- (e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively and that
- (f) They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

MEETINGS OF THE BOARD

During FY 2024-25, Board of Directors met on eight occasions, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was well within the period prescribed under the Companies Act, 2013.

PREVENTION OF SEXUAL HARASSMENT AT THE WORK PLACE

Ours Company is dedicated to fostering a harmonious workplace environment / culture that promotes fairness, safety, and respectful relationships across all its locations. We are committed to maintaining the dignity of every employee, regardless of gender or position. Any form of discrimination or harassment is strictly prohibited.

The Company has constituted Internal Complaint Committee (ICC) in line with requirement of the provision of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder.

The following is the summary of sexual harassment complaints received and disposed off during the year:

Number of complaints pending as at the beginning of the financial year	2
Number of complaints filed during the financial year	1
Number of complaints pending as at the end of the financial year	1
Nature of action taken by the employer:	Administrative/ disciplinary action taken.

All Employees are covered under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Human Resource

The Company had 9,071 employees as on March 31, 2025. Number of Employees as on the closure of Financial Year 2024-25:

Particulars	Number of Employees
Female	5370
Male	3701
Transgender	0
Total	9,071

During the period under review, the recruitments made to various posts in the Company are given below. They show that KSFE is among the leading recruiters in the State of Kerala, both in terms of the number of appointments made and the quality of the workforce brought into its fold. In addition, the Company boasts of having provided the necessary pathways for women to build illustrious careers, as confirmed by the statistic that the majority of the personnel joining the company are females.

Post	No. Of Appointments Made	Male	Female
Junior Assistant	683	324	359
Office Attendant	435	140	295
Total	1120	465	655

RELATED PARTY TRANSACTIONS

There had been no related party transactions between the Company and the Directors, the Management or the relatives except for those as disclosed in the financial statements. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 does not form part of this report.

Particulars of Loans, Guarantees or Investments

There are no transactions of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

Particulars regarding conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to sub section (3) (m) of section 134 of the companies act, 2013

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo as required to be disclosed under section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, your Company had not engaged in any activity relating to consumption of energy or technology absorption. Your Company has undertaken various initiatives for energy conservation at its premises, though the operations of the Company are not energy sensitive, all attempts are being made to reduce energy consumption to the maximum extent possible. However, the Company follows a practice of purchasing and using energy efficient electrical or electronic equipment and gadgets for its operations. Additionally, optimal use of technology may also lead to substantial conservation of energy. We further report that there were no foreign exchange earnings and outgo during the year.

Secretarial standards of ICSI

The Company is in compliance with the applicable Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India.

Report on Corporate Governance

Company recognizes the importance of good corporate governance. The endeavor of the Company is not only to comply with the regulatory requirements but also to practice good Corporate Governance that lays strong emphasis on integrity, transparency and overall accountability. A separate section on Corporate Governance is annexed to and forms part of this report.

Annual Return

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2025 inform no. MGT-9 is attached separately as Annexure I.

Management Discussion and Analysis Report

Management Discussion and Analysis Report is attached to and forms an integral part of the Report of the Board of Directors.

Regulatory or Court Order:

There have been no significant and material orders passed by the regulators or courts or tribunals impacting Company's going concern status and Company's operations in future.

ADDENDUM TO THE DIRECTORS' REPORT

Company's reply to statutory auditor's aualified opinion in their Report

Point No.	Statutory Auditor's Qualified Opinion	Company's Reply
	<p>1 Recognition of Intangible Asset Recognition of Intangible Asset The Company is conducting chit schemes for Non-Resident Keralites (Pravasi Chitty) through its Digital Business Centre (DBC) located at Thiruvananthapuram. Subscribers to the scheme can participate online using a proprietary application titled Pravasi Chit Software, developed by Kerala Infrastructure Investment Fund Board (KIIFB). This software has been in use by the company since the inception of the Pravasi chit operations from 2018-19.</p> <p>During the year 2024-25, based on an agreement with KIIFB, the company acquired the software for Rs.85.94 crore, payable in three deferred instalments and capitalized Rs.79.38 crore (excluding GST input credit of Rs.6.56 crore) . The amount capitalized include the entire expenditure incurred by KIIFB up to 31.12.2024.</p> <p>However, as the asset has been in use since 2018-19, expenditure likely pertaining to routine maintenance or enhancements, have also been capitalized, despite these seldom meeting the recognition criteria under Ind AS 36 for addition to the carrying amount of an intangible asset.</p> <p>Furthermore, the company has not carried out an impairment assessment in accordance with Ind AS 36, nor recognized any impairment loss</p>	<p>The need for having robust software hardly needs emphasis in any business, more so for a business model like pravasi chitty which is fully dependent on a 24*7 hassle free, dependable and convenient online platform. Various software related to KSFE Pravasi Chitty scheme were developed, supervised and implemented by KIIFB and it may be noted that they had played a pivotal role in ensuring the said software being robust, resilient, dependable and capable of handling adverse conditions without crashing and working fine without any glitches. Considering the aforesaid fact, it was also decided to utilize the expertise of KIIFB for further development, supervision and implementation of pravasi chitty software, based on future requirements.</p> <p>It may be noted that since launch of pravasi chitty scheme, the entire cost incurred towards development of the core software and subsequent enhancement/ modifications thereon along with development of additional modules/ functionalities was borne by KIIFB. During the year under review, as part of asset transfer modality it was decided to take over the pravasi chitty software platform by repaying</p>

in respect of the software.

Due to insufficient details on the nature and classification of the subsequent expenditure, and the absence of an impairment review, we are unable to determine the impact on the following items of financial statements:

- Other Intangible Assets
- Depreciation, Amortization and Impairment
- Other Expenses
- Profit for the Year

We conducted our audit of standalone financial statements in accordance with the Standards of Auditing (SAs) as specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accounts of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics.

the amount expended by KIIFB amounting to Rs 85.94 crores (including GST) towards development and implementation of the same in a phased manner. Further to G.O.(Rt) No 196/2025/FIN dated 07.01.2025, repayment agreement outlining the modalities associated with asset transfer was executed with KIIFB on 29th March 2025 and conditions stipulated therein are being complied with.



REPLY TO OBSERVATIONS OF SECRETARIAL AUDITOR

Point No.

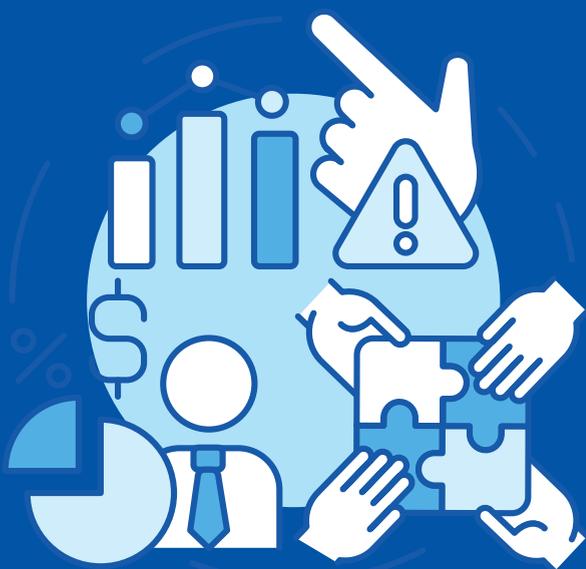
11

Secretarial Auditor's Observations

(a) Based on the Reports of the Auditors as on 31st March 2025, the particulars of various statutory dues which have not been deposited on account of dispute, are as follows;

Name of the statute	Nature of dues	Amount (in lakhs)	Period to which the dispute relates	Forum where dispute is pending
Finance Act, 1994	ServiceTax	0.66	July2012- October 2012 (Appeals)	Commissioner of Central Excise & Customs
		3.64	2012-13to2014-15	
Income Tax Act,1961	IncomeTax	6665.63	AY2020-21	Income Tax Appellate Tribunal, Kochi
Income Tax Act,1961	IncomeTax	1555.00	AY2017-18 Income Tax (Appeals)	Commissioner of
Income Tax Act, 1961	Income Tax	3229.00	AY 2022-23 Tribunal, Kochi	Income Tax Appellate
Income Tax Act,1961	TDS	549.00	Various Assessment Year	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	TDS	1138.10	AY 2008-09 to 2016-17	Assessing Officer
GST, ACT,2017	CGST & SGST	2786.80	FY 2017-18 to 2022-23	Appellate Tribunal
GST, ACT,2017	CGST &SGST	124.22	FY 2020-21	Appellate Tribunal
Kerala Food Cess	Cess	43.96	Aug 2019 to July 2021	Appellate Tribunal
ESI Act	ESI	4061.18	FY 2007-08to 2010-11	ESI Court

ANNUAL REPORT



(b) Based on the Reports of the Auditors as on 31st March 2025 and financials for the financial year 2024-25, no undisputed amounts payable in respect of Goods and Services Tax, provident fund, Employees' State Insurance, income-tax, duty of custom, duty of excise, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

With respect to various statutory dues pending to be deposited as on March 31, 2025. We would like to point out that since the appeal is pending before appropriate authorities, the disputed amount has been shown under the contingent liability head in the financial statement as per the existing provisions.

Secretarial Auditor's Observations

12 It has been observed from the Reports of the Auditors for the FY 2024-25 that the Company has not complied with IND AS 36 issued by the Institute of Chartered Accountants in India to the extent of booking the Pravasi Chitty Software developed by Kerala Infrastructure Investment Fund Board.

Company's Remarks

Reply: Detailed reply provided in the reply to the comments of Statutory Auditor

EXTRACT OF ANNUAL RETURN**FORM NO. MGT 9***As on financial year ended on 31.03.2025**Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014***I. REGISTRATION & OTHER DETAILS:**

1	CIN	U65923KL1969SGC002249
2	Registration Date	06/11/1969
3	Name of the Company	KERALA STATE FINANCIAL ENTERPRISES LIMITED
4	Category/Sub-category of the Company	Company limited by shares / State Government Company
5	Address of the Registered Office & Contact details	P B NO 510, 'BHADRATHA', MUSEUM ROAD THRISSUR - 680020, KERALA STATE. Phone: 0487 – 2332255 Fax: 0487 – 2336232 Web: www.ksfe.com e-mail: cs@ksfe.com
6	Whether listed company	NO
7	Name, Address & Contact details of the Registrar & Transfer Agent, if any. -	N I L -

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)

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service*	% to total turnover of the company
1	Financial Service Activities	64990	100

* As per National Industrial Classification 2008 – Ministry of Statistics and Programme Implementation.

III. **PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the company	CIN/GLN	Holding/ subsidiary/Associate	% of shares held	Applicable Section
1			- NIL -		

IV. **SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

(i) Category-wise Share Holding:-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2024]				No. of Shares held at the end of the year [As on 31-March-2025]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	NIL	9999998	9999998	100	NIL	19999996	19999996	100	100
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other...	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	NIL	9999998	9999998	100	NIL	19999996	19999996	100	100
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = A(1) + A(2)	NIL	9999998	9999998	100	NIL	19999996	19999996	100	100
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
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 ₹ 1 lakh	NIL	2	2	-	NIL	4	4	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	NIL	2	2	-	NIL	4	4	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	NIL	2	2	-	NIL	4	4	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	NIL	10000000	10000000	100	NIL	20000000	20000000	100	100

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during 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	Governor of Kerala	9999998	100	-	19999996	100	-	100

(iii) Change in Promoters' Shareholding:

Sl. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	9999998	100		
	Increase due to allotment - Bonus Shares allotted 28.02.2025	-	-	9999996	100%
	At the end of the year	19999996	100		

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs): - NIL

Sl.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning		Cumulative Shareholding during	
		No. of shares	% of total shares of the company	No. of	% of total shares of the company
	Nil				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	BS Preetha				
	At the beginning of the year	1	0.00001	0	-
	Date wise Increase/Decrease in Shareholding during the year: Bonus Shares Allotted – 28.02.2025			1	0.00001
	At the end of the year	2	0.00001	0	-
2	Manoj K				
	At the beginning of the year	1	0.00001	0	
	Date wise Increase in Shareholding during the year: Bonus Shares Allotted – 28.02.2025	-	-	1	0.00001
	At the end of the year	2	0.00001		

V. INDEBTEDNESS

(Indebtedness of the Company, includes interest outstanding/accrued but not due for payment.)

(Amount in Lacs)

	Secured Loans excluding deposits	Unsecured Deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	₹ 345,323.59	₹ 2,678,074.21	-	₹ 3,023,397.80
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	₹ 345,323.59	₹ 2,678,074.21	-	₹ 3,023,397.80
Change in Indebtedness during the financial year				
* Addition	₹ 2133.00	₹ 519042.26	-	₹ 521175.26
* Reduction	(2870.00)	(279.59)	-	(3149.00)
Net Change	(₹737.00)	₹ 518762.67	-	₹518025.67
Indebtedness at the end of the financial year				
i) Principal Amount	₹ 344,586.59	₹ 31,96,836.88	-	₹ 35,41,423.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	₹ 3,44,586.59	₹ 31,96,836.88	-	₹ 35,41,423.47

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in INR)

Sl. No.	Particulars of Remuneration	K Varadarajan	Sanil SK	Total
1	Gross Salary	₹ 2,40,000/-	₹ 36,49,638/-	₹ 38,89,638/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 - Bonus	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Sitting fee	₹ 37,500/-	-	₹ 37,500/-
	HRA	-	-	-
	Other	₹ 1,73,180/-	₹ 4,76,724/-	₹ 6,49,904/-
	Total (A)	₹ 4,50,680/-	₹ 41,26,362/-	₹ 45,77,042/-
	Ceiling as per the Act	NA	NA	NA

B. Remuneration to other directors:

(Amount in INR)

A. Independent Directors				
SL No	Name	Fee for attending Board / Committee Meetings	Others, please specify	Total
None				
Total (1)				NIL
B. Other Non-Executive Directors				
Sl. No.	Name	Sitting Fees	Others, please specify (Mobile/Travel Allowance, Festival Allowance etc.)	Total
1	Sreedhanya Suresh , IAS	₹ 28,500/-	-	₹ 28,500/-
2	Manoj K	₹ 34,500/-	₹ 17,176 /-	₹ 51,676 /-
3	BS Preetha	₹ 37,500/-	₹ 20,958/-	₹ 58,458/-
4	T Narendran	₹ 31,500/-	₹ 60,857/-	₹ 92,357 /-
5	Dr Sasikumar K	₹ 30,000/-	₹ 58,185 /-	₹ 88,185/-
6	VT Joseph	₹ 9,000/-	₹ 44,224/-	₹ 53,224 /-
7	Adv Govindan Pallikappil	₹ 30,000/-	₹ 44,290/-	₹ 74,290/-
8	Adv MC Raghavan	₹ 49,500/-	₹ 93,660/-	₹ 1,43,160 /-
9	Adv UP Joseph	₹ 31,500/-	₹ 75,389/-	₹ 1,06,889/-
10	R Mohammed Sha	₹ 28,500/-	₹ 71,829/ -	₹ 100,329/-
11	Jennings Jacob	₹ 21,000/-	₹ 28,173 /-	₹ 49,173 /-
Total (2)				₹ 8,46,241 /-
Total (B) = (1 + 2)				₹ 8,46,241/-
Total Managerial Remuneration*				₹ 54,23,283/-
Overall Ceiling as per the Act				N. A.

* Total Managerial Remuneration being A + B

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD : -

Sl. No.	Particulars of Remuneration	SarathChandran S (GM Finance)	Key Managerial Personnel Emil Alex (Company Secretary)	Total
1	Gross salary	₹ 41,00,198/ -	₹ 24,34,672/ -	₹ 65,34,870/-
	(a) Salary as per provisions contained in section 17(1) of the Income -tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others	-	-	#
	Total	₹ 41,00,198/-	₹ 24,34,672/-	₹ 65,34,870/-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding of offences for the year ending 31st March 2025

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					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors,

Date: 14.11.2025

Place: Thrissur

K Varadarajan

Chairman

DIN: 08157496

Dr. Sanil SK

Managing Director i/c

DIN: 09811727

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March 2025
[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

M/s Kerala State Financial Enterprises Limited

CIN: U65923KL1969SGC002249

P B NO 510, Bhadratha Museum Road,

Thrissur – 680 020, Kerala, India

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Kerala State Financial Enterprises Limited (hereinafter called as 'the Company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, forms and returns filed and orders and circulars issued by government and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, and subject to letter annexed herewith, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31 March 2025, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place subject to the reporting made hereinafter.

Opinion

I have examined the books, registers, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31 March 2025, according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Chit Funds Act, 1982 and Kerala Chit Fund Rules 2012.
- III. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; Not applicable to the Company for the year under review;
- IV. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; Not applicable to the Company for the year under review;
- V. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable during the period under review of Overseas Direct

Investment; External Commercial Borrowings - These rules are not applicable to the Company for the year under review;

- VI. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable to the Company for the year under review;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 – Not applicable to the Company for the year under review;
 - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Not applicable to the Company for the year under review;
 - d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – Not applicable to the Company for the year under review;
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not applicable to the Company for the year under review;
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable to the Company for the year under review;
 - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not applicable to the Company for the year under review;
 - h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – Not applicable to the Company for the year under review;
 - i. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 – Not applicable to the Company for the year under review;

I have also examined compliance with the applicable clauses of the following:

- a. Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to Miscellaneous Non-Banking Company which are specifically applicable to the Company.
- b. Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The company is a Miscellaneous Non-Banking Company conducting the business of chit and is regulated by the Taxes(H) Department under Government of Kerala. Hence, the company is exempt from the provisions of section 45-IA of the RBI Act, 1934.

2. As per the information given and on examination of records, the Company from time to time has obtained necessary prior approval from Taxes (H) Department, Ministry of Finance, Government of Kerala for conducting Chits of various denomination.
3. According to the information and explanations given to us and according to the examination of records, repayment of deposits accepted by the company are guaranteed by the Government of Kerala hence outside the purview of Section 73 to 76 of Companies Act,2013.
4. As per the independent Statutory Auditors Report for the year ended 31/03/2025 the Company has disclosed the impact of pending litigations on its financial position and disclosed in its standalone financial statements

5. I further report that:

- a. The Board of Directors of the Company is duly constituted and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - b. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees except in some cases where the meeting was held on a shorter notice. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation in the meeting.
 - c. On verification of minutes, we have not found any dissent/disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried out unanimously.
6. I further report that there are adequate systems and processes in place in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.
 7. Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India is fully complied by the Company during the year under review.
 8. The company held its 55th Annual General Meeting for the financial Year 2023-24 on 03/12/2024 to adopt the Financials of the Company. The Company had taken prior approval from the Registrar of Companies for extension of the AGM for a period of 3 months vide SRN F97637482.
 9. The final dividend paid by the Company during the year in respect of the same declared for the financial year 2023-24 is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. 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.
 10. I further report that Company has transferred unclaimed matured deposits due as on 31st March 2025 amounting to Rs.370015/- to Investor Education and Protection Fund on 17/06/2025, as stipulated under Section 125 of Companies Act, 2013.

11. (a) Based on the Reports of the Auditors as on 31st March 2025 and financials for the financial year 2024-25 the particulars of various statutory dues which have not been deposited on account of dispute, are as follows;

Name of the statute	Nature of dues	Amount (in lakhs)	Period to which the dispute relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	0.66	July 2012 - October 2012	Commissioner of Central Excise & Customs (Appeals)
		3.64	2012 -13 to 2014 -15	
Income Tax Act, 1961	Income Tax	1555.00	AY 2017 -18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	6665.63	AY 2020 -21	Income Tax Appellate Tribunal, Kochi
Income Tax Act, 1961	Income Tax	1348.35	AY 2021 -22	Income Tax Appellate Tribunal, Kochi
Income Tax Act, 1961	Income Tax	3229.00	AY 2022 -23	Income Tax Appellate Tribunal, Kochi
Income Tax Act, 1961	TDS	549.00	Various Assessment Year	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	TDS	1138.10	AY 2008 -09 to 2016 -17	Assessing Officer
GST, ACT, 2017	CGST & SGST	2786.80	FY 2017 - 18 to 2022 -23	Appellate Tribunal
GST, ACT, 2017	CGST & SGST	124.22	FY 2020 -21	Appellate Tribunal
Kerala Food Cess	Cess	43.96	Aug 2019 to July 2021	Appellate Tribunal
ESI Act	ESI	4061.18	FY 2007 -08 to 2010 -11	ESI Court

(b) Based on the Reports of the Auditors as on 31st March 2025 and financials for the financial year 2024-25, no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

12. It has been observed from the Reports of the Auditors for the FY 2024-2025 that the Company has not complied with IND AS 36 issued by the Institute of Chartered Accountants in India to the extent of booking the Pravasi Chitty Software developed by Kerala Infrastructure Investment Fund Board.

13. Alteration of Memorandum of Association and Re statement of Articles of Association:

The Company during the period under audit had Altered clause 34 and 35 of Memorandum of Association in order to comply with the provisions of the Companies Act, 2013. Further Clause III

'The other objects for which the Company is established' was also deleted to comply with the provision of the Act.

I further report that the Company has enhanced its Authorized Share Capital from INR 100 crores to INR 250 crores complying with the provisions of the Companies Act, 2013. The Company during the period of Audit had restated and adopted new set of Articles of Association in order to comply with the provisions of the Companies Act, 2013.

14. **Capitalization of General Reserve of the Company:**

In an Extra Ordinary General Meeting of the Share Holders of the Company held on 29th Day of January, 2025, it has been decided to capitalize the General Reserves of the Company to the extent of Rs.100 crores by way of issue of Bonus Shares of Rs.100/- each to the Share Holders of the Company whose names are appeared on the Register of Members of the Company on the Record Date in the Ratio of 1:1. By the issue of Bonus Shares the paid – up Share Capital of the Company enhanced to Rs. 200 crores. I further report that the Company has complied with the Provisions of the Companies Act 2013 and the applicable Rules while Capitalizing the General Reserves of the Company.

Sd/-

SURESH. M. V

COMPANY SECRETARY IN PRACTICE

SENIOR PARTNER

SMS&CO, COMPANY SECRETARIES, LLP

Membership Number: 9741

Certificate of Practice: 17830

UDIN: F009741G000986541

Date: 12.08.2025

Place: Thrissur

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

To

The Members,

Kerala State Financial Enterprises Limited

CIN: U65923KL1969SGC002249

P B NO 510 Bhadratha Museum Road

Thrissur – 680 020, Kerala, India

My Secretarial Audit Report for Financial Year ended on 31 March 2025 of even date is to be read along with this letter.

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

SURESH. M. V

COMPANY SECRETARY IN PRACTICE

SENIOR PARTNER, SMS&CO, COMPANY SECRETARIES, LL

Membership Number: 9741 Certificate of Practice: 17830,

UDIN: F009741G000986541

Date: 12.08.2025

Place: Thrissur

ANNUAL REPORT ON CSR ACTIVITIES FOR YEAR ENDED 31ST MARCH, 2025**1) Brief outline on CSR Policy of KSFE CSR Policy:**

Corporate Social Responsibility (CSR) is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is both transparent and ethical. KSFE is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 and related Rules. KSFE believes that corporate development has to be inclusive and every corporate is responsible for development of a just and humane society that can build a national enterprise. KSFE commits itself to contribute to the society in ways possible for the organization and has set up its core CSR team, as a means for fulfilling this commitment. The CSR Policy of the Company can be accessed in the Company's website "www.ksfe.com" under Media.

2) Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Sri. K Varadarajan	Chairperson, Non -independent Director	02	02
2	Dr Sanil SK	Member, Managing Director	02	02
3	Adv. MC Raghavan	Member	02	02
4	Adv. Govindan Pallikappil	Member	02	00
5	Sri. T Narendran	Member	02	02
6	Sri. Jennings Jacob	Member	02	02

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

The average CSR obligation in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years is less than ₹ 10 Crores and hence impact assessment is not applicable.

4) Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are - disclosed on the website of the company:

Composition of CSR Committee	https://ksfe.com/csr/
CSR Policy	https://ksfe.com/csr-policy?category=mandatory-disclosure
CSR projects	https://ksfe.com/csr/

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

Sl. No.	Financial Year	Amount available for set -off from preceding financial years (in INR)	Amount required to be set -off for the financial year, if any (in INR)
1	2021 -22	Nil	Nil
2	2022 -23	Nil	Nil
3	2023 -24	Nil	Nil
	Total	Nil	Nil

6) Average net profit of the company as per section 135(5) : ₹ 364,94,00,000/-

7) (a) Two percent of average net profit of the company as per section 135(5) : ₹ 7,30,00,000/-

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

(c) Amount required to be set off for the financial year, if any : ₹ 3,000/-

(d) Total CSR obligation for the financial year (7a+7b-7c)- : ₹ 7,29,97,000/-

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

Total Amount Spent for the Financial Year. (in ₹ crs)	Amount Unspent (in ₹ Crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
0.29	7.01	30.04.2025	-	-	-

(b) Details of CSR amount spent against on -going / other projects for the financial year:

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount allocated for the project (in ₹).	(7) Amount spent in the current financial Year (in ₹).	(8) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	(9) Mode of Implementation - Direct (Yes/No).	(10) Mode of Implementation - Through Implementing Agency	
				State.	District.					Name	CSR Registration number.
1.	Purchase of Ambulance for the use of Acts Vadanapally Thrissur	Healthcare	Yes	Kerala	Thrissur	2000000		2000000	No	Acts Vadanapally	CSR 00090584
2	Additional fund for Building class rooms for the Use of GHSS Ravaneswaram Backel	Education	No	Kerala	Kasargode	1000000		1000000	Yes		
3	Fund for Computer Lab for the use of GHSS Mananthana Kannur	Education	No	Kerala	Kannur	300000		300000	Yes		
4	Purchase of Ambulance for the use of Pain & Palliative Care Trust Kollam	Healthcare	No	Kerala	Kollam	1200000		1200000	No	Pain & Palliative Care Trust Kollam	CSR 00022893
5	Purchase of Ambulance & Physiotherapy centre Kaniv Pain & Palliative Care Angamaly	Healthcare	No	Kerala	Ernakulam	1200000		1200000			
6	Fund used for building Cooled down Room and Smart class room for the use of Association for Mentally Handicapped adults Elthuruth Thrissur	Education	Yes	Kerala	Thrissur	2000000		2000000	No	Association for Mentally Handicapped adults Elthuruth	CSR 00017917
7	Fund for purchasing essential medical equipments for the use of K Karunagaran Smaraka Community health centre Mala	Healthcare	Yes	Kerala	Thrissur	1100000		1100000	Yes		
8	Fund used for constructing dining hall and kitchen for Bedridden patients for the use of EMS Charitable Society Konni	Measures to reduce the inequalities faced by socially and economically backward groups	No	Kerala	Pathanamthitta	2000000		2000000	No	EMS Charitable Society Konni	CSR00046769
9	Fund used for purchasing sports equipments for the use of	Sports	No	Kerala	Pathanamthitta	175000		175000	No	Samagra Shiksha Keralam Pathanamthitta	CSR00092157

	Samagra Shiksha Keralam Pathanamthitta									
10	Purchase of School bus for the use of St. Joseph UP School Koovappally	Education	No	Kerala	Kottayam	2300000		2300000	Yes	
11	Fund for Water Purifier for the use of CNN BHS Cherpu Thrissur	Making available safe drinking water	Yes	Kerala	Thrissur	55000		55000	Yes	
12	Fund used for renovating community hall in three villages Muzhuppilangadi, Kadamboor & Anjarakandy)	Livelihood enhancement	No	Kerala	Kannur	6000000		6000000	No	District panchayath Kannur CSR00015937
13	Fund for Cot, Walkers, Water Bed ,Air Bed Diapers for the use of Kaniv, Charitable society Chalakudy Thrissur	Healthcare	Yes	Kerala	Thrissur	1000000		1000000	Yes	
14	Fund used for construction of roof over the playground for the use of Sanjoe Pratheeksha Bhavan Thondimmal, Mukkam Kozhikode	Education	No	Kerala	Kozhikode	2500000	2500000	2500000	No	Sanjoe Pratheeksha Bhavan CSR00025028
15	Fund for renovating computer lab and for purchasing Inverters and required furniture of computer lab for the use of Madhusoodan Thangal Smaraka Govt,UP School, Maltannur	Education	No	Kerala	Kannur	2500000			Yes	
16	Fund for 25 tables covered by steel sheets and wooden chair for the use of Govt. UP School, Nandipulam Thrissur	Education	Yes	Kerala	Thrissur	150000		150000	Yes	
17	Fund for renovation for Library for the use of Njana Prakashini Vayanasala Kottayam	Setting up Public Library	No	Kerala	Kottayam	1000000		1000000	Yes	
18	Fund for preparing work station and purchasing study materials for the use of	Livelihood enhancement	No	Kerala	Pathanamthitta	800000		800000	Yes	

	Ranni Knowledge Village										
19	Purchase of vehicles for the use of Gandhibhavan Parippally	Healthcare	No	Kerala	Kollam	1000000		1000000	No	Gandhibhavan Parippally	CSR0009058
20	Purchase of Ambulance & Scooter for mobile ambulance for the use of O Madhavan Foundation Kollam	Healthcare	No	Kerala	Kollam	1000000		1000000	Yes		
21	Fund for building basket ball court St.Anne's CGHS,West Fort Thrissur	Sports	Yes	Kerala	Thrissur	750000		750000	Yes		
22	Fund for drinking water facility for the use of Govt LP school Cheripadi Kasargode	Making available safe drinking water	No	Kerala	Kasargode	50000		50000	Yes		
23	Purchase of 13 seater Force Traveller for the use of Kerala State Chalachitra Academy	Protection of art & culture	No	Kerala	Thiruvananthapuram	2095000		2095000	No		CSR00093610
24	Purchase of Mini Van for the use of Travancore Devaswom Pensioners Welfare Co-Op Society, Koyipuzha Trivandram	Measures for reducing inequalities faced by socially and economically backward groups	No	Kerala	Thiruvananthapuram	2305370		2305370	Yes		
25	Fund for Multi generational Community centre Dharmodom	Measures to reduce the inequalities faced by socially and economically backward groups	No	Kerala	Kannur	6000000		6000000	Yes		
26	Fund for fellowship for two students of School of Drama & Fine Arts	Education	Yes	Kerala	Thrissur	240000		240000	Yes		
27	Fund for Interactive Intelligent Panel (smart board)along with one digital copier for the use of Regional Cancer centre TVM	Education	No	Kerala	Thiruvananthapuram	343050		343050	Yes		CSR00017970
28	Fund for Sewage Treatment plant for the use of Mar Thoma Episcopal Silver Jubilee Memorial Jubilee Mandhiram	Measures for reducing inequalities faced by socially and economically backward groups	No	Kerala	Kollam	2982450		2982450	Yes		
29	Fund for	Setting up	No	Kerala	Alappuzha	260000		260000	Yes		

	furniture for library for the use of St. Augustine Higher Secondary School, Aroor P.O	public library									
30	Fund for Visual room for the use of Dr.john Mathai Centre Arnattukara	Education	No	Kerala	Thrissur	1345200		1345200	Yes		
31	Additional fund for purchase of Ambulance for the use of MA Ashraf Charitable Society	Healthcare	No	Kerala	Thiruvananthapuram	402840	402840		Yes		
32	Fund for centralised Medical Suction system for the use of Sree Avittom Thirunal HospitalHealth Education Society, Thiruvananthapuram	Healthcare	No	Kerala	Thiruvananthapuram	1123950		1123950	No	Sree Avittom Thirunal HospitalHealth Education Society, Thiruvananthapuram	CSR00068522
33	Fund for Dialysis Medicines for the use of IRPC Kannur	Healthcare	No	Kerala	Kannur	2500000		2500000	No	IRPC Kannur	CSR00046313
34	Fund for Auditorium ceiling for the use of Kadappakada Sports Club ,Trivandram	Education	No	Kerala	Thiruvananthapuram	1500000		1500000	No	KadappakadaSports Club ,Trivandram	CSR00032543
35	Purchase of College Bus 38 seater for the use of Institute of Nursing Education, Kanjirapilly	Education	No	Kerala	Kottayam	1500000		1500000	Yes		
36	Purchase of School Bus for the use of Assisi School (For Special Children) Kattappana	Education	No	Kerala	Idukki	2000000		2000000	No	Assisi School	CSR00084934
37	Purchase of School Bus for the use of BUDS School, Vathykudi Panchayath	Education	No	Kerala	Idukki	2000000		2000000	No		CSR00095156
38	Purchase of vehicle for the use of Vehicle BUDS School Payyavoor Panchayath	Education	No	Kerala	Kannur	1700000		1700000	Yes		
39	Purchase of Ambulance for the use of Jeevanam Rehabilitation centre Ezhukone, Kollam	Healthcare	No	Kerala	Kollam	2000000		2000000	Yes		
40	Purchase of Ambulance for the use of Kulakkada, Kollam PHC	Healthcare	No	Kerala	Kollam	2000000		2000000	Yes		

41	Fund used for Conserving Nature Green Project By adopting 2-3 Towns in Kottarakara		No	Kerala	Kollam	4000000		4000000	Yes		
42	Fund for Purchasing Chairs for Seminar Hall for the use of Vikas, Kala Samskarika Samithi Bharanikkavu, Mukundapuram	Education	No	Kerala	Thrissur	200000		200000	No	Vikas, Kala Samskarika Samithi	CSR00093792
43	Fund for purchasing furniture for Library for the use of Navodayam grandhsala Neeravil, Perinad, Kollam	Setting up public library	No	Kerala	Kollam	700000		700000	Yes		
44	Fund used for Water Filtration Unit for the use of SS Samithi Abhayakendaram, Kollam	Measures to reduce the inequalities faced by socially and economically backward groups	No	Kerala	Kollam	1300000		1300000	No	SS Samithi Abhayakendaram,	CSR00001045
45	Fund used for Baby Care Centre (Breast Feeding Centre) at Kollam & Thrissur	Women empowerment	Yes	Kerala	Thrissur	200000		200000	Yes		
46	Fund used for Installation of Solar Lamps in important locations for the use Bhoothakulam Gramapanchayath, Kollam	Livelihood enhancement projects	No	Kerala	Kollam	1000000		1000000	Yes		
47	Fund for Dining Hall for the use of New Malabar punaradivasa Kendram Charitable Trust, Kasargode	Measures to reduce the inequalities faced by socially and economically backward groups	No	Kerala	Kasargode	2000000		2000000	No	New Malabar punaradivasa Kendram	CSR000053699
48	Purchase of School Bus for the use of Govt UP School, Nedyana Kannur	Education	No	Kerala	Kannur	1000000		1000000	Yes		
49	Fund for Waiting Shed for the use of West Kallada Gramapanchayath, Kollam	Livelihood enhancement projects	No	Kerala	Kollam	300000		300000	No		CSR00091706
						₹ 73077860	₹ 2902840	₹ 70175020			

c) Amount spent in Administrative Overheads:

NIL

(d) Amount spent on Impact Assessment, if applicable:

NIL

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

₹ 7,30,77,860/-

(f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	7,29,97,000/-
(ii)	Total amount spent for the Financial Year	7,30,77,860/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	77,860/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	80,860/-

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

Sl. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer.	
1	2021-22	2974994	2974994	-	-	-	0
2	2022-23	5364800	2364800	-	-	-	30,00,000/-
3	2023-24	31053520	22454968	-	-	-	85,98,552/-

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

SL.NO.	Beneficiary	Allotted Amount	Project	Date of Transfer
<u>FY 2021-22</u>				
1	Pazhasi Charitable Society, Kalpetta, Wayanad	1974994	Hostel for Tribal Senior Citizen	15.07.2024 29.03.2025
2	MVR Snake Park & Zoo, Parassinikadavu, Kannur	100000!	Renovating King Cobra Enclosure and breeding programme / Construction of Nocturnal House	13.03.2025 28.03.2025
	Total	29,74,994/-		
<u>FY 2022-23</u>				
1	Govt Taluk Hospital ,Needakara	1164800	2 Nos. of Dialysis Machine!	18.06.2024
2	MA Ashraf Charitable Society	1200000	Purchase of ambulance	28.02.2025
	Total	23,64,800/-		
<u>FY 2023-24</u>				
1	Kerala Federation of the Blind Rehabilitation centre	1328500"	To purchase equipment as part of modernisation	10.12.2024 15.02.2025
2	Govt General Hospital ,Kanjirappally	1486800"	Fund for installation of solar panel	13.11.2024
3	Kasargode Medical College	2134000"	Purchase of ambulance	18.01.2025
4	Together for Thrissur	553500"	Fund for uplifting 164 families Under Thrissur corporation from poverty by distributing food kits	27.06.2024 27.11.2024
5	Govt UP School Kadakkal	200000	Purchase of furniture	05.07.2024
6	PR Balan Master Memorial Charitable Society, Irinjalakuda	1700000	Purchase of Ambulance for the use of	13.11.2024 22.11.2024 20.12.2024
7	Government UP School Kollam	1000000	Fund used for construct Shed for Assembly	05.09.2024 23.09.2024 30.09.2024 14.10.2024

9	Pain and Palliative Care, Thrissur	1259888	Fund for medicines for renal patients	13.08.2024 21.10.2024 16.12.2024 27.02.2025
10	IRPC Kannur	2500000	Fund for medicines for renal patients	12.07.2024 14.11.2024 27.01.2025
11	Cherthala Taluk Hospital	684846	Purchase of Eeco Car	18.06.2024
12	St. Paul's HSS, Valiyakumaramangalam, Moonilavu, Kottayam	2000000	Purchase of school bus	19.02.2025
13	Sree Avittom Thirunal Hospital ,TVM	3158000	Purchase of Ambulance	18.06.2024 20.07.2024
14	Kollam Muncipal Corporation	2014137	Purchasing mini bus	19.12.2024
15	Govt LPS Arukalickal, Vayala PO, Pathanamthitta	99500	Purchasing wall fans	05.07.2024
16	SMT Govt. Higher Secondary school ,Chelakkara Thrissur	1243546	Fund used purchasing ,Lab Stools, Grill shutter, Computer Table, Instructor Chair, Electrification Tube Light	27.01.2025
17	GHSS Kuzhimathicad, Kollam	95043	Language Laboratory	25.07.2024 30.08.2024
18	GHSS Muttara Kollam	95043	Language Laboratory	25.07.2024 30.08.2024
19	GHSS Kulakada Kollam	25000	Language Laboratory	30.08.2024
20	GHSS Kottarakara, Kollam	25000	Language Laboratory	30.08.2024
21	GPVHSS Perumkulam, Kollam	25000	Language Laboratory	30.08.2024
22	Additional Fund to Govt Taluk Hospital ,Needakara	225200	2 Nos. of Dialysis Machine!	18.06.2024
23	Jawahar Balabhavan , Thrissur	452400	Desktop Computers	31.01.2024
	Total	2,24,54,968/-		

In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

- (a) Date of creation or acquisition of the capital asset(s): NA
(b) Amount of CSR spent for creation or acquisition of capital asset: NA
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NA
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NA
11) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135 (5): NA

Company's CSR mission is to contribute to the social and economic welfare of the people of the State. The Company had spent a sum of ₹ 7,30,77860/- (100.11%) this year towards CSR as per section 135 of the Companies Act, 2013. Your Company is committed to increase its CSR impact by selecting projects that have long term sustainability and are socially relevant. Through these CSR spent, KSFE was able to touch the lives of many.

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors,

Date: 14.11.2025
Place: Thrissur

K Varadarajan
Chairman
DIN: 08157496

Dr. Sanil SK
Managing Director i/c
DIN: 09811727





**OFFICE OF THE ACCOUNTANT GENERAL (AUDIT-I1)
KERALA, THIRUVANANTHAPURAM**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF
THE KERALA STATE FINANCIAL ENTERPRISES LIMITED FOR THE YEAR ENDED 31 MARCH 2025.**

The preparation of financial statements of The Kerala State Financial Enterprises Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 July 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of The Kerala State Financial Enterprises Limited for the year ended 31 March 2025 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of
The Comptroller and Auditor General of India

VISHNUKANTHPB

ACCOUNTANT GENERAL (AUDIT-I) KERALA

Thiruvananthapuram

Dated: 24.09.2025

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

KSFE LIMITED – AN OVERVIEW

Kerala State Financial Enterprises Limited (KSFE) is a leading Miscellaneous Non-Banking Company (MNBC) catering to the financial needs of lower and middle socio-economic classes in rural and semi-urban Kerala, as well as NRIs/NRNs. The Company primarily focuses on its chitty business while offering other financial services like personal loans, housing loans, vehicle loans, and term deposits. As one of Kerala's highest profit-making PSUs, KSFE maintains its market leadership in the chitty sector. The Company has grown significantly in value and volume, consolidating its position as a leading MNBC in the country and market leader in chitty business in Kerala and India. With a mission to transform the economic lives of the marginalized and ensure inclusive growth, KSFE has achieved remarkable growth over five decades, expanding its portfolios in personal loans, gold loans, housing loans, and more, while leveraging its strong brand name.

ECONOMIC REVIEW

India's economy continues to show robust growth, largely driven by the expansion of the manufacturing sector, the strength of the service sector and policy reforms, all contributing to maintaining this momentum. In FY25, the Indian economy demonstrated strong resilience and steady momentum, even as global uncertainties and geopolitical tensions cast a shadow over the broader economic landscape. Anchored by robust domestic fundamentals, consistent policy support, and long-term structural reforms, India retained its position as one of the world's fastest-growing major economies.

India's real GDP growth for the year stood at an estimated 6.5%, with widespread contributions from consumption, investment, and government spending. Growth remained broad-based, with sectors like construction, trade, and financial services continuing to perform well. This was largely driven by ongoing infrastructure development, steady urban demand, and sustained credit flow to both households and businesses.

India's financial services industry is rapidly evolving, driven by economic growth, rising incomes, and digital adoption. It spans a wide spectrum - from banks and NBFCs to insurance, mutual funds, and fin-techs. Government and the RBI are constantly crafting policy initiatives to ensure that the ecosystem continues to grow, while protecting the interests of all stakeholders. Continued policy support and growing financial literacy are also expected to expand the industry's reach and customer base, reinforcing its role in inclusive economic development.

Indian banking and financial sectors have experienced a remarkable transformation, primarily

driven by the processes, we call digitization. The surges in digital platforms, mobile banking apps, and online services have reshaped the traditional banking landscape, offering consumers increased transparency, security, and efficiency in financial transactions. As the Government pushes for a cashless economy through initiatives like the Unified Payments Interface (UPI), digital wallets, and contactless payments, India has witnessed a fundamental shift towards digital payment systems. This shift has not only streamlined daily transactions but has fostered greater security and convenience for consumers, opening new growth avenues within the financial sector.

Among the various technological innovations, Artificial Intelligence (AI) and Machine Learning (ML) have emerged as pivotal enablers of this transformation. These technologies have revolutionized the way financial institutions interact with their customers by offering personalized solutions and enhancing fraud detection and risk management capabilities. AI-powered chat bots, for instance, have become an essential tool for providing 24/7 customer support, significantly reducing wait times and ensuring superior service delivery.

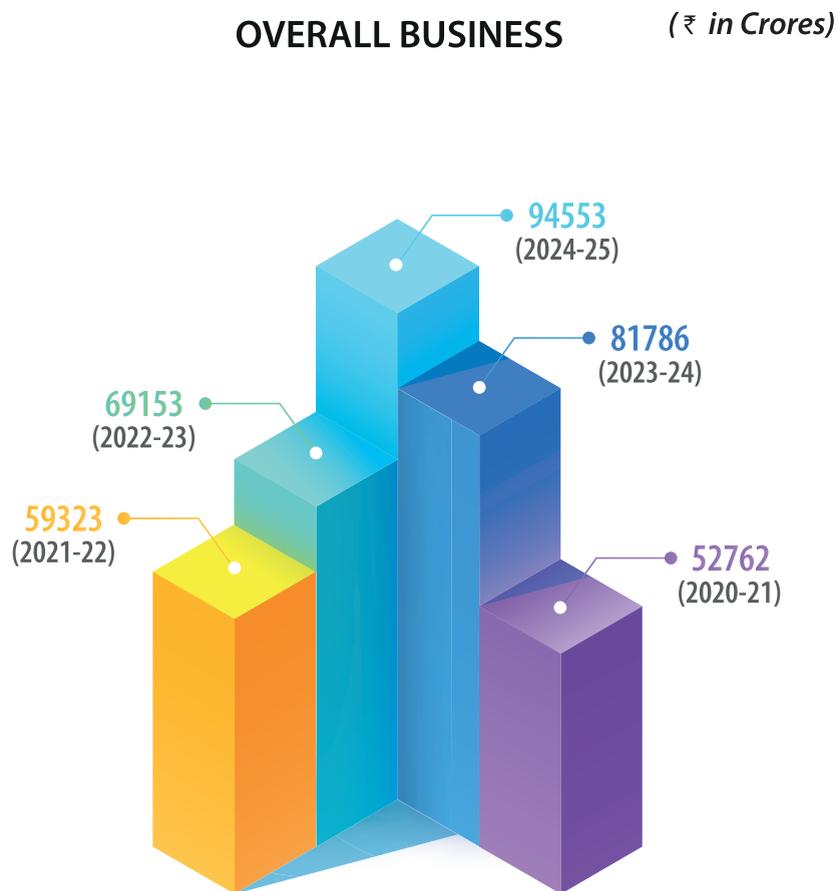
In alignment with the growing digital trend, KSFE has embraced innovation to remain at the forefront of the State's financial ecosystem. Through the introduction of products like the Power App, Agent App and Smart Gold OD, KSFE has demonstrated its commitment to digital transformation. However, recognizing the limitations of its existing software, KSFE has proposed the development of a new, advanced software solution to address scalability, security, and performance issues. The new system is designed to enhance user experience with features such as an online auction platform for increased transparency and a centralized chit registration process for streamlining chit business operations. The proposed software upgrade represents not just a technical enhancement, but a quantum leap towards strengthening KSFE's position in Kerala's highly competitive financial services market. By leveraging cutting-edge technology, KSFE aims to meet the evolving needs of its customer base while staying competitive in the increasingly digital financial landscape.

Furthermore, the Reserve Bank of India's recent reduction in the Cash Reserve Ratio (CRR) from 4.5% to 4% may have significant implications for the broader financial ecosystem. With banks now holding surplus funds of approximately 1.16 lakh crore rupees, there will be a likely shift in focus from public deposits to other forms of financial products. This liquidity boost is expected to benefit deposit-based businesses like that in KSFE, creating an environment conducive to increased consumer confidence and investment in its products. As a result, KSFE's ambitious target of achieving a turnover of one lakh crore rupees by 2025 is becoming more attainable. With a robust digital strategy and a future-seeking approach, KSFE is well-positioned to continue contributing towards financial growth of Kerala as a leading PSU of the State.

Review of Company's Financial Performance

The overall business achieved during FY 2024-25 was ₹ 94553 Crores as against the business volume of FY 2023-24 amounting to ₹ 81571 Crores representing growth of 15.91%. Chitty business achieved during FY 2024-25 was ₹ 44287 crores (including Pravasi Chitty) as against ₹ 40783 crores of 2023-24 signifying growth of 8.6%. The total sala of Chitties conducted during the period 2024-25 rose to ₹ 3890 crores as against ₹ 3579 crores at the end of the previous year. Total number of subscribers also increased to 2715000 during 2024-25 from 2635000 at the end of the previous year. Advances amounting to ₹ 17814 crores were disbursed and Deposit business to the tune of ₹ 30092 crores were mobilised during the year 2024-25 as against the advance and deposit business of ₹13420 crores and ₹ 25245 crores respectively for FY 2023-24, representing a growth of 33% for loans and 19.20% for deposits. For the FY 2024-25 the Company posted a profit after tax of ₹ 375.50 crores as against ₹404.10 crores during the previous year. The Gross income registered an increase of 9.89% to ₹5555 crores as against ₹ 5055 crores of previous years. The earnings per share stood at ₹187.75. During 2024-25 the Company intends to further strengthen the basic tenets of appropriate Asset Liability Management (ALM) policy, for managing its deposit & advances portfolio. The Company has already requested the Government for suitably increasing guarantee coverage limit. Focus would be given to broaden the spectrum of low-cost fund, such as Sugama Deposits. Students' deposit is also envisaged.

Business Growth over the Years:



ANNUAL REPORT



Chitty Business:

The Company plans to continue its branded chitty campaigns with attractive prize schemes and value additions during the current financial year. The specifics of the prize schemes and value additions will be determined later, taking into account market trends and preferences. Priority will be given to monthly chitties with subscriptions of INR 1 lakh or less to minimize defaults.

Advance Business:

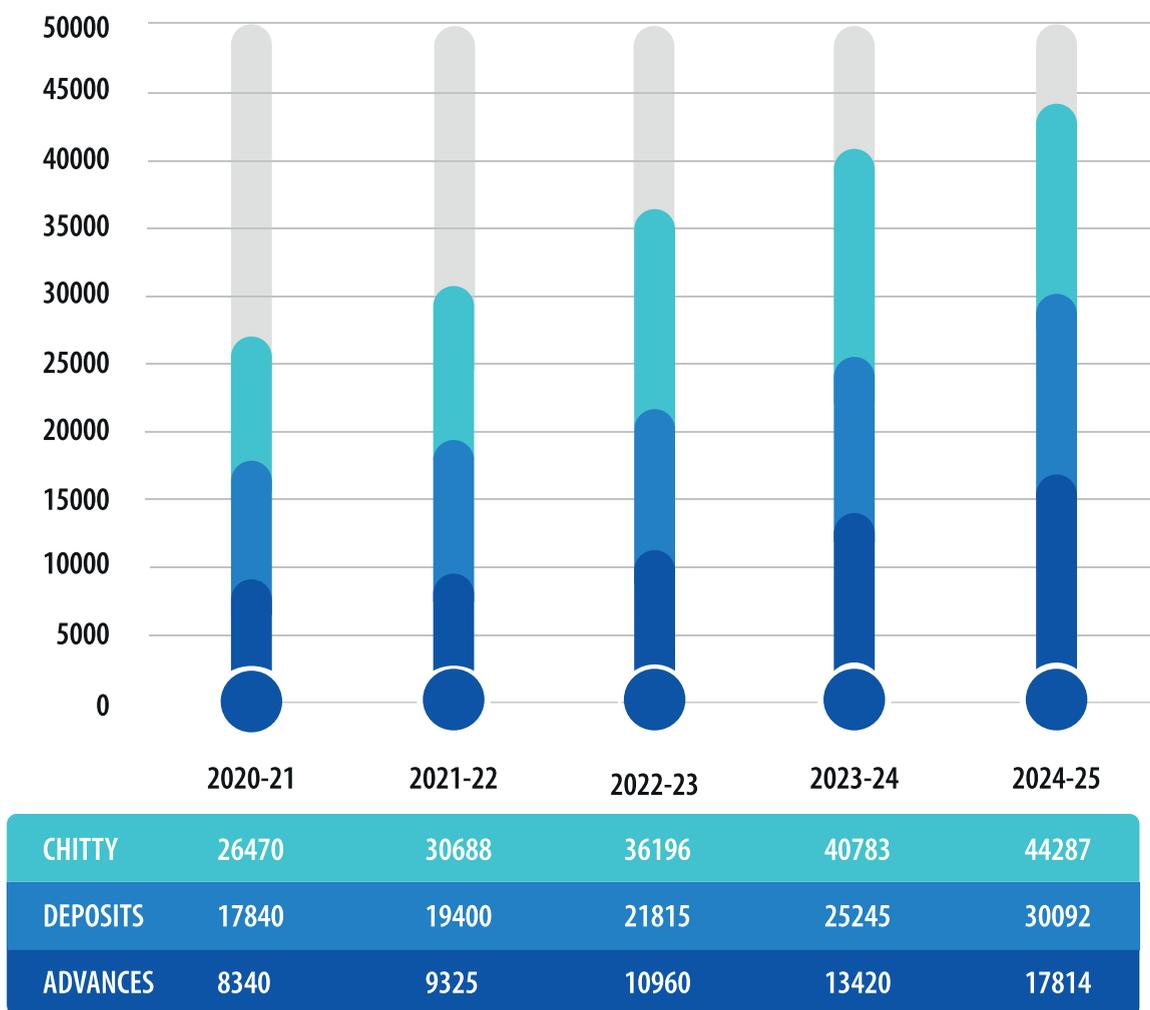
The changes and modifications introduced this year have laid a strong foundation for substantial growth in its advances portfolio. Looking ahead, the Company plans to enhance its chitty-based loan schemes, gold loan, and housing finance offerings. It intends to revamp its lending schemes by introducing more attractive options that cater to both the weaker sections of society and the affluent class. Company continued its strong momentum in the gold loan segment, registering a robust Year-on-Year growth of 21% at a healthy yield of 10%. This performance underscores Company's unwavering focus on innovation, customer-centricity, and channel diversification.

Deposit Business:

As of March 31, 2025, our deposit portfolio witnessed significant growth. Fixed Term Deposits under Government Guarantee increased by 26% to ₹20,200 crores from 16,030 crores in the previous year. Sugama Deposits stood at ₹1,296 crores, up from ₹1,230 crores, while Short-term Deposits rose to ₹456 crores from ₹400 crores. This growth underscores our strengthened financial position and enhanced customer trust.

(₹ in Crores)

GROWTH OF CORE BUSINESSES – CHITTY, ADVANCES & DEPOSITS



KIIFB Bonds

Reserve Bank of India vide notification date 02.03.2015 published in the Gazette of India dated 13.04.2015 had amended provisions of FEMA permitting NRI's to join chit by making subscription through banking channel and on non-repatriation basis. Digital Business Centre of the Company is entrusted with the conduct of Pravasi Chits meant for NRK's. The fund mobilized under Pravasi Chits Scheme of Company gets utilized for various developmental initiatives under taken by KIIFB. We have been investing substantial amount of KIIFB Bonds as stated below:-



Opportunities and Threats

Company is subjected to both external risk and internal risk. External risk primarily arises due to interest rate fluctuation, slowdown in economic growth rate, political instability, market volatility, decline in foreign exchange reserves etc. Internal risk is associated with your company's business which includes retention of talented personnel, managing effective growth rate, volatility in interest rate, NPAs in portfolio, changes in compliance norms and regulations, contingent liabilities and other legal proceedings. Your Company recognizes the importance of risk management and has invested in people, process and technologies to effectively mitigate the above risks.

The advantages of Chitty Business arising to the Company are (1) reputation and brand image of the Company as the market leader for its chitty products and (2) financial backbone of the Company by helping to contribute significantly. Threats of working in the MNBC sector includes significant reliance on information technology systems, dependence on information provided by our borrowers, operational risks such as rising NPA's, fraud, misappropriation and embezzlement in course of collections.

Internal Control Systems and their adequacy

Our audit process conducts an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis to ensure that business units adhere to our policies, compliance requirements and internal guidelines. We maintain an internal control framework which we view as an essential prerequisite for the growth of business. We have well-documented policies, procedures and authorization guidelines that are commensurate with our size.

The system encompasses continuous monitoring and evaluation of financial and operational processes to ensure their effectiveness and adequacy. Key elements include transaction-level checks, robust data backup mechanisms, and well-defined contingency plans to maintain business continuity.

Internal Audit Department of the Company, reviews various compliances with the Company's procedures & policies. The department coordinates with the Unit/Divisions of the Company for ensuring coverage of all major areas of operations and such internal financial controls with reference to Financial Statements are adequate.

Human Resources and the Infrastructure development

KSFE Ltd. boasts a well equipped, flexible, and dynamic workforce that excels in meeting the demands of the modern business world. The Human Resources department fosters a conducive work environment through timely interventions, robust policies and innovative management practices, enabling professionals to grow into future industry leaders. KSFE's work culture, admired by corporations globally, emphasizes work ethic and productivity. The HR department regularly rationalizes work processes with employee participation, driving efficiency and customer satisfaction. Additionally, periodic digitization initiatives have enhanced the work environment, leading to increased employee and customer satisfaction.

The company has appointed Cochin University of Science and Technology (CUSAT) to conduct a staff-norms study, further strengthening its HR framework.

KSFE Ltd. has successfully attracted and recruited highly talented professionals in recent years, reflecting its appeal as a desirable workplace for building a prosperous career. The intense competition for appointments across various roles, from top-level executives to clerical and attendant positions, testifies to KSFE's reputation as a top destination for talent. The Company's recruitment statistics highlight its position as a leading recruiter in Kerala and India, both in terms of quantity and quality of workforce. Notably, KSFE has provided opportunities for women to build illustrious careers, with a majority of new professionals joining the company being female. During the period, The Company recruited 1120 personnel, with 655 being women, accounting for approximately 58.5% of the total recruits.

As of March 31, 2025, KSFE Ltd. has 9071 employees with a gender ratio of 60:40, meaning - 60% female employees and 40% male employees.

Training and Development

KSFE prioritizes workforce development to drive company growth, focusing on enhancing employee competencies through partnerships with reputable institutions like the Institute of Management in Government and Indian Institute of Management. The company provides timely training to employees at all levels, keeping them updated on industry trends and equipping them to tackle challenges. The training approach is proactive, participative, and tailored to employee needs, covering areas like marketing, HR, digital business, and technology. KSFE also emphasizes succession planning, preparing members for leadership roles and encouraging further qualifications. The organization's primary goal is to build a strong, cohesive team that maintains a spirit of cooperation and teamwork, contributing to its success. Additionally, the consolidated training analytics, which are given below, testifies our claim to be one of the top destinations for career development.

Consolidated Training Analytics (FY 2024–25)

Target Group	Training Programme	Batches	Participants
Junior Assistants	Residential Training (3 days) in collaboration with IMG	8	298
Senior Assistants	Residential Training (4 days) in collaboration with IMG	13	479
Assistant Managers (Out of 38 planned batches, 2 conducted in FY 2024–25)	Residential Training 'Empower to Excel' (3 days)	2	69
AMs (Promoted Managers)	Residential Training 'Skilling Tomorrow's Managers' (3 days)	2	69
Total		25	914

Promotion Policy & Promotion Tests

KSFE expects its workforce to be ready to take up responsibility of leading the Company in this very dynamic, challenging and opportunity laden contemporary scenario while being prepared for future business ecosystems. In pursuance of this, the company has a promotion policy which values both performance and experience in the relevant field. Time-based grade promotions and vacancy-based cadre promotions are effected for the career progression of employees, where they are motivated to contribute further according to their refined skills for the benefit of the company.

Thus, to assess the ability of the workforce to take up future decision-making roles, performance appraisals are recorded and promotion tests are conducted with a state-of-the-art syllabus, evaluating the suitability of professionals with respect to the skills that their future roles expect them to be in possession of. The organisation is very elated by the performance of its employees in these highly difficult tests where three fourth of the test takers qualified to be entrusted with key responsibilities for the company's growth. During the year, the Company appointed an agency, M/s Ajimo Consultancy, for drafting a promotion policy. This serves as undeniable proof of the effectiveness of the programmes conducted by the Human Resources Department, which has equipped KSFE with a pool of talent to rely on in the coming years.

The Compassionate Organisation

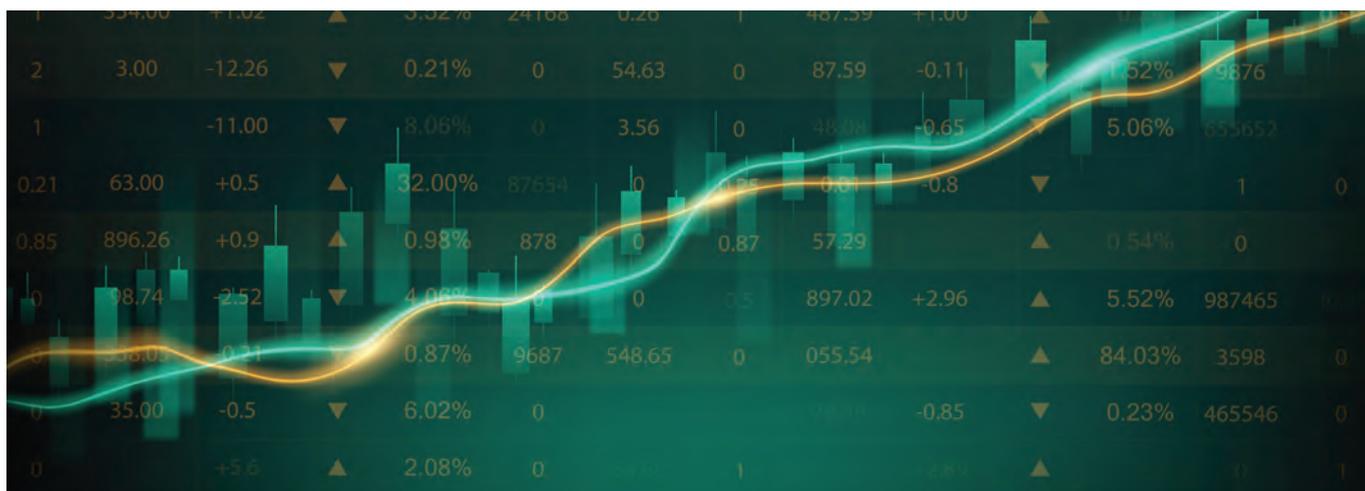
Our employees retired before 31.07.2007 are getting meagre pension as low as INR 5000/- as per EPS-95 scheme. Company introduced a scheme wherein all employees who retired prior to 31.07.2007 should receive at least ₹5000/- as monthly pension. If EPS pension is less than INR 5000/-, the shortfall will be compensated by KSFE. The scheme was implemented from April 2020 and accordingly Company disbursed ₹ 62,90,548/- for FY 2024-25.

Caution

Statements made in the Management Discussion and Analysis about your Company's objectives, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's performance include economic conditions affecting demand/supply and price conditions in the domestic market in which your Company operates, changes in Government regulations, tax laws, statutes and other incidental/related matters.

For and on behalf of the Board of Directors,

K Varadarajan
Chairman
DIN: 08157496



CORPORATE GOVERNANCE

Company's philosophy on corporate governance

KSFE's corporate governance framework reflects its culture, policies, values, and stakeholder relationships, driven consistently across the organization. We believe good corporate governance is crucial for achieving long-term goals and enhancing stakeholder value. As a responsible corporate citizen, we emphasize a culture of integrity, fairness, transparency, accountability, and ethical business conduct. Our Board and Management processes, audits, and internal control systems uphold these governance principles.

Board of Directors

The composition of the Board has been in compliance with the Companies Act and Memorandum and Articles of Association of the Company. As on 31.03.2025 the Board of Directors of the Company comprised 12 Directors including Chairman. Except Managing Director, the rest of the Directors are non-executive Directors. The Board of Directors have been functioning in a professional and transparent manner.

The Board invariably meets at frequent and regular intervals and evaluates the performance of the Company. All major policy and business decisions of the Company are placed before the Board and decisions are taken after due deliberations and with mutual consensus. The Board at various occasions has constituted various sub-committees to monitor the progress of various projects/schemes introduced by the Company. The Company adheres to the provisions of the Companies Act, 2013 read with the Rules issued there under and Secretarial Standards with respect to convening and holding the meetings of the Board of Directors, its Committees and the General Meetings of the shareholders of the Company. During the year under review 8 Board Meetings were held on 14-05-2024, 05-07-2024, 07-08-2024, 10-09-2024, 05-11-2024, 28-12-2024, 28.02.2025 and 20-03-2025.

The particulars regarding composition of Board of Directors as on 31st March, 2025 and the details of other Directorships & Membership / Chairmanship of Committees of Board as on that date, attendance of each Director at Board Meetings held during 2024-25, last Annual General Meeting (AGM) are furnished below:

Name of Director	Designation	Total Board Meetings		Attendance at the last AGM	Other Committee memberships held	
		Held during tenure of Director	Attended during tenure of Director		As Member	As Chairperson
Directors						
Mr K Varadarajan	Chairman	8	8	Yes	0	1
Dr Sanil SK	Managing Director i/c	8	8	Yes	1	0
Mr. Muhammed Sha	Director	8	8	NA	1	0
Adv. MC Raghavan!	Director	8	8	NA	1	0
Adv. UP Joseph	Director	8	8	NA	1	0
Adv. Govindan Pallikkappil	Director	8	8	NA	1	0
Mr VT Joseph ¹	Director	3	3	NA	1	0
Mr T Narendran	Director	8	8	NA	2	0
Dr. K Sasikumar	Director	8	7	NA	2	0
Mr Jennings Jacob ²	Director	5	5	NA	1	0
Government Nominees						
Mrs Sreedhanya Suresh, IAS	Government Director	8	7	NA	1	0
Mrs BS Preetha	Government Director	8	8	Yes	0	1
Mr Manoj K	Government Director	8	7	Yes	1	0

1. Ceased to be a member w.e.f. 07.08.2024

2. Was appointed as Director of the Company w.e.f. 05.09.2024

* Chairmanships / Membership of Audit Committee and the CSR Committee are only reckoned with.

Audit Committee of the Board

The Company has an independent Audit Committee in compliance with the provisions of Section 177 of the Companies Act, 2013. The Audit Committee provides direction to the audit functions and monitors the quality of Internal and Statutory audit. The scope / responsibilities of the Audit Committee include the following:

1. Review of internal audit function, including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure and frequency of internal audit.
2. To review the findings of any internal investigations by the internal auditor in to matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to Board.
3. Discussing with internal auditors/AG's Auditors, any significant findings and follow-up thereon.
4. Reviewing with the management, external and internal auditors, the adequacy of internal control systems and recommending improvements to the management.

5. Discussing with external statutory auditors before the audit commences the nature and scope of audit as well as conducts post-audit discussions to discuss any areas of concern.
6. Reviewing the Company's financial risk management policies.
7. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
8. Approving the fees for non-audit services provided by the firms of statutory auditors.
9. Reviewing with the management the periodic financial statements, before submission to the Board, focusing primarily to;
 - (a) *Any changes in accounting policies and practices.*
 - (b) *Major accounting entries based on exercise of judgment by management.*
 - (c) *Qualifications in draft audit report.*
 - (d) *Significant adjustments arising out of audit.*
 - (e) *Compliance with accounting standards.*

The Audit Committee of the Company comprises five Directors, the members of the Committee as on 31.03.2025 were:

1. *BS Preetha* : *Chairperson*
2. *Smt Sreedhanya Suresh, IAS* : *Member*
3. *Sri. Manoj K* : *Member*
4. *Dr Sasikumar K* : *Member*
5. *Mr T Narendran* : *Member*

During the period under review Audit Committee met four times on 26.07.2024, 01.08.2024, 04.10.2024 and 20.03.2025. Details of attendance are given below;

Sl. No	Name of Member	No. of meetings held during the period and after appointment		No. of meetings attended
1	<i>Mrs. BS Preetha</i>	<i>04</i>	<i>04</i>	
2	<i>Mrs Sreedhanya Suresh, IAS</i>	<i>04</i>	<i>00</i>	
3	<i>Mr. Manoj K</i>	<i>04</i>	<i>04</i>	
4	<i>Dr K Sasikumar</i>	<i>04</i>	<i>04</i>	
5	<i>Mr. T Narendran</i>	<i>04</i>	<i>02</i>	

The Board has accepted all the recommendations of the Audit Committee. The disclosures made herein shall be treated as disclosures required to be made under sub-section (8) of Section 177 of the Companies Act, 2013.

Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) activities have been undertaken by the Company in accordance with the CSR Policy of the Company as formulated by the Board of Directors on the recommendation of the CSR Committee in pursuance to Section 135 of the Companies Act.

For detailed information regarding CSR Committee, refer the Corporate Governance Report. Further, CSR Annual Report is attached herewith as "Annexure-III", which forms an integral part of this report. The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013.

The members of the Committee as on 31.03.2025 were:

1. Mr. K Varadarajan	:	Chairman
2. Dr Sanil SK	:	Member
3. Adv. MC Raghavan	:	Member
4. Adv. Govindan Pallikappil	:	Member
5. Mr. T Narendran	:	Member
6. Mr. Jennings Jacob	:	Member

The Committee's terms of reference include the following:

- formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the activities referred to above;
- monitor the CSR Policy of the Company from time to time;
- prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes / activities proposed to be undertaken by the Company; and
- such other activities as the Board of Directors may determine from time to time.

During the year ended 31st March, 2025, the CSR Committee met two times on 28.02.2025 and 20.03.2025. Details of attendance are given below;

Sl. No	Name of Member	No. of meetings held during the period and after appointment	No. of meetings attended
1	<i>Mr. K Varadarajan</i>	02	02
2	<i>Dr Sanil SK</i>	02	02
3	<i>Adv. MC Raghavan</i>	02	02
4	<i>Adv. Govindan Pallikappil</i>	02	00
5	<i>Mr. Jennings Jacob</i>	02	02
6	<i>Mr. T Narendran</i>	02	02

Compliance with Secretarial Standards

Your Company is in compliance with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 for FY 2024-25.

Secretarial Audit Report and Certificates from Company Secretary in Practice

The Secretarial Audit for FY 2024-25, was conducted by M/s SMS & Co Company Secretaries LLP, with respect to compliance to the applicable provisions of the Companies Act, 2013, and other applicable laws. The Secretarial Audit Report forms part of Directors report.

Disclosures

- a) During the year under review the Company did not enter into any contracts, arrangements and transactions with any related party which are not at arm's length basis and ordinary course of business. No materially significant related party transactions are entered into that may have potential conflict with the interest of the Company at large.
- b) The Company has established a mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Code. It also provides for adequate safeguards against the victimization of employees who avail the mechanism, and allows direct access to the chairperson of the audit committee in exceptional cases. During the year, no person was denied access to the Audit Committee.
The Whistleblower Policy is available on the website of the Company at <http://ksfe.com/grivance/whistleblower.aspx>.
- c) The disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is disclosed in Directors' Report.
- d) During the financial year 2024-25, the Board has accepted all the recommendation of the Board Committees.
- e) During the year, the Company did not enter into any material related party transactions with its directors or senior management or their relatives that would potentially conflict with and or adversely affect the interests of the Company and against the provisions of The Companies Act. The Company has complied with all the directives issued by all statutory authorities. No penalties and strictures were imposed on the Company by any of the regulatory authorities viz; Reserve Bank of India, Registrar of Companies etc. for non-compliance with any laws, guidelines and directives during the year.

For and on behalf of the Board of Directors,

K Varadarajan
Chairman

DIN: 08157496

Independent Auditors Report

To the Members of
The Kerala State Financial Enterprises Limited
Thrissur

Report on the Audit of the Standalone Financial Statements Qualified Opinion

We have audited the accompanying standalone financial statements of The Kerala State Financial Enterprises Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Standalone Financial Statements”).

In our opinion, and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis of Qualified Opinion section to our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind As) specified under the section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit including other comprehensive income, its cash flow and the changes in equity for the year ended on that date.

Basis of Qualified Opinion

Recognition of Intangible Asset

The company is conducting chit schemes for Non-Resident Keralites (Pravasi Chitty) through its Digital Business Centre (DBC) located at Thiruvananthapuram. Subscribers to the scheme can participate online using a proprietary application titled Pravasi Chit Software, developed by Kerala Infrastructure Investment Fund Board (KIIFB). This software has been in use by the company since the inception of the Pravasi chit operations from 2018-19.

During the year 2024-25, based on an agreement with KIIFB, the company acquired the software for Rs.85.94 crore, payable in three deferred instalments and capitalized Rs.79.38 crore (excluding GST input credit of Rs.6.56 crore) . The amount capitalized include the entire expenditure incurred by KIIFB up to 31.12.2024.

However, as the asset has been in use since 2018-19, expenditure likely pertaining to routine

maintenance or enhancements, have also been capitalized, despite these seldom meeting the recognition criteria under Ind AS 36 for addition to the carrying amount of an intangible asset. Furthermore, the company has not carried out an impairment assessment in accordance with Ind AS 36, nor recognized any impairment loss in respect of the software.

Due to insufficient details on the nature and classification of the subsequent expenditure, and the absence of an impairment review, we are unable to determine the impact on the following items of financial statements:

- **Other Intangible Assets**
- **Depreciation, Amortization and Impairment**
- **Other Expenses**
- **Profit for the Year**

We conducted our audit of standalone financial statements in accordance with the Standards of Auditing (SAs) as specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accounts of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to:

1. Note No. 29.16 regarding the recognition of forfeited veethapalisha income on termination of chits based on the legal opinion obtained by the Company.
2. Note No. 29.22 regarding balances in suspense accounts which remain unadjusted due to partial remittance of a chitty instalment by subscribers;
3. Note No. 29.28 regarding a net balance of Rs.231.02 lakhs outstanding in respect of Revised Bhadrata Social Security Scheme (RBD), in which the company has been acting as an agent to Govt of Kerala;
4. Note No. 29.23 regarding non-accounting of amount recoverable from prized subscribers at amortised cost, using Effective Interest Rate (EIR) as required by IndAS 109 – Financial Instruments, because of the inherent limitations in estimating future cash flows from a prized subscriber, owing to the uncertainty in auction discounts.

Our opinion is not modified in respect of these matters.

Information other than the Standalone financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As the company has not provided the annual report and the other information as referred above, we have nothing to report in this regard.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind -AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are responsible and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are 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 standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high-level of assurance but is not a guarantee that an audit conducted in accordance with SA's 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 standalone financial statements.

As part of an audit in accordance with SA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has an adequate internal financial control system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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 standalone financial statements or if, such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the

standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters, if any. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. The Head Office of the company and Revenue Recovery Office associated with head office, regional office, Special Deputy Tahsildar (SDT) office and 56 branches in the Thrissur region has been audited by us.

We did not audit the financial statements/financial information of 15 Regional Offices, 09 SDT offices and 628 branches (including 4 merged branches) coming under these regional offices and 1 NRI Chitty Centre whose financial statements/financial information reflect total assets of Rs. 62,24,256.53 Lakhs as at 31st March, 2025 and total revenue of Rs. 4,82,317.05 Lakhs for the year ended on that date, as considered in the financial statements. The Audit has been conducted by the other auditors based on the appointment given by the Comptroller and Audit General of India. Only trial balance has been prepared at the branch/regional level. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosure included in respect of these Regional offices and Branch, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid, is based solely on the report of the other auditors.

Our opinion on the Standalone Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters, with respect to our reliance on the work done and the reports of the other auditors.

Report on other legal and regulatory requirements

- i. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure 'A' statement on the matters specified in the paragraphs 3 and 4 of the order, to the extent applicable.
- ii. As required by section 143(3) of the Act, we report that:
 - a). We have sought and except for the matters described in the Basis of Qualified Opinion Paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b). Excepts for the effects of the matters described in para "Basis of Qualified Opinion" above, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books and reports of the other auditors.
 - c). The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in Equity and the cash flow statement dealt with by this report are in agreement with the books of account and with the accounts received from the Regional Offices/ Branches which have been audited by other branch/ Regional auditors.
 - d). In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e). Being a Government Company in terms of notification no. G.S.R.463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 164 (2) of the Act in respect of disqualifications of directors are not applicable to the Company.
 - f). With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - g). Being a Government company, the provisions of sec 197 of the act with respect to the matters to be included in the Auditor's Report is not applicable.
 - h). With respect to the matters to be included in the Independent Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanation given to us:-
 - i. The Company has disclosed the impact of pending litigations on its financial position and disclosed in its standalone financial statements (Refer Note 29.5 to the standalone financial statements);
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

- iii. There has been no delay in transferring amounts, 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, 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 entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other 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 such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the financial year 2023-24 is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 we report that based on our examination which included test checks, the company has used accounting software for maintaining books of accounts which has the feature of recording audit trail (edit)log facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.
- vii. As required by Section 143(5) of the Act, we have considered the directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the accounts and financial statements of the Company in "Annexure C".

For Abraham and Jose
Chartered Accountants
(FRN: 000010S)

Thrissur
29.07.2025

CA. Jose Francis
Partner (M. No. 204975)
UDIN:25204975BMOJKS4144

Annexure 'A' to the Independent Auditors' Report

(Referred to in Paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our Report)

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

i). a)

(A) The Company has maintained proper records showing full particulars of Property, Plant and Equipment (PPE) and relevant details of right-of-use assets. However, the quantitative details and location of the assets are not properly updated in the asset register.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) The property, plant and equipment and right-of-use assets were physically verified during the year by the management in accordance with a regular programme of verification at reasonable intervals. However, we are not provided with the periodical physical verification reports for the year end. Also, we understand that the register of PPE does not contain the identification particulars and the quantitative particulars; we are unable to comment on the sufficiency and completeness of the physical verification of the PPE.

As we are not provided with physical verification report of the PPE, we are unable to comment on the material discrepancies, if any, noticed in such verification and the accounting treatment of such discrepancies noticed.

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) are held in the name of the Company except in the following cases, we are informed that title deeds are not available with the company.

Description of property	Location	Area of land	Remarks
Land in Sy.			
No: 266/2	Thrissur	74.96 Cent	Cost as per the accounting records is Rs. 1.73 Lakhs
Land	Kollam	15 Cent	Land value is not paid/ accounted in accounting records of the company, as the cost is not yet decided by the Govt. of Kerala

d) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) or intangible assets during the year ended March 31, 2025.

- e) There are no proceedings initiated or are pending against the Company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii). The company does not have any inventory other than the stock of stationery. We are informed that the stock of stationery has been verified at reasonable intervals by the management and no material discrepancies were noticed during such verification.
- iii). a)
- A) In our opinion and according to the information and explanation given to us, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to subsidiaries, joint ventures, and associates;
- B) During the year the Company has given loan amounting to Rs.320000.00 Lakhs to another government company, the balance outstanding at the balance sheet date with respect to such loans amounts to Rs. 344069.00 Lakhs.
- b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per stipulation.
- d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.
- iv). In our opinion and according to the information and explanations given to us, the Company has granted loans or made investments or given guarantees or securities only with the approval of Ministry of Finance, Government of Kerala, and the provisions of section 185 and 186 is not applicable to the company. Hence, the requirements of clause (iv) of (3) of the said order not applicable.
- v). According to the information and explanations given to us and according to the examination of records, deposits accepted by the company are guaranteed by the Government of Kerala hence outside the purview of Section 73 to 76 of Companies Act,2013. We are informed that the company is a miscellaneous Non-Banking Financial company conducting the business of chit and is regulated by the Ministry of Finance, Government of Kerala.
- vi). According to the explanations and information given by the management, maintenance of cost

records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for any of the activities of the company. Hence, the provision of clause (vi) of (3) of the said order is not applicable to the company.

vii). a) According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date

b) According to the records made available to us and the information and explanation given by the management, the particulars of dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have not been deposited on account of any dispute, are as follows:

Nature of statute	Nature of dues	Amount (In Lakhs)	Period in which the dispute relates	Forum where the dispute pending
Finance Act, 1994	Service Tax	0.66	July 2012-October 2012	Commissioner of Central Excise & Customs (Appeals)
		3.64	2012-13 to 2014-15	
Income Tax Act, 1961	Income Tax	1,555.00	AY 2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	6665.63	AY 2020-21	Income Tax Appellate Tribunal, Kochi
Income Tax Act, 1961	Income Tax	1,348.35	AY 2021-22	Income Tax Appellate Tribunal, Kochi
Income Tax Act, 1961	Income Tax	3,229.00	AY 2022-23	Income Tax Appellate Tribunal, Kochi
Income Tax Act, 1961	TDS	549.00	Various Assessment Years	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	TDS	1,138.10	AY 2008-09 to 2016-17	Assessing Officer
GST Act, 2017	CGST & SGST	2786.80	FY 2017-18 to 2022-23	Appellate Tribunal
GST Act, 2017	CGST & SGST	124.22	FY 2020-21	Appellate Tribunal
Kerala Flood Cess	Cess	43.96	August 2019 to July 2021	Appellate Tribunal
ESI Act	ESI	4,061.18	FY 2007-08- to 2010-11	ESI Court

- viii). The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause (VIII) of (3) of the Order is not applicable to the Company.
- ix). a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- c) According to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained;
- d) According to the information and explanation given to us, funds raised on short term basis have not been utilised for long term purposes;
- e) According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures;
- f) According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies
- x). a) According to the information and explanations given by the management, the Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, reporting under clause 3(x)(a) is not applicable to the Company and hence not commented upon.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the company.
- xi). Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by management, no fraud by the Company has been noticed or reported during the course of our audit. However, as informed by the management, there have been certain instances of fraud on the company by some customer or employees where chitty related misappropriations/improper acceptances of security/document fabrication etc. (excluding chitty inflation) have occurred for an estimated amount of Rs.4,367.14 Lakhs. The Company has created provision for Rs. 3593.94 Lakhs during the year in respect of amounts unrecovered from frauds identified during the year.
- xii). In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) (a) to (c) of the order are not applicable to the Company and hence not commented upon.

xiii). Being an unlisted Government company, the provisions of Section 188 relating to the related party transactions are not applicable to the company. According to the records of the Company examined by us and the information and explanation given to us, the company has complied with the provisions of Section 177 with respect to the transactions with the related parties. The details of such transactions have been disclosed in the financial statements etc. as required by relevant accounting standards.

xiv). a) The Company does not have an internal audit system commensurate with the size and nature of its business. The coverage of internal audit needs to be widened to cover all departments at Head office and branches at least once a year. Further, it shall be ensured that audits are completed and reports are submitted promptly to ensure timely rectifications.

b) Since the reports for the entire period under audit were not available, we have not considered the same.

xv). According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

xvi). a) According to the information and explanations given to us, the company being a Miscellaneous Non-banking Financial Company (MNBC) carrying on the business of chits, regulated by State Government of Kerala, is not required to obtain registration with RBI as above.

b) On verification of the financial statement of the company for the year ended 31-03-2025, we understand the Company carries out financial business along with chit business. The financial assets of the company as at 31-03-2025 exceed 50% of the total assets of the company. Also, the income from such financial assets constitutes more than 50% of the gross income of the company. As such, the company falls within the criteria specified under section 45-IA of the Reserve Bank of India (RBI) Act, 1934 for obtaining registration as Non-banking Financial Company (NBFC). However, the company being a miscellaneous Non-banking Financial Company (MNBC) carrying on the business of chits, regulated by State Government of Kerala, is not required to obtain registration with RBI as above.

c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(XVI) of the Order is not applicable to the Company.

d) The Group does not have more than one CIC as part of the Group, hence, the requirement to report on clause 3 (XVI) (d) of the Order is not applicable to the Company.

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

xviii). There has been no resignation of the statutory auditors of the Company during the year.

xix). On the basis of the financial ratios, ageing and expected dates of realization of financial assets

and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx). a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section (5) of Section 135 of the Act.

b) All amounts that are unspent under sub-section (5) of Section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub-section (6) of Section 135 of the said Act.

For Abraham and Jose
Chartered Accountants
(FRN: 000010S)

CA. Jose Francis

Partner (M. No. 204975)
UDIN:25204975BMOJKS4144

Thrissur

29.07.2025



Annexure – B to the Independent Audit Report

(Referred to in Paragraph ii(f) under 'Report on Other Legal and Regulatory Requirements' section of our Report)

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with references to standalone financial statements of Kerala State Financial Enterprises Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone 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 with reference to these standalone financial statements 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 as prescribed under section 143(10) of the Companies Act, 2013 to the extent 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to these standalone financial statements 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 with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the matters prescribed in the basis for qualified opinion paragraph the Company has in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Basis for Qualified Opinion

1) The financial and operating controls established by the company for the prompt and up-to-date reconciliation of inter-branch / region / head office balances is not working effectively, due to which there are huge unreconciled balances outstanding in the book of accounts of each branch, regional office as well as the head office. As the volume of financial transactions contained in these accounts are very large and has not been reconciled up to date, we are unable to comment on the accuracy of the gross balances reported in such accounts. The cumulative impact of such unreconciled balances should be ascertained on gross basis, from the branch level onwards, without setting off the debit and credit transactions to understand the financial impact of such transactions. Being a financial company managed by numerous employees, such lack of up-to-date reconciliation poses serious challenges in the terms of both financial and operational risks including the risk of delay in detection of frauds, misappropriation, and errors in the financial reporting, if any.

2) The company does not have a system for conducting Information System (IS) audit of the entire financial operations and the allied technology components due to which there has been inconsistency with respect to the information and reports extracted from the ERP software. Also, the various ERP software used by the company in the course of financial reporting and operations are not properly integrated each other due to which there are instances of errors and delays in identification and rectification of such errors.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2025 standalone financial statements of the Company, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

For Abraham and Jose

Thrissur
29.07.2025

Chartered Accountants
(FRN: 000010S)

CA. Jose Francis

Partner (M. No. 204975)
UDIN:25204975BMOJKS4144

Annexure 'C'

To the Independent Auditor's Report of even date on the financial statements of Kerala State Financial Enterprises Limited

(Referred to in Paragraph iii under 'Report on Other Legal and Regulatory requirements' section of our Report)

Replies to directions from Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

1) Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

According to the information and explanations given to us, the Company has system in place to process all the accounting transactions through IT system. All the accounting transactions of the Company are processed through the IT systems. However, we have noticed the following deficiencies/scope for improvement with respect to the IT infrastructure of the company in relation to the financial reporting-

- The company maintains different software for processing various functions within the company including pay roll processing, statutory payment process etc., which are not integrated each other.
- The company does not have a proper system for accounting of inter branch /offices transactions due to which there has been considerable delay in reconciliation of these balances.
- The company has not taken any sufficient steps to automate various methods followed for reporting of various financial information such as, computation of impairment credit loss, auto-deduction and application of tax, consolidation of trial balance, reporting of contingent liabilities etc.
- The company does not have a proper system to ensure the prompt reconciliation of transactions parked in suspense accounts with the help of IT infrastructure, due to which there are long outstanding balances in such accounts.

2) Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial implications may be stated.

According to the information and explanations given to us, there were no instances of restructuring of an existing loan or cases of waiver/write off debts/loans/interest etc. due to the company's inability to repay the loan.

3) Whether funds received/receivable for specific schemes from Central or State agencies were properly accounted for/used as per its terms and conditions? List the case of deviations.

According to the information and explanation given to us, no such funds were received by the company during the period.



Reply to Sector Specific Sub-Directions

Finance Sector

1) Whether the company has complied with the directions issued by Reserve Bank of India for:

a) Non-Banking Finance Companies (NBFCs);

Reply: According to the information and explanations given to us, KSFE is carrying on the business of conducting chits and is regulated by the Taxes Department, Government of Kerala. Hence, we are informed that the chit companies are exempt from the provisions of Section 45-IA of the RBI Act, 1934.

b) Classification of Non-performing assets:

Reply: Company is following "Expected Credit Loss Model" as specified under "Ind AS 109 - Financial Instruments" and providing for impairment loss. Prudential norms of Income Recognition and Asset classifications issued by Reserve Bank of India for NBFC's are not applicable to the company.

c) Capital adequacy norms for NBFCs:

Reply: According to the information and explanations given to us, The Capital adequacy norms is not applicable to KSFE as the company is a Miscellaneous Non-banking company.

2) Whether the company has a system to ensure that the loans were secured by adequate security free from encumbrances and have first charge on mortgaged assets. Further, instances of undue delay in disposal of seized units may be reported:

In cases of loans sanctioned against security of land and building, the company ensures the availability of adequate security by obtaining the title search reports and conducting valuation by external valuer, no encumbrance certificates are obtained. First charge on mortgaged assets are ensured by creating equitable mortgage of the title deeds of the property. We are informed that the company does not have the system of seizing assets for recovery of dues other than initiation of RR proceedings.

3) Whether introduction of any scheme for settlement of dues and extensions thereto are in compliance with the policy guidelines of the Company/Government:

According to the information and explanations given to us, One Time Settlement schemes are operated as per policy guidelines of the Company and approved by the Government.

4) Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank account and cash:

In respect of cash and bank balances confirmation have been received for all cash and bank balances. In respect of other receivables and payables company have a system of obtaining external confirmation on a random basis as stated in Note No. 29.30

5) Whether the bank guarantees are revalidated in time?

According to the information and explanations given to us, no lapses were notice by us.

For Abraham and Jose

Chartered Accountants
(FRN: 000010S)

Thrissur
29.07.2025

CA. Jose Francis
Partner (M. No. 204975)
UDIN:25204975BMOJKS4144



THE KERALA STATE FINANCIAL ENTERPRISES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2025

Particulars	Note No.	As at 31.03.2025 Rs in Lakhs	As at 31.03.2024 Rs in Lakhs
I. ASSETS			
1. Financial Assets			
a. Cash and cash equivalents	5	44,465.08	35,845.37
b. Bank Balances other than (a) above	6	9,00,796.68	9,31,417.44
c. Loans	7	63,23,391.52	55,33,804.46
d. Investments	8	1,07,076.60	1,16,817.00
e. Other financial assets	9	6,525.96	8,525.53
Total Financial Assets		73,82,255.84	66,26,409.79
2. Non-financial Assets			
a. Current tax assets (Net)	10A	21,127.46	14,402.23
b. Deferred tax assets (Net)	10B	22,333.00	23,661.00
c. Property, Plant and Equipment	11A	7,016.29	6,542.17
d. Right of use assets	11B	4,355.94	4,441.93
e. Other Intangible assets	11C	7,966.33	38.03
f. Other non-financial assets	12	1,38,109.88	1,24,386.45
Total Non-Financial Assets		2,00,908.90	1,73,471.80
Total Assets		75,83,164.74	67,99,881.59
II. LIABILITIES AND EQUITY			
LIABILITIES			
1. Financial Liabilities			
a. Payables			
i) Trade Payables	13A		
(a) Total outstanding due of micro enterprises and small enterprises			
(b) Total outstanding due of creditors other than micro enterprises and small enterprises		21836.41	11,904.55
b. Borrowings (other than debt securities)	13B	3,44,586.59	3,45,323.59
c. Deposits	14A	30,09,681.11	25,25,088.94
d. Lease Liability	14B	4,603.93	4,639.44
e. Other Financial Liabilities	15	39,16,024.12	36,78,853.08
Total Financial liabilities		72,96,732.16	65,65,809.61

2. Non- Financial liabilities			
a. Provisions	16	89,753.44	68,145.85
b. Other non-financial liabilities	17	11,684.75	11,268.22
Total Non- Financial liabilities		1,01,438.19	79,414.07
Total liabilities		73,98,170.35	66,45,223.68
3. EQUITY			
a. Equity Share Capital	18	20,000.00	10,000.00
b. Other Equity	19	1,64,994.39	1,44,657.91
Total Equity		1,84,994.39	1,54,657.91
Total Liabilities and Equity		75,83,164.74	67,99,881.59

Significant accounting policies 1 to 4

Additional Information 29

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

As per our report even date attached.

For and on behalf of the Board of Directors

For **M/s Abraham & Jose**
Chartered Accountants
Firm Registration No: FRN000010S

Partner : **CA. Jose Francis**
Membership No.: 204975

Place : THRISSUR
Date : 29-07-2025

K. Varadarajan
DIN: 08157496
Chairperson

Preetha B.S
DIN: 07553746
Director

CS Emil Alex
Company Secretary

Dr. Sanil S.K
DIN : 09811727
Managing Director

CA Sarath Chandran S
General Manager (Finance)

THE KERALA STATE FINANCIAL ENTERPRISES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2025

Particulars	Note No	For the year ended 31.03.2025 Rs in Lakhs	For the year ended 31.03.2024 Rs in Lakhs "
(I) Revenue from operations			
(i) Interest Income	20	3,09,654.14	2,78,028.17
(ii) Foreman Commission		2,01,135.08	1,87,262.63
(iii) Service Charges	21(a)	1,813.14	1,822.28
(iv) Other Revenue from Chit Fund Operations	21(b)	40,164.15	34,302.58
Total Revenue from Operations		5,52,766.51	5,01,415.67
(II) Other Income	22	2,750.76	4,067.26
(III) Total Income (I+II)		5,55,517.26	5,05,482.93
(IV) EXPENSES			
Finance Costs	23	2,58,165.04	2,14,836.28
Impairment of financial instruments	24	52,034.27	57,929.61
Employee benefits expenses	25	1,47,190.22	1,37,819.87
Depreciation, amortisation and Impairment	26	5,256.27	5,358.78
Other expenses	27	36,756.24	34,946.94
Total Expenses		4,99,402.03	4,50,891.49
(V) Profit before exceptional items and tax (III-IV)		56,115.23	54,591.44
(VI) Exceptional Items			
(VII) Profit before tax (V-VI)		56,115.23	54,591.44
(VIII) Tax expense:			
a. Current tax			
(i) Current tax for the year		19,184.08	18,420.21
(ii) Relating to earlier years (net)		(1,946.61)	
b. Deferred tax	10B	1,328.00	(4,239.00)
		18,565.47	14,181.21
(IX) Profit for the year from continuing operations (VII-VIII)		37,549.76	40,410.23
(X) Profit for the year		37,549.76	40,410.23
(XI) Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss (Re-measurements of the defined benefit obligation)		(4,962.17)	(5,654.86)

	(ii) Income tax relating to items that will not be reclassified to profit or loss		1,248.88	1,423.21
	Other comprehensive income (net of tax)		(3,713.29)	(4,231.65)
(XII)	Total Comprehensive Income for the year (X+XI)		33,836.47	36,178.59
(XIII)	Earnings per equity share	28		
	Basic earnings per equity share (Rs.)		187.75	202.05
	Diluted earnings per equity share (Rs.)		187.75	202.05
	Nominal value per equity share (Rs.)		100.00	100.00

Significant accounting policies 1 to 4

Additional Information 29

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

As per our report even date attached.

For **M/s Abraham & Jose**

Chartered Accountants

Firm Registration No: FRN000010S

Partner : **CA. Jose Francis**

Membership No.: 204975

Place : THRISSUR

Date : 29-07-2025

For and on behalf of the Board of Directors

K. Varadarajan

DIN: 08157496

Chairperson

Preetha B.S

DIN: 07553746

Director

CS Emil Alex

Company Secretary

Dr. Sanil S.K

DIN : 09811727

Managing Director

CA Sarath Chandran S

General Manager (Finance)

THE KERALA STATE FINANCIAL ENTERPRISES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025

Rs.in Lakhs

Particulars	For the year ended 31.03.2025 Rs in Lakhs	For the year ended 31.03.2024 Rs in Lakhs
A. Cash Flows from Operating Activities		
Profit / (Loss) Before Tax	51153.06	48936.58
Adjustments for:		
Depreciation and amortisation expense	5256.27	5358.78
Impairment on financial instruments	52034.27	57929.61
(Profit)/ Loss on sale of Property, Plant & Equipment	(0.97)	(1.40)
Interest income on loans	(2,03,526.79)	(1,67,441.89)
Finance costs	258165.04	214836.28
Interest income from banks, investments and others	(1,06,127.35)	(1,10,586.28)
Operational cash flows from interest		
Interest received on loans	309654.14	278028.17
Finance costs	(2,58,165.04)	(2,14,836.28)
Interest on income tax refund		
Operating Profit before Working Capital Changes	108442.63	112223.58
Adjustments for:		
Decrease / (increase) in other non-financial assets	(13,723.43)	(35,653.74)
Decrease / (increase) in loans	(8,41,621.32)	(7,79,135.95)
Decrease / (increase) in other financial assets	1,999.57	2,955.19
Increase / (decrease) in payables	4,030.36	1,025.85
Increase / (decrease) in other financial liabilities	237171.04	472509.12
Increase / (decrease) in provisions	21607.59	21266.07
Increase / (decrease) in other non-financial liabilities	416.52	(925.65)
Cash generated (used in) Operations	(4,81,677.04)	(2,05,735.54)
Direct Taxes Paid	(22,713.83)	(16,582.92)
Net Cash flows from / (used) in Operating Activities	(5,04,390.87)	(2,22,318.45)
B. Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(1,532.64)	(1,476.54)
Purchase of Other Intangible assets	(2,950.00)	
Sale proceeds of property, plant & equipment	16.30	16.08
Inflow from Bank Balances not considered as		

Cash and Cash equivalents (FD with bank/treasury & interest thereon)	30,620.76	(1,866.96)
Investment in KIIFB Bonds	9,740.40	(25,704.00)
Net Cash flows from/(used) in Investing Activities	35,894.81	(29,031.42)
C. Cash Flows from Financing Activities		
Proceeds from Short Term Loan from Banks	(737.00)	(57,637.66)
Proceeds from Deposits from public	484592.17	342477.32
Dividend Paid	(3,500.00)	(10,500.00)
Payment of lease liability	(3,239.40)	(3,222.80)
Net Cash flows from/(used in) Financing Activities	477115.77	271116.86
Summary		
Net Cash flow from/ used in Operating Activities	(5,04,390.87)	(2,22,318.45)
Net Cash flow from/(used) in Investing Activities	35,894.81	(29,031.42)
Net Cash flow from/(used in) Financing Activities	4,77,115.77	2,71,116.86
Net Increase /(Decrease) in Cash Equivalents	8,619.72	19,767.00
Cash and Cash Equivalents at the beginning of the year	35,845.37	16,078.37
Cash and Cash Equivalents at the end of the year	44,465.08	35,845.37
Net increase / (decrease) as disclosed above	8,619.72	19,767.00

Significant accounting policies 1 to 4

Additional Information 29

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

As per our report even date attached.

For and on behalf of the Board of Directors

For **M/s Abraham & Jose**

Chartered Accountants

Firm Registration No: FRN000010S

Partner : **CA. Jose Francis**

Membership No.: 204975

K. Varadarajan

DIN: 08157496

Chairperson

Preetha B.S

DIN: 07553746

Director

CS Emil Alex

Company Secretary

Dr. Sanil S.K

DIN : 09811727

Managing Director

CA Sarath Chandran S

General Manager (Finance)

Place : THRISSUR

Date : 29-07-2025

THE KERALA STATE FINANCIAL ENTERPRISES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2025

A. Equity Share Capital

	Numbers	Amount Rs in Lakhs
Equity shares of Rs.100 each issued, subscribed and fully paid		
Balance as at the beginning on 1st April, 2023	1,00,00,000	10,000.00
Changes in equity share capital during the year		
Balance as at 31st March, 2024	1,00,00,000	10,000.00
Changes in equity share capital during the year (Bonus Shares)	1,00,00,000	10,000.00
Balance as at 31st March, 2025	2,00,00,000	20,000.00

B. Other Equity

(Rs.in Lakhs)

Particulars	Reserves and Surplus			Items of other comprehensive income Remeasurement of defined benefit obligations (net of tax)	Total
	General Reserve	Chitty Statutory Reserve	Retained Earnings		
Balance As at 1st April 2023	1,19,355.71	15,538.63		(15,915.01)	1,18,979.33
Profit for the year			40,410.23		40,410.23
Other comprehensive income (net of taxes)				(4,231.65)	(4,231.65)
Total comprehensive income for the year			40,410.23	(4,231.65)	36,178.59
Dividend	(10,500.00)				(10,500.00)
Transfer to/(from) retained earnings	14,804.43	5,459.14	20,263.57)		
As at 31st March, 2024	1,23,660.14	20,997.77	20,146.66	(20,146.66)	1,44,657.91
Balance As at 1st April 2024	1,23,660.14	20,997.77	20,146.66	(20,146.66)	1,44,657.91
Profit for the year			37,549.76		37,549.76
Other comprehensive income net of taxes				(3,713.29)	(3,713.29)

Total comprehensive income for the year			37,549.76	(3,713.29)	33,836.47
Dividend	(3,500.00)				(3,500.00)
Transfer to/(from) retained earnings	28,224.95	5,611.52	(33,836.47)		
Issue of fully paid bonus shares	(10,000.00)				(10,000.00)
Balance As at 31st March, 2025	1,38,385.10	26,609.29	23,859.95	(23,859.95)	1,64,994.39

Significant accounting policies 1 to 4

Additional Information 29

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

As per our report even date attached.

For and on behalf of the Board of Directors

For **M/s Abraham & Jose**

Chartered Accountants

Firm Registration No: FRN000010S

Partner : **CA. Jose Francis**

Membership No.: 204975

K. Varadarajan

DIN: 08157496

Chairperson

Dr. Sanil S.K

DIN : 09811727

Managing Director

Preetha B.S

DIN: 07553746

Director

CA Sarath Chandran S

General Manager (Finance)

CS Emil Alex

Company Secretary

Place : THRISSUR

Date : 29-07-2025



SIGNIFICANT ACCOUNTING POLICIES (NOTE NO: 1 TO 4)

1. Corporate Information

The Kerala State Financial Enterprises Limited (“the Company”) was incorporated as a Private Limited Company fully owned by Government of Kerala on 6th November 1969. The Company was established with the objective of providing an alternative to the public from the private chit operators in order to bring in social control over chit fund business. The Company is primarily engaged in Chit fund operations and is also into lending business and accepts deposits from public, the repayment of which is guaranteed by Government of Kerala. The Registered Office of the Company is situated at Thrissur and as at 31.03.2025, the Company is having 16 regional offices and 684 branches, spread across the state of Kerala.

2 Basis of preparation and presentation

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis except for certain assets and liabilities which are measured at fair values, prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after read with relevant rules issued thereafter and other accounting principles generally accepted in India.

2.2. Basis of measurement

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

- i) other financial assets held for trading,
- i) financial assets and liabilities designated at fair value through profit or loss (FVTPL),
- ii) Financial assets and liabilities designated at fair value through Other Comprehensive Income (FVOCI).

2.3 Presentation

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to Non-Banking Financial Companies (NBFC), as notified by the Ministry of Corporate Affairs.

Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- i. The normal course of business
- ii. The event of default

iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest lakhs, except when otherwise indicated.

3. Significant Accounting Policies

3.1 Revenue from Operations

a. Recognition of interest income

The Company recognises interest income by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

Accrual method of accounting for interest income on advances is followed for all loans except for default on prized chitties. However, interest income on advances where instalment is overdue for more than 90 days falling under NPA category and amount advanced to KSFE Staff Co-op. Society Ltd. is recognized as and when the same is received.

The Company has taken rate of interest paid on deposits as the effective rate of interest (EIR) since the rate of interest paid is par with the market rate of interest.

Recognition of revenue from sale of goods or services

Revenue (other than for financial instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

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

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

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

expects to be entitled in exchange for satisfying each performance obligation.

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

Foreman's commission on company substituted tickets and profit /loss on such tickets gets recognized under the head "Profit on Chitty substituted tickets" only at the time of termination of the chitty.

3.2 Financial instruments

A. Financial Assets

3.2.1 Initial recognition and measurement

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

3.2.2 Subsequent measurement

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

A. Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

B. Financial liabilities

3.2.3 Initial recognition and measurement

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

3.2.4 Subsequent Measurement

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

3.3 Derecognition of financial assets and liabilities

3.3.1 Financial Asset

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

3.3.2 Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.4 Offsetting

Financial assets and financial liabilities are generally reported at gross value in the Balance Sheet except financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or wherein the net value after provision is shown in the Balance Sheet to realise the asset and settle the liability simultaneously in all the following circumstances:

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

3.5 Impairment of financial assets

The Company recognises impairment allowance for expected credit loss on financial assets held at amortised cost. The Company recognises loss allowances (provisions) for expected credit losses on its financial assets (including undisbursed sanctioned amounts) that are measured at amortised costs or at fair value through profit or loss.

No ECL is recognised on

- a) Pass book Loan
- b) Fixed Deposit Loan
- c) Employee Loan
- d) Inter-Corporate loan

3.5.1 Expected Credit Loss (ECL) model

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

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

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

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

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

Estimation of Expected Credit Loss

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

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.

The Company uses historical information to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools and the PD are calculated considering fresh slippage of past years.

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

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

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses the estimate of PD, LGD determined by the Company based on its internal data.

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, securities, letters of credit/ guarantees etc. However, the fair value of collateral affects the calculation of ECL. The collateral is majorly

the property for which the loan is given. The fair value of the same is based on data provided by third party or management judgements.

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flow to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the Statement of Profit and Loss.

3.6 Determination of fair value

The Company measures financial instruments at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

Level 1 –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 –Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates

and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 –Include one or more unobservable input that is significant to the measurement as whole.

3.7 Finance Costs

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

The EIR in case of a financial liability is computed

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

The Company has taken the rate of interest paid on borrowings as the effective rate of interest (EIR) since; the rate of interest paid is par with the market rate of interest. Transaction costs viz; processing fee, administrative charges recovered are not adjusted for calculation of EIR and not amortised as the amount involved is not material.

3.8 Prior period Income/ expense

As per Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors, an entity shall correct material prior period errors retrospectively in the first set of financial statements approved for issue after their discovery by:

- (a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- (b) If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

In line with the said provision, Prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

3.9 Other Income and Expenses

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

3.10 Cash and cash equivalents

Cash and cash equivalents comprise of balance at banks/treasury cash/cheques on hand and short-term

deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows as per Ind AS-7, cash and cash equivalents consist of cash and short- term deposits, as defined above and also Bank Overdrafts.

3.11 Property, plant and equipment

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

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.12 Depreciation

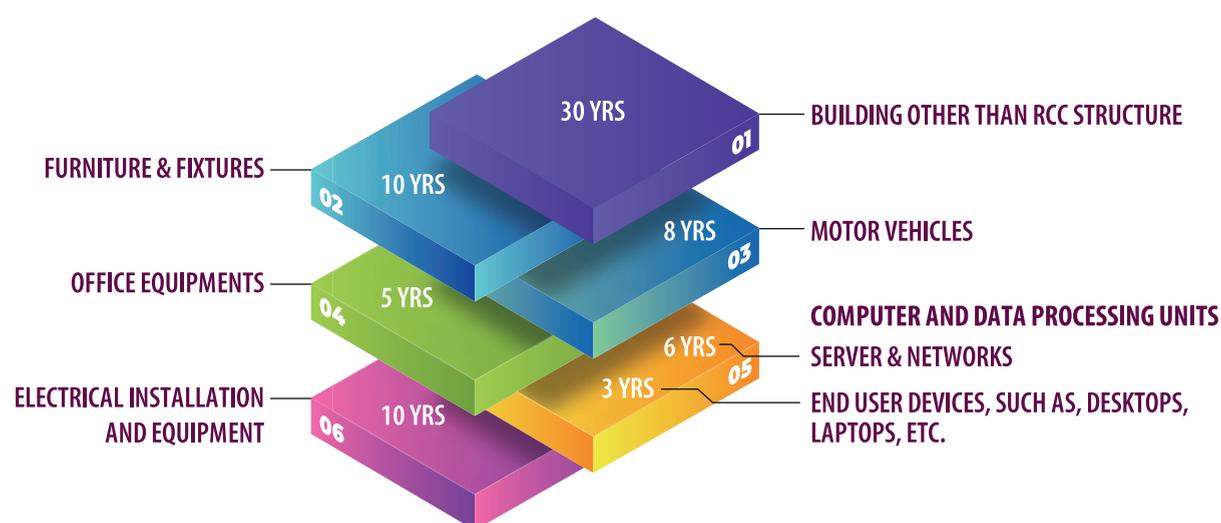
Depreciation on Property, Plant and Equipment is calculated using written down value method (WDV) to write down the cost of property and equipment to their residual values over their estimated useful lives which are in line with the estimated useful life as specified in Schedule II of the Companies Act,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

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

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

Depreciation calculated on useful life method, useful life may be considered as a period over which an asset is available for use or as the number of production or similar units expected to be obtained from the asset by the Company. The following are the useful lives of various tangible assets notified in the schedule II of the Companies Act, 2013:

3.12 DEPRECIATION



3.13 Intangible assets

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

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

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

Intangible assets comprising of software is amortised on straight line basis over a period of 3 years, unless it has a shorter useful life.

Gains or losses from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit or Loss when the asset is derecognised.

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

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

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

3.15 Employee Benefits Expenses

3.15.1 Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services

3.15.2 Post-Employment Benefits

A. Defined contribution schemes

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

A. Defined Benefit schemes

Gratuity

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

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

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

3.15.3 Other Long-term employee benefits

Accumulated compensated absences

The Company provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

3.16 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result

of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

3.17 Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.17.1 Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are not taxable or deductible in accordance with applicable tax laws.

The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e., either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.17.2 Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- i. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

forward of unused tax credits and unused tax losses can be utilised, except:

i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

i. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

3.18 Contingent Liabilities and assets

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company does not have any contingent assets in the financial statements.

3.19 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings

per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

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

3.20 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

3.21 Cash-flow statement

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

3.22 Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

THE COMPANY AS A LESSEE

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Significant accounting judgements, estimates and assumptions

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

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

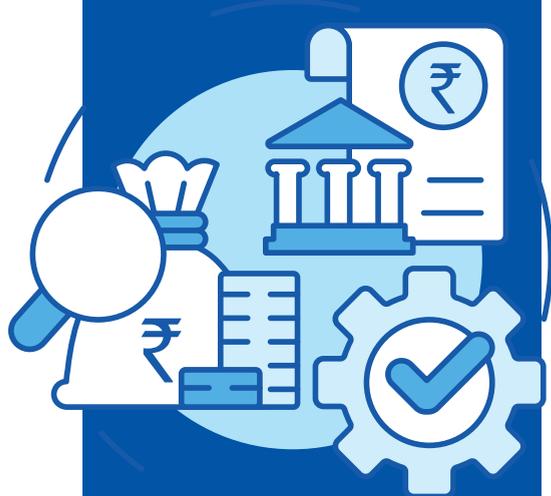
4.1 Business Model Assessment

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

4.2 Effective Interest Rate (EIR) method

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

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



4.3 Impairment of loans portfolio

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

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

4.4 Defined employee benefit assets and liabilities

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

4.5 Fair value measurement

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

4.6 Other estimates

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

5 Cash and Cash Equivalents

Particulars	As at 31.03.2025 Rs in Lakhs	As at 31.03.2024 Rs in Lakhs
Cash on hand	1,282.58	1,575.34
Balance with banks/ Treasury		
a. In Current Accounts	17,839.08	13,250.43
b. In Savings Accounts	25,343.42	21,019.60
Total	44,465.08	35,845.37

6 Bank Balances other than above

Particulars	As at 31.03.2025 Rs in Lakhs	As at 31.03.2024 Rs in Lakhs
Deposits with bank/Treasury with original maturity of three months and above (See Note 6.1)	8,85,667.19	9,12,992.87
Interest Accrued on Deposits	15,129.49	18,424.57
Total	9,00,796.68	9,31,417.44

6.1 FD with Banks/ Treasury includes restricted treasury/ bank balances of Rs. 458257.71 Lakhs (Previous year Rs.408154.34 Lakhs) This restrictions are primarily on account of deposits made in treasury in order to comply with provisions of The Kerala Chitties Act, 1975 Rs. 30.30 Lakhs (Previous Year Rs. 164.50 Lakhs) and Rs.435923.80 Lakhs (Previous Year Rs. 385200.86 Lakhs) in accordance with the provision of Chit Fund Act 1982. Chitty Security Deposit in Trust matured but not released due to various reasons Rs. 22303.59 Lakhs (Previous Year Rs. 22788.96 Lakhs) and earmarked balances for unpaid dividend Rs.0.02 Lakhs (Previous Year Rs.0.02 Lakhs).

7 Loans

(Rs in Lakhs)

Particulars	As at March 31, 2025				
	Amortised Cost	At Fair Value			Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through profit or loss	
(A) Loans					
i) (a) Gold Loan	9,14,591.60				9,14,591.60
(b) Janamithram gold loan	25,979.53				25,979.53
ii) Loan against Chitty	3,14,963.15				3,14,963.15
iii) Amount Recoverable from Prized Subscribers	41,58,260.75				41,58,260.75
iv) Employee loans	15,993.17				15,993.17
v) Revenue Recovery Debtors	3,39,274.62				3,39,274.62
vi) Loan to government companies	3,44,069.00				3,44,069.00
vii) Others	5,09,834.88				5,09,834.88
Total (A) - Gross	66,22,966.69				66,22,966.69
Less: Impairment loss allowance	(2,99,575.17)				(2,99,575.17)
Total (A) - Net	63,23,391.52				63,23,391.52
(B)					
(I) Secured by Tangible Assets	56,16,601.02				56,16,601.02
(II) Covered by Government Guarantee	3,44,069.00				3,44,069.00
(III) Unsecured (Refer Note No 29.24)	6,62,296.67				6,62,296.67
Total (B) - Gross	66,22,966.69				66,22,966.69
Less: Impairment loss allowance	(2,99,575.17)				(2,99,575.17)
Total (B) - Net	63,23,391.52				63,23,391.52
(C)					
(I) Loans in India					
i) Public Sector	3,44,069.00				3,44,069.00
ii) Others	62,78,897.69				62,78,897.69
(II) Loans outside India					
Total (C) - Gross	66,22,966.69				66,22,966.69
Less: Impairment loss allowance	(2,99,575.17)				(2,99,575.17)
Total (C) - Net	63,23,391.52				63,23,391.52

(Rs in Lakhs)

Particulars	As at March 31, 2024				
	Amortised Cost	At Fair Value			Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through profit or loss	
(A) Loans					
i) (a) Gold Loan	5,18,807.59				5,18,807.59
(b) Janamithram gold loan	14,422.47				14,422.47
ii) Loan against Chitty	3,45,800.82				3,45,800.82
iii) Amount Recoverable from Prized Subscribers	38,41,336.81				38,41,336.81
iv) Employee loans	15,971.88				15,971.88
v) Revenue Recovery Debtors	2,84,029.14				2,84,029.14
vi) Loan to government companies	3,27,069.00				3,27,069.00
vii) Others	4,46,991.79				4,46,991.79
Total (A) - Gross	57,94,429.49				57,94,429.49
Less: Impairment loss allowance	(2,60,625.03)				(2,60,625.03)
Total (A) - Net	55,33,804.46				55,33,804.46
(B)					
(I) Secured by Tangible Assets	48,87,917.54				48,87,917.54
(II) Covered by Government Guarantee	3,27,069.00				3,27,069.00
(III) Unsecured (Refer Note No 29.24)	5,79,442.95				5,79,442.95
Total (B) - Gross	57,94,429.49				57,94,429.49
Less: Impairment loss allowance	(2,60,625.03)				(2,60,625.03)
Total (B) - Net	55,33,804.46				55,33,804.46
(C)					
(I) Loans in India					
i) Public Sector	3,27,069.00				3,27,069.00
ii) Others	54,67,360.49				54,67,360.49
(II) Loans outside India					
Total (C) - Gross	57,94,429.49				57,94,429.49
Less: Impairment loss allowance	(2,60,625.03)				(2,60,625.03)
Total (C)- Net	55,33,804.46				55,33,804.46

8 Investments (Unquoted)

(Rs.in Lakhs)

Particulars	As at March 31, 2025				
	Amortised Cost	At Fair value			Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through profit or loss	
Investment - KIIFB bond	1,07,076.60				1,07,076.60
Total Gross (A)	1,07,076.60				1,07,076.60
i) Investments outside India					
ii) Investments in India	1,07,076.60				1,07,076.60
Total Gross (B)	1,07,076.60				1,07,076.60
Less: Allowance for impairment loss (C)					
Total - Net D = (A) - (C)	1,07,076.60				1,07,076.60

(Rs.in Lakhs)

Particulars	As at March 31, 2024				
	Amortised Cost	Fair value			Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through profit or loss	
Investment - KIIFB bond	1,16,817.00				1,16,817.00
Total Gross (A)	1,16,817.00				1,16,817.00
i) Investments outside India					
ii) Investments in India	1,16,817.00				1,16,817.00
Total Gross (B)	1,16,817.00				1,16,817.00
Less: Allowance for impairment loss (C)					
Total - Net D = (A) - (C)	1,16,817.00				1,16,817.00

Investment in Bonds

(Rs.in Lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Units	Amount	Units	Amount
7.5% Non-Convertible Redeemable Bonds of Kerala Infrastructure Investment Fund Board	6,589	20,533.60	4,734	15,498.00
7.6% Non-Convertible Redeemable Bonds of Kerala Infrastructure Investment Fund Board	8,350	83,500.00	9,700	97,000.00
8% Non-Convertible Redeemable Bonds of Kerala Infrastructure Investment Fund Board			59	392.00
8.5% Non-Convertible Redeemable Bonds of Kerala Infrastructure Investment Fund Board	739	3,043.00	912	3,927.00
Total	15,678	1,07,076.60	15,405	1,16,817.00

9 Other Financial Assets

Particulars	Rs in Lakhs As at 31.03.2025	Rs in Lakhs As at 31.03.2024
Security Deposits	233.81	229.94
Others	7,042.15	9,045.59
Total-Gross	7,275.96	9,275.53
Less: Impairment loss allowance	(750.00)	(750.00)
Total- Net	6,525.96	8,525.53

Others includes PBMS principal subsidy receivable Rs 2250.75 lakhs (previous year : Rs 2674.89 lakhs) , PBMS interest subsidy receivable Rs 1367.91 lakhs (previous year: Rs 1300.80 lakhs) and festival advance to staff Rs 1520.21 lakhs (Previous year Rs 1119.50 lakhs).

10A Current tax assets (Net)

Particulars	As at 31.03.2025 Rs in Lakhs	As at 31.03.2024 Rs in Lakhs
Advance tax and tax deducted at source (net of provisions)	21,127.46	14,402.23
Total	21,127.46	14,402.23

10B Deferred tax assets (Net)

Particulars	As at 31.03.2025 Rs in Lakhs	As at 31.03.2024 Rs in Lakhs
Deferred tax assets		
(a) Depreciation on Property, Plant and Equipment	648.00	749.00
(b) Lease Liabilities	1159.00	1168.00
(c) Provisions	21622.00	22862.00
(d) Others	0.00	0.00
Total (A)	23429.00	24779.00
Deferred tax liabilities		
(a) Right of Use Asset	1096.00	1118.00
Total (B)	1096.00	1118.00
Total (A) - (B)	22333.00	23661.00

11A Property, Plant and Equipment

(Rs in Lakhs)

Description of Assets	Freehold Land	Buildings	Furniture and fixtures	Office equipment	Electrical Fittings	Motor Vehicle	Data Processing Equipments	Total
Owned assets								
I. At cost or deemed cost								
Balance as at 31 March 2023	69.51	1,437.25	6,232.76	556.12	2,269.34	52.49	2,712.60	13,330.07
Additions			797.04	156.17	298.74	0.01	224.58	1,476.54
Disposals			(165.31)	(23.92)	(45.91)	(0.09)	(64.25)	(299.49)
Balance as at 31 March 2024	69.51	1,437.25	6,864.48	688.37	2,522.16	52.41	2,872.93	14,507.12
Additions		0.81	673.21	624.99	202.60	17.30	889.39	2,408.31
Disposals			(139.05)	(41.24)	(37.56)	(0.03)	(81.80)	(299.67)
Balance as at 31 March 2025	69.51	1,438.06	7,398.65	1,272.12	2,687.19	69.69	3,680.53	16,615.76
II. Accumulated depreciation								
Balance as at 31 March 2023		236.50	2,737.10	306.25	1,056.96	38.70	1,945.79	6,321.30
Charge for the year		57.78	991.63	122.80	352.09	2.83	401.35	1,928.47
Disposals			(149.67)	(24.16)	(44.05)	(0.09)	(66.86)	(284.83)
Balance as at 31 March 2024		294.28	3,579.05	404.89	1,365.00	41.44	2,280.27	7,964.94
Charge for the period		55.00	910.26	265.62	318.06	4.80	365.13	1,918.86
Disposals			(131.24)	(39.36)	(34.60)	(0.03)	(79.12)	(284.34)
Balance as at 31 March 2025		349.28	4,358.07	631.15	1,648.46	46.21	2,567.59	9,599.46
Carrying value (I-II)								
Balance as at 31 March 2024	69.51	1,142.97	3,285.43	283.48	1,157.16	10.97	592.66	6,542.17
Balance as at 31 March 2025	69.51	1,088.78	3,040.58	640.97	1,038.73	23.47	1,112.93	7,016.29

11B

(Rs in Lakhs)

Description of Assets	Land & Building	Plant & machinery	Total
Right of use assets			
I. At cost or deemed cost			
Balance as at 31 March 2023	12,783.23		12,783.23
Additions	2,455.87		2,455.87
Disposals			
Balance as at 31 March 2024	15,239.10		15,239.10
Additions	3,203.88		3,203.88
Disposals			
Balance as at 31 March 2025	18,442.98		18,442.98
II. Accumulated depreciation			
Balance as at 31 March 2023	7,382.60		7,382.60
Charge for the year	3,414.57		3,414.57
Disposals			
Balance as at 31 March 2024	10,797.17		10,797.17
Charge for the period	3,289.87		3,289.87
Disposals			
Balance as at 31 March 2025	14,087.04		14,087.04
Carrying value (I-II)			
Balance as at 31 March 2024	4,441.93		4,441.93
Balance as at 31 March 2025	4,355.94		4,355.94

11C Other Intangible assets

(Rs in Lakhs)

Description of Assets	Computer Software
At cost or deemed cost	
Balance as at 31 March 2023	432.81
Additions	
Disposals	(0.07)
Balance as at 31 March 2024	432.74
Additions	7,975.83
Disposals	(0.21)
Balance as at 31 March 2025	8,408.36
II. Accumulated amortisation	
Balance as at 31 March 2023	379.04
Charge for the year	15.74
Disposals	(0.07)
Balance as at 31 March 2024	394.71
Charge for the period	47.53
Disposals	(0.21)
Balance as at 31 March 2025	442.03
Carrying value (I-II)	
Balance as at 31 March 2024	38.03
Balance as at 31 March 2025	7,966.33

12 Other Non-Financial Assets

Particulars	As at 31.03.2025 Rs in Lakhs	As at 31.03.2024 Rs in Lakhs
Unsecured - Considered Good		
Prepaid Expenses	9.11	9.04
Balance with government authorities	1.56	1.56
Other advances	1,37,941.50	1,24,239.21
Stock of Stationery	153.32	132.02
Inter Branch Current Account	(0.00)	0.00
Stamp and Stamp Paper on Hand	4.40	4.61
Total	1,38,109.88	1,24,386.45

Other advances includes foreman's investment in chits (substituted tickets) Rs 134111.58 lakhs (previous year Rs 123273.59 lakhs)

12.1 See Note 29.15 for details regarding Inter Branch Current Accounts.

13 A Trade Payables

Particulars	As at 31.03.2025 Rs in Lakhs	As at 31.03.2024 Rs in Lakhs
Trade Payables:		
(a) Total outstanding due of micro enterprises and small enterprises		
(b) Total outstanding due of creditors other than micro enterprises and small enterprises	21,836.41	11,904.55
Total	21,836.41	11,904.55

Trade Payables ageing schedule as on 31st March 2025

Rs.in Lakhs

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
(i) MSME					
(ii) Others	9931.85	2147.13	1424.27	8333.16	21,836.41
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					
Total	9,931.85	2,147.13	1,424.27	8,333.16	21,836.41

Trade Payables ageing schedule as on 31st March 2024

(Rs.in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
(i) MSME					
(ii) Others	5705.42	1561.69	1034.03	3603.42	11,904.55
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					
Total	5,705.42	1,561.69	1,034.03	3,603.42	11,904.55

13 B Borrowings

(Rs in Lakhs)

Particulars	As at March 31, 2025			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Short Term Loan from Banks- (Secured by alien on Fixed Deposit with Treasury/hypothecation of receivables Loans repayable on demand) :				
Overdraft in current accounts with banks (Secured by fixed deposits)	3,41,622.53			3,41,622.53
Total	2,964.06			2,964.06
Total	3,44,586.59			3,44,586.59
Borrowings in India	3,44,586.59			3,44,586.59
Borrowings outside India				

(Rs in Lakhs)

Short term loans from banks	As at 31.03.2025	Rate of Interest	Nature of security	Repayment terms
Federal Bank	43601.83	8.85%	Treasury fixed deposit	Repayable on demand/maturity
Dhanlakshmi Bank	14999.94	9.00%	Treasury fixed deposit	Repayable on demand/maturity
Canara Bank	74998.09	9.05% - 9.20%	50% Treasury fixed deposit & 50% receivables	Repayable on demand/maturity
Indian Overseas Bank	50000.00	9.00%	Treasury fixed deposit	Repayable on demand/maturity
State Bank of India	44500.00	9.15%	Treasury fixed deposit	Repayable on demand/maturity
Bank of Maharashtra	69999.89	9.15%	Treasury fixed deposit	Repayable on demand/maturity
South Indian Bank	43522.79	8.52%	Treasury fixed deposit	Repayable on demand/maturity
Total	341622.53			

(Rs in Lakhs)

Particulars	As at March 31, 2024			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Short Term Loan from Banks- (Secured by a lien on Fixed Deposit with Treasury/hypothecation of receivables)	3,44,492.61			3,44,492.61
Loans repayable on demand: Overdraft in current accounts with banks (Secured by fixed deposits)	830.98			830.98
Total	3,45,323.59			3,45,323.59

14 A Deposits

(Rs in Lakhs)

Particulars	As at March 31, 2025			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposit from Public				
Fixed Deposit	20,20,043.99			20,20,043.99
Chitty Security Deposit in Trust	8,13,980.12			8,13,980.12
Short Term Deposits	45,610.69			45,610.69
Sugama Deposits	1,29,596.51			1,29,596.51
Sugama Akshyaya OD	449.80			449.80
Total	30,09,681.11			30,09,681.11

(Rs in Lakhs)

Particulars	As at March 31, 2024			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposit from Public				
Fixed Deposit	16,02,977.61			16,02,977.61
Chitty Security Deposit in Trust	7,58,502.95			7,58,502.95
Short Term Deposits	40,071.09			40,071.09
Sugama Deposits	1,22,995.64			1,22,995.64
Sugama Akshyaya OD	541.66			541.66
Total	25,25,088.94			25,25,088.94

Deposits from public	As at 31.03.2025 Rs in Lakhs	Rate of Interest	Secured status & Repayment terms
Fixed Deposit	2020043.99	6.60% - 8.25%	Guaranteed by Government of Kerala . The deposits are repayable on maturity. Pre-closure facility is available subject to the conditions
Chitty Security Deposit in Trust	813980.12	8.50%	
Short Term Deposits	45610.69	3.25% - 5.50%	Guaranteed by Government of Kerala . The deposits are repayable on maturity. Pre-closure facility is available subject to the conditions
Sugama Deposits	129596.51	4.50%	Guaranteed by Government of Kerala. The deposits are repayable on demand
Sugama Akshyaya OD	449.80	13.00%	
Total	3009681.11		

14 B Lease liability

Particulars	As at 31.03.2025 Rs in Lakhs	As at 31.03.2024 Rs in Lakhs
Balance as at 1st April	4,639.44	5,406.38
Additions	3,203.88	2,455.87
Increase in lease liability due to increase in tariff		
Add: Finance cost accrued during the period	437.33	474.35
Less: Payment of lease liabilities	3,676.73	3,697.15
Total	4,603.93	4,639.44

15 Other Financial Liabilities

Particulars	As at 31.03.2025 Rs in Lakhs	As at 31.03.2024 Rs in Lakhs
Interest Accrued and due on Public Deposit	47,030.16	37,529.59
Interest Accrued and due on Short Term Deposit	595.89	549.01
Interest Accrued on Chitty Security Deposit in Trust	30,202.79	25,026.31
Unpaid Matured Fixed Deposits	89,364.42	70,636.95
Unpaid Matured Short Term Deposits	7,768.81	8,048.40
Unpaid Non-Operative Sugama Deposits	200.26	191.54
Finance Payable- Chitty/ Kuri	37,27,191.94	35,24,097.91
Finance Payable- Hire Purchase	144.51	144.93
Interest Payable on Loan from banks(Mobilisation)	19.61	51.16
Interest On Gratuity Deposit	3.75	3.75
Chitty Security Deposit in Trust Matured but not claimed	12,443.23	11,545.12
Employee Benefits Expenses Payable	153.42	179.71
EMD/Security Deposits/Agency Deposit	195.79	214.00
Others	709.53	634.69
Total	39,16,024.12	36,78,853.08

Others includes amount recoverable from staff Rs 404.58 lakhs (previous year Rs 363.77 lakhs), state life insurance (PRD) Rs 97.04 lakhs (previous year Rs 86.56 lakhs), LIC(PRD) Rs 86.03 lakhs (previous year Rs 77.23 lakhs), group insurance scheme (PRD) Rs 87.23 lakhs (previous year Rs 74.88 lakhs) and group insurance claim payable Rs 31.68 lakhs (previous year Rs 29.51 lakhs)

16 Provisions

(Rs in Lakhs)

	Pay revision arrear	Rent Escalation	Gratuity	Leave Encashment	Provision for losses on Fraud/ Misappropriation	Total
Carrying amount as on 31.03.2024	22088.77	92.04	9,405.48	25,379.44	11,180.11	68,145.85
Add						
Provision made during the Financial Year	15050.78		9204.65	3169.82	4,367.14	31,792.39
Less						
Amount Paid/Reversed during the year		6.12	9405.48		773.20	10,184.80
Carrying amount as on 31.03.2025	37139.55	85.92	9204.65	28549.26	14774.05	89753.44

16.1 See Note 29.6 for disclosures required under Indian Accounting Standard (Ind AS) 19 - "Employee Benefits"

16.2 See Note 29.14 (c) for details of provision made for Fraud/ Misappropriation.

17 Other Non-Financial liabilities

Particulars	As at 31.03.2025 Rs in Lakhs	As at 31.03.2024 Rs in Lakhs
Margin Money on Employees Loan	0.42	0.42
Social Security Scheme (Revised Bhadratha)	445.71	444.48
Income Received in Advance	1,324.67	1,251.70
Statutory and other dues	9,913.95	9,571.62
Total	11,684.75	11,268.22

Statutory and other dues includes EPF payable Rs 1906.33 lakhs (previous year Rs 1760.61 lakhs), GST payable Rs 3311.01 lakhs (previous year Rs 3068.52 lakhs), TDS payable Rs 3520.90 lakhs (previous year Rs 3262.74 lakhs) etc.

17.1 See Note 29.28 for details regarding Social Security Scheme (Revised Bhadratha)

Equity Share Capital

Particulars	As at 31.03.2025 Rs in Lakhs	As at 31.03.2024 Rs in Lakhs
Authorised :		
250,00,000 (100,00,000) Equity Shares of par value of Rs.100/- each	25,000.00	10,000.00
Issued, Subscribed and Fully paid:		
200,00,000 (100,00,000) Equity Shares of par value of Rs.100/- each	20,000.00	10,000.00

18.1 Terms/ Rights attached to Equity Shares

“The Company has only one class of shares referred to as equity shares with a face value of Rs. 100/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend, if any. The distribution will be in proportion to the number of equity shares held by the shareholders. 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, in proportion to the number of equity shares held by the shareholders.”

18.2 Reconciliation of shares at the beginning and at the end of the financial year

Particulars	As at 31.03.2025		As at 31.03.2024	
	No. of Shares	Amount Rs in Lakhs	No. of Shares	Amount Rs in Lakhs
No. of shares as at the beginning of the financial year	1,00,00,000	10,000.00	1,00,00,000	10,000.00
Add: Shares issued during the year	1,00,00,000	10,000.00		
No. of shares as at the end of the financial year	2,00,00,000	20,000.00	1,00,00,000	10,000.00

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

Particulars	As at 31.03.2025		As at 31.03.2024	
	%	No. of Shares	%	No. of Shares
Government of Kerala	100%	2,00,00,000	100%	1,00,00,000

18.4 Details of equity shares held by promoters

As on 31.03.2025

Promoter Name	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	% of total shares	% change during the year
Government of Kerala	10000000	1,00,00,000	2,00,00,000	100.00%	

As on 31.03.2024

Promoter Name	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	% of total shares	% change during the year
Government of Kerala	10000000		1,00,00,000.00	100.00%	

18.5 During the financial year 2024-25, the company has issued 10000000 equity shares of Rs 100 each as fully paid bonus shares in the ratio of 1:1 by capitalising Rs 10000 lakhs from General Reserve. There was no buying back of shares in the preceding five years.

18.6 There are no issue of securities convertible into Equity / Preference shares.

19 Other Equity

Particulars	As at 31.03.2025	As at 31.03.2024
General reserve		
Balance at the beginning of the year	1,23,660.14	1,19,355.71
Add: Transfer from Retained Earnings	28,224.95	14,804.43
Less: Transfer to Share capital	10,000.00	
Less: Dividend	3,500.00	10,500.00
Closing balance	1,38,385.10	1,23,660.14
Chitty Statutory Reserve		
Balance at the beginning of the year	20,997.77	15,538.63
Add: Transfer from Retained Earnings	5,611.52	5,459.14
Closing balance	26,609.29	20,997.77
Other Comprehensive Income (OCI)		
Balance at the beginning of the year	(20,146.66)	(15,915.01)
Add : Re-measurements of the defined benefit plans in OCI	(3,713.29)	(4,231.65)
	(23,859.95)	(20,146.66)
Retained Earnings		
Balance at the beginning of the year		
Add : Profit for the year	37,549.76	40,410.23
Less: Transfer to General Reserve	28,224.95	14,804.43
Less: Transfer to Chitty Reserve	5,611.52	5,459.14
Less: Other Comprehensive income	3,713.29	20,146.66
Closing Balance		
Total	1,64,994.39	1,44,657.91

20 Interest Income

(Rs in Lakhs)

Particulars	Year ended March 31, 2025			Year ended March 31, 2024		
	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss
Interest on Loans						
Gold Loan		69,598.68			41,480.36	
Janamithram Gold Loan		1,601.26			1,012.69	
Fixed Deposit Loan/NFDL		1,234.69			940.01	
Chitty Loan/Passbook Loan		10,570.12			8,654.72	
New Chitty Loan		25,514.56			27,789.38	
N.H.F.S./ H.F.S.		21,576.15			17,992.89	
Reliable Customer Loan		24,649.52			23,199.62	
Consumer Vehicle Loan		74.18			90.68	
PBMS		1,590.31			2,282.72	
Gold OD		17.87				
Sugama Akshaya OD		410.10			348.74	
Tax Planning Loan Kerala						
State Social Security						
Pension Ltd		29,759.59			27,492.70	
Interest on RR Dues		16,833.32			11,891.48	
Interest on Investment		8,752.60			8,170.30	
Interest on deposits with bank/treasury		67,615.16			74,923.28	
Other interest income		29,856.03			31,758.59	
Total		3,09,654.14			2,78,028.17	

Other interest income mainly includes default interest (Chitty) Rs 22611.88 lakhs (previous year Rs 24214.51 lakhs), penal interest on Reliable Customer Loan Rs 2911.37 lakhs (previous year Rs 3504.71 lakhs), interest on chitty advance payment Rs 2355.01 lakhs (previous year Rs 1990.12 lakhs) and penal interest on NHFS Rs 947.35 lakhs (previous year: Rs 1021.18 lakhs)

21 (a) Service Charges

Particulars	For the year ended 31.03.2025 Rs in Lakhs	For the year ended 31.03.2024 Rs in Lakhs
Writing Fee	1,151.04	1,116.72
Administrative and Processing Charges	296.19	314.77
Registration Charges	5.31	6.96
Others	360.60	383.84
	1,813.14	1,822.28

21 (b) Other Revenue from Chitty Operations

Particulars	For the year ended 31.03.2025 Rs in Lakhs	For the year ended 31.03.2024 Rs in Lakhs
Profit on Chitty Substituted Tickets	27,978.70	22,232.02
Forfeited Veethapalisa Income	3,921.45	4,581.44
Dividend Income (Auction Surplus)	8,263.99	7,489.11
	40,164.15	34,302.58

21.1 See Note 29.16 for details of Forfeited Veethapalisa Income

22 Other Income

Particulars	For the year ended 31.03.2025 Rs in Lakhs	For the year ended 31.03.2024 Rs in Lakhs
Profit on Sale of property, plant & equipment	6.00	4.97
Miscellaneous Income	206.95	87.08
Provision for Unreconciled IB Balance Written Back	2,537.81	3,975.21
Total	2,750.76	4,067.26

23 Finance Costs

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
Fixed Deposits		2,10,383.16		1,65,320.37
Suguma Deposits		4,755.85		4,616.35
Others		29,343.36		32,851.91
Guarantee Commission paid to Govt. of Kerala		13,245.33		11,450.93
Interest on income tax		0.00		122.38
Finance Cost on lease liability		437.33		474.35
Total		2,58,165.04		2,14,836.28

Others includes interest paid to banks on borrowings Rs 26745.06 lakhs (Previous year: Rs 28887.46 lakhs)

24 Impairment of financial instruments

Particulars	Year ended March 31, 2025 Rs in Lakhs		Year ended March 31, 2024 Rs in Lakhs	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
Loan Assets		38,950.14		45,502.89
OTS/Adalath interest waiver		9,303.92		7,120.73
Written Off		186.26		202.05
Provision for fraud/misappropriation		3,593.94		5,103.94
Total		52,034.27		57,929.61

25 Employee Benefits Expense

Particulars	For the year ended 31.03.2025 Rs in Lakh	For the year ended 31.03.2024 Rs in Lakhs
Salaries and Wages	1,19,882.54	1,13,502.12
Contribution to Provident Fund	11,397.09	10,660.45
Contribution to Gratuity Fund	4,312.14	3,816.98
Earned Leave Salary	9,511.54	7,950.14
Bonus & Performance Incentive	17.24	38.00
Staff Welfare Expenses	2,069.68	1,852.18
Total	1,47,190.22	1,37,819.87

26 Depreciation and amortisation expenses

Particulars	For the year ended 31.03.2025 Rs in Lakhs	For the year ended 31.03.2024 Rs in Lakhs
Tangible Assets	1,918.86	1,928.47
Intangible Assets	47.53	15.74
Right of Use Assets	3,289.87	3,414.57
Total	5,256.27	5,358.78

27 Other Expenses

Particulars	For the year ended 31.03.2025 Rs in Lakhs	For the year ended 31.03.2024 Rs in Lakhs
Vehicle Running Expenses	96.43	94.16
Other lease expense - Arrears	277.65	111.62
Rates & Taxes	30.65	30.06
Power and Fuel	1,056.86	966.67
Postage and Telephone	390.26	311.33
Printing & Stationery	739.05	793.56
Legal and Professional Charges	174.08	160.12
Registration and Filing Fee	6,724.25	5,899.07
Insurance	16.80	15.21
Sitting Fees to Directors	3.69	4.69
Service Tax	6.60	1.85
Loss on Sale of property, plant & equipment	5.03	3.57
Miscellaneous Expenses	1,551.26	1,326.19
Travelling Expenses	544.47	527.03
Corporate Social Responsibility	730.78	339.54
CASBA connectivity charges	716.97	679.45
Repairs and Maintenance:		
Building	13.08	4.52
Data Processing Equipments	323.03	292.15
Others	126.08	91.10
Remuneration to Auditors:		
(i) For Statutory Audit	108.17	104.02
(ii) For Tax Audit	17.23	16.88
(ii) Other Expenses	18.20	19.41
Advertisement	1,765.35	2,177.62
Sales promotion Expenses	1,301.15	2,932.02
Development Expenses	17,848.54	16,360.04
GST Input Reversal	2,170.60	1,685.08
Total	36,756.24	34,946.94

27.1 See Note No. 29.3 for disclosures regarding Leases.

27.2 See Note No. 29.13 for disclosures regarding CSR Expenditure.

28 Earnings per share

Particulars	For the year ended 31.03.2025 Rs in Lakhs	For the year ended 31.03.2024 Rs in Lakhs
Profit/ (Loss) for the year	37,549.76	40,410.23
Average number of equity shares of Rs.100/- each fully paid up	2,00,00,000	2,00,00,000
Earnings per Share (Basic) (Rs)	187.75	202.05
Earnings per Share (Diluted) (Rs)	187.75	202.05

The earnings per share for the previous year have been restated to reflect the impact of the bonus shares issued during FY 2024-25.

Additional Information

29.1 Fair Value Measurement

“Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

There were no transfers between Level 1 and Level 2 during the year.”

Fair value hierarchy of financial instruments measured at fair value on a recurring basis is as follows:

Fair value hierarchy of financial instruments measured at fair value on a recurring basis is as follow

(Rs in Lakhs)

Particulars	Fair value Hierarchy	Fair Value	
		As at 31.03.2025	As at 31.03.2024
Financial Assets measured at Fair value through P&L/OCI			
Investments in Non-Convertible Redeemable Bonds - Unquoted	8	1,07,076.60	1,16,817.00

Category wise classification of financial instruments is as follows:

(Rs in Lakhs)

Particulars	Refer Note	Fair Value As at 31.03.2025	As at 31.03.2024
Financial Assets measured at amortised cost			
i. Loans	7	63,23,391.52	55,33,804.46
ii. Other Financial Assets	9	6,525.96	8,525.53
iii. Bank balances other than cash and cash equivalents	6	9,00,796.68	9,31,417.44
iv. Cash and cash equivalents	5	44,465.08	35,845.37
		72,75,179.23	65,09,592.79
Financial Liabilities measured at amortised cost			
i. Payables	13A	21,836.41	11,904.55
ii. Borrowings	13 B	3,44,586.59	3,45,323.59
iii. Deposits	14 A	30,09,681.11	25,25,088.94
iv. Lease liability	14 B	4,603.93	4,639.44
iv. Other financial liabilities	15	39,16,024.12	36,78,853.08
		72,96,732.16	65,65,809.61

Financial Risk Management - Objectives and Policies

"The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include chits, loans, investments, cash and cash equivalents and other receivables that are derived directly from its operations. As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. The Company has a well- managed risk management framework, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as liquidity risk, market risk, credit risk and foreign currency risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable risk parameters in a disciplined and consistent manner and in compliance with applicable regulation.

It may be noted that the Company has a process in place to-

a) Identify the various risks associated with the activities of the Company and assessing their impact on the business.

b) Measure the risks and suggesting measures to effectively mitigate the risks.

However, the primary responsibility for managing various risks on a day to day basis will be with the heads of the respective business units of the Company."

2) Market Risk

As the Company's overall debt is within acceptable parameters, the exposure to interest rate risk from the perspective of financial liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments, are administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation. The Company's investments are predominantly held in fixed deposits. Most of the Fixed deposits are held with treasury and for long duration and are not subject to interest rate volatility.

3) Credit Risk

"Credit Risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to loan losses. The Company addresses credit risk through following processes:

(a) Credit risk on Gold loan is considerably reduced as the security offered is in the form of gold ornaments which could be easily liquidated and there is only a distant possibility of losses due to adequate margin cover retained while disbursing the loan. (b) Credit risk in other schemes is reduced through a careful appraisal and loan approval process & adequate security coverage. Hence overall, the Credit risk is normally low."

4) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk, primarily since it lends to customers at fixed rates for different terms as against public deposits are variable rates

with different tenors. Majority of our borrowings are at fixed rates . However , borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between deposits of varying tenors. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into appropriate time buckets and Asset Liability Management Committee supervises rates periodically for assessment of interest rate risks. The interest rate risk is mitigated by availing funds at competitive rates by appropriately adjusting the interest rates at periodical intervals.

5) Foreign Currency Risk

Foreign Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company had no exposure to foreign currency and foreign currency risk during the FY 2024-25.

Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company while managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals and also through acceptance of deposits / borrowings. The Company aims at maintaining a healthy networth largely towards supporting the future growth of its businesses as a going concern.

As at 31st March, 2025, the Company has only one class of equity shares. The Company is not subject to any externally imposed capital requirements.

29.2 The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also shows the total fair value of collateral and the net exposure to credit risk.

(Rs.in Lakhs)

As at March 31, 2025	Coverage of collateral and credit enhancements held								
	Maximum exposure to credit risk	Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory and other working capital items	Other securities Including personal properties	Total collateral	Net exposure
Cash and cash equivalents	44,465.08	44,465.08						44,465.08	
Bank Balance other than Cash and cash equivalents	9,00,796.68	9,00,796.68						9,00,796.68	
Loans (Gross):									
i) Gold Loan	9,14,591.60				9,14,591.60			9,14,591.60	
ii) Loan against Chitty	3,14,963.15					3,14,963.15		3,14,963.15	
iii) Amount Recoverable from Prized Subscribers	41,58,260.75						41,58,260.75	41,58,260.75	
iv) Employee loans	15,993.17						15,993.17	15,993.17	
v) Revenue Recovery Debtors	3,39,274.62						3,39,274.62	3,39,274.62	
vi) Loan to government companies	3,44,069.00			3,44,069.00				3,44,069.00	
vii) Others	5,09,834.88						5,09,834.88	5,09,834.88	
Other financial assets	6,525.96								6,525.96

(Rs.in Lakhs)

As at March 31, 2024	Fair value of collateral and credit enhancements								
	Maximum exposure to credit risk	Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory and other working capital items	Other Securities Including personal properties	Total collateral	Net exposure
Cash and cash equivalents	35,845.37	35,845.37						35,845.37	
Bank Balance other than Cash and cash equivalents	9,31,417.44	9,31,417.44						9,31,417.44	
Loans (Gross):									
i) Gold Loan	5,18,807.59				5,18,807.59			5,18,807.59	
ii) Loan against Chitty	3,45,800.82					3,45,800.82		3,45,800.82	
iii) Amount Recoverable from Prized Subscribers	38,41,336.81						38,41,336.81	38,41,336.81	
iv) Employee loans	15,971.88						15,971.88	15,971.88	
v) Revenue Recovery Debtors	2,84,029.14						2,84,029.14	2,84,029.14	
vi) Loan to government companies	3,27,069.00			3,27,069.00				3,27,069.00	
vii) Others	4,46,991.79						4,46,991.79	4,46,991.79	
Other financial assets	8,525.53								8,525.53

29.3 Lease Disclosures (Entity as a Lessee)

Company Policy

The Company adopted Ind AS 116 "Leases" on the basis of retrospective application without restatement of prior year comparatives. This results in the cumulative impact of adoption is recorded as an adjustment to other equity under the head retained earnings, at the beginning of the accounting period in which the Standard is first applied. Accordingly, following disclosures are given.

Lease Liabilities

(Rs. in Lakhs)

Particulars	Total
Balance as at 1st April 2023	5406.38
Additions	2455.87
Increase in lease liability due to increase in Tariff	0.00
Add: Finance cost accrued during the period	474.35
Less: Payment of lease liabilities	3697.15
Balance as at 31st March 2024	4639.44
Additions	3203.88
Increase in lease liability due to increase in Tariff	0.00
Add: Finance cost accrued during the period	437.33
Less: Payment of lease liabilities	3676.73
Balance as at 31st March 2025	4603.92

Maturity Analysis-Contractual undiscounted cash flows

(Rs. in Lakhs)

Particulars	Total
Less than one year	2,844.32
One to five years	2,060.6
More than five years	4.74
Total undiscounted lease liabilities	4,909.67

Right-of-use assets*(Rs. in Lakhs)*

Particulars	Total
Balance at 31 March 2023	5400.63
Additions	2455.87
Less: Depreciation for the year	3414.57
Balance at 31 March 2024	4,441.93
Additions	3,203.88
Less: Depreciation for the year	3,289.87
Balance at 31 March 2025	4,355.94

Amounts recognised in statement of profit or loss*(Rs. in Lakhs)*

Particulars	Total
Interest on lease liabilities	437.33
Depreciation on right-of-use assets	3,289.87
Other lease expenses - arrears	256.81

Amounts recognised in statement of cash flows*(Rs. in Lakhs)*

Particulars	Total
Total cash outflow for leases	3,676.73

29.4 Taxation

(i) Reconciliation of income tax expense

(Rs. in Lakhs)

	Year Ended 31.03.2025	Year Ended 31.03.2024
(a) Profit before Tax as per Statement of Profit and Loss	56115.23	54591.44
Add : Other Comprehensive Income that will not be reclassified to Statement of Profit and Loss	(4,962.17)	(5,654.86)
Accounting Profit	51153.06	48936.58
Add: Items that are not deductible in determining Taxable profit	20108.87	18597.58
Taxable Profit (A)	71261.93	67534.16
(b) Tax on Accounting profit @25.17%	17936.63	16998.35
(c) Current Tax as per Statement of Profit and Loss [B]	19184.08	18420.21
(i) Applicable rate of tax as per Finance Act	25.17%	25.17%
(ii) Average effective tax rate [B/A]	26.92	27.28

29.5 Contingent Liabilities, Commitments and Contingent Assets (to the extent not provided for in the accounts)

	2024-25 (Rs in Lakhs)		2023-24 (Rs in Lakhs)	
I Contingent Liabilities				
a) Claims against the Company not acknowledged as debt (See Note below)				
i) Income Tax	33212.74		27002.17	
ii) Provisions of ESI Act	4061.18		4061.18	
iii) GST	2942.60			
b) Bank Guarantees:				
c) Other money for which the Company is contingently liable	0	40216.52	0	31063.34
II Commitments				
a) Estimated amount of contracts remaining to be executed not provided for	87.36		87.91	
b) Uncalled liability on shares and other investments partly paid	0		0	
		87.36		87.91
TOTAL		40303.88		31151.25

III Details in respect of claims against the Company not acknowledged as debt disclosed above are as follows :

	2024-25	2023-24
1 Demand raised by way of revision u/s 263 disallowing Guarantee commission amounting to Rs.44.93 Crs and provision for bad and doubtful debts amounting to Rs 224.98 crores for AY 2017-18 against which appeal has been filed before Hon. High Court of Kerala	9341	9341
2 Additional tax demand for the 2018-19 primarily by way of disallowing provision for bad and doubtful debts amounting to Rs 142.30 crores and guarantee commission of Rs 53.22 crores against which Company has filed appeal before CIT appeals against the disallowance of provision for bad and doubtful debts and before ITAT, Kochi against the disallowance of Guarantee Commission	8212	8212
3 (a) Demand raised by AO by way of disallowing Guarantee commission of Rs.65.39 Crs and Provision for doubtful debts amounting to Rs.227.48 crs for AY 2020-21. Appeal filed before ITAT, Kochi which is pending for disposal (b)Penalty imposed by the Income Tax Department for 2020-21 against the disallowance of Guarantee commission paid to the Government of Kerala. Appeal pending with the CIT appeals	3253.55 4223	3253.55 0
4 (a) Demand raised u/s 143(3) for AY 2021-22 disallowing provision for bad and doubtful debts amounting to Rs.172.29 crs and guarantee commission of Rs.73.65 crs, Appeal pending with ITAT, Kochi (b)Penalty Imposed by the Income Tax Department for AY 2021-22 against the disallowance of Guarantee commission paid to the Government of Kerala. Appeal pending with the CIT appeals	1874.09 1298	1874.09 0
5 Demand raised amounting to Rs.3103.53 lakhs by the assessing officer as per the Order passed u/ s 143(3) arising out of guarantee commision amounting to Rs.96.75 crore and employees contribution to EPF Rs 6.99 crores for AY 2022-23 . Appeal pending before CIT (Appeals) and Honourable High Court of Kerala.	3324	3103.53

6	The Income Tax Department (TRACES) had raised demand notices on some procedural irregularities regarding TDS from AY 2008-09 to 2025-26 . The same is being looked into and getting rectified on as an ongoing basis. (AY 2008-09 to 2025-26)	1138.10	669.00
7	TDS appeal filed before CIT (Appeals) on 15G/15H matters and on matters relating to salary TDS, pending with CIT Appeals	549.00	549.00
8	Appeals filed with CESTAT against Order in Appeal under service tax received at our various branches . Major portion of the original demand was on chit related income. Based on the judgment of Hon'ble High Court of Kerala of 2018 regarding non-applicability of Service Tax on Chit related transactions between 2012 to 2015 a portion of demand was abated, Revised demand has not been confirmed by the Dept. (AY 2008-09 to 2016-17)	Pending	Pending
9	(a) An Order in Original dated 31.08.2024 issued by the Joint Commissioner and Tax Payer Service Circle, Kerala SGST Department has been received demanding GST on appraiser fee for the period 01.07.2017 to 31.03.2023 for Rs 106143044 plus equal penalty with interest. (b) Flood Cess amounting to Rs 2198967 with penalty of equal amount with interest against which appeal has been filed before the Appellate Authority. Pre-deposit has been paid Rs 21.98 lakh	2808.78	0
10	An Order in Original dated 13.03.2025 issued by the Additional Commissioner of Central Tax and Central Excise Kochi Commissionerate for the period 2020-2021 for Rs 9600328 towards excess ITC claimed, against which appeal has been filed before the Appellate Authority. Penalty imposed on the same Rs 37.82 lakhs . Pre-deposit has been paid Rs 9.60 lakh.	133.82	0
11	The Company was exempted from provisions of ESI Act up to 31-03-2008. The Company had taken up with Government the issue of extending ESI exemption for 2008-09, 2009-10, 2010-11 & 2011-12. However, Government informed on 12-10-2011 that Company's request for exemption could not be considered since medical benefits given by it are neither similar nor superior to those provided under ESI scheme. The matter was subsequently taken up before the Government and again it was not considered favourably. In the meanwhile ESI Corporation issued 4 notices on		

<p>02.02.12 and 11.12.23 respectively demanding a total sum of Rs 99.75 lakhs towards ESI contribution from April 2007 to Oct 2011 and Nov 2011 to Nov 23 & consequently Company agreed to remit the said amount. Before the said remittance could be made, the Corporation raised a fresh demand on 11.03.24 amounting to Rs 4061.18 lakhs comprising Rs 21.10 lakhs (of 3 demands issued on 02.12.12) and modified amount of Rs 4040.08 lakhs (original demand being Rs 78.65 lakhs) . Company file petition with Employees State Insurance Court seeking interim stay on the said Order dated 11.03.24. Interim stay was granted on the condition that an amount of Rs 31.83 lakhs should be remitted on or before 10.06.24. The said amount was remitted on 05.06.24 and interim stay obtained.</p>	<p>4061.18</p>	<p>4061.18</p>
<p>Contingent Contracts</p> <p>12 The Company had issued work order to M/s Accel Frontline Limited on 20-05-2008 for Design, Development Installation & Commissioning of a Centralized Application Software (CAS) towards integration of various system applications. The contract value was Rs. 61.16 lakhs out of which an amount of Rs.40.57 lakhs had been provided in the accounts / paid to them up to 31-03-2022.</p>	<p>20.59</p>	<p>20.59</p>
<p>13 The Company had entered into a contract on 03.11.2020 with M/s Nextra Data Ltd., for Amazon AWS cloud . We had paid Rs. 21,95,188/- as against invoice amount of Rs. 22,50,265/- The said contract had been terminated and new vendor M/s StarOne IT had been onboarded as managed service provider to manage our AWS cloud.</p>	<p>0.00</p>	<p>0.55</p>
<p>14 The Company had introduced a new loan scheme on 10.11.2021 in collaboration with NORKA ROOTS in connection with rehabilitation of NRK's who had lost their job due to pandemic outbreak. The capital subsidy @25% of loan amount upto maximum Rs 1 lakh would be provided to prompt customers after completion of 36 months or loan tenure whichever is earlier. Preclosed accounts will not be entitled for subsidy benefit. Total capital subsidy receivable from NORKA ROOTS till 31.03.2025 is Rs.66,70,37000- out of which Rs.44,19,62,250 has been received till 31.03.2025, interest</p>		

	subsidy receivable till 31.03.2025 is Rs 20,88,22,463 out of which Company has received interest subsidy amounting to Rs 7,20,31,922 till 31.03.2025 from NORKA.		
15	The Company had entered into a contract with M/s. BSNL towards VSAT services on 08.05.2015 for a total value of Rs.132.75 lakhs out of which an amount of Rs.65.98 lakhs had been paid to them till 31.03.2022.	66.77	66.77

29.6 Disclosures required under Ind AS 19 - Employee Benefits.

I Defined Contribution Plans

During the year the following amounts have been recognised in the statement of profit and loss on account of defined contribution plans:

(Rs in Lakhs)

	2024-25	2023-24
Employers contribution to Provident Fund	11,397.09	10,660.45
Employers contribution to Employee's State Insurance Corporation	-	-

II Defined Benefit Plan/ Other Long Term Benefits

	Gratuity (Funded)		Compensated absences (Non-Funded)	
	2024-25	2023-24	2024-25	2023-24
(i). Actuarial Assumptions				
Discount Rate (per annum)	6.89%	7.25%	6.89%	7.25%
Expected return on plan assets (per annum)	7.25%	7.58%	0.00%	0.00%
Compensation escalation rate (per annum)	6.25%	5.50%	6.25%	5.50%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate			

(Rs. in Lakhs)

	2024-25	2023-24	2024-25	2023-24
(ii) Reconciliation of present value of obligation				
Present value of obligation at the beginning of the year	57,035.01	50,080.51	25,379.43	23,200.36
Current Service Cost	3,903.34	3,405.35	9,682.37	8,891.74
Interest Cost	3,882.31	3,578.30	1,610.12	1,539.86
Prior service cost				
Actuarial (gain)/ loss	5,756.54	5,717.45	(1,780.95)	(2,481.47)
Benefits Paid	(6,971.70)	(5,746.60)	(6,341.71)	(5,771.06)
Present value of obligation at the end of the year	63,605.50	57,035.01	28,549.26	25,379.43
(iii) Reconciliation of fair value of plan assets				
Fair value of plan assets at the beginning of the year	47,629.53	40,587.39		
Expected return on plan assets	3,541.42	3,219.05		
Actuarial (gain)/ loss	794.38	62.59		
Contributions	9,407.22	9,507.11		
Benefits paid	(6,971.70)	(5,746.61)		
Fair value of plan assets at the end of the year	54,400.85	47,629.53		
Actual Return on Plan Assets	4,335.80	3281.64		
(iv) Description of plan assets- Insurer Managed Funds				
(v) Major category of plan assets as % of total plan assets				
Equities				
Bonds				
Gilts				
Others - Insurer Managed Funds (LIC of India)*				
In the absence of detailed information regarding plan assets which is funded by Insurance Company, the composition of each major category of plan assets, the percentage on amount of each category to the fair value of plan assets has not been disclosed.				
(v) Net (Asset)/ Liability recognised in the balancesheet as at the end of the year				
Present value of Obligations as at the end of the year	63,605.50	57,035.01	28,549.26	25,379.43
Fair value of Plan Assets as at the end of the year	54,400.85	47,629.53		
Net present value of funded obligation recognised as (asset)/ liability in the balancesheet	9,204.65	9,405.48	28,549.26	25,379.43

(Rs. in Lakhs)

	Gratuity (Funded)		Compensated absences (Non-Funded)	
	2024-25	2023-24	2024-25	2023-24
(vi) Expenses recognized in the Statement Profit and Loss				
Current Service Cost	3,903.34	3,405.35	9,682.37	8,891.74
Interest Cost	3,882.31	3,578.30	1,610.12	1,539.86
Expected return on plan assets	(3,541.42)	(3,219.05)		
Actuarial (gain) / loss recognised in the period	5,756.54	5,717.45	(1,780.95)	(2,481.47)
Total expenses recognized in the Statement of Profit and Loss for the year	10,000.77	9,482.05	9,511.54	7,950.13
Actual return on plan assets				
(vii) Non-current and current value of obligation				
Non-current	4,078.66	7,078.06	26,042.45	23,011.21
Current	5,125.98	2,327.42	2,506.81	2,368.23
Total value of obligation	9,204.64	9,405.48	28,549.26	25,379.44

(Rs. in Lakhs)

	31.03.2025	31.03.2024	31.03.2023	31.03.2022	31.03.2021
ix) Amount recognised in current year and previous four years					
Gratuity (Funded)					
Present value of defined benefit obligations	63,605.50	57,035.01	50,080.51	46,039.18	32,837.20
Fair Value of plant assets	54,400.85	47,629.53	40,587.39	32,605.41	24,322.68
Funded status- (asset) / liability	9,204.65	9,405.48	9,493.12	13,433.77	8,514.52
Actuarial (gain) / loss on plan obligations	5,756.54	5,717.45	6,030.22	1,509.03	6,364.45
Compensated absences (Funded)					
Present value of defined benefit obligations	28,549.26	25,379.43	23,200.36	22,487.73	16,277.31
Fair Value of plant assets					
Funded status- (asset) / liability	28,549.26	25,379.43	23,200.36	22,487.73	16,277.31
Actuarial (gain) / loss on plan obligations	(1,780.95)	(2,481.47)	(3,603.99)	620.57	2,660.43
Actuarial (gain) / loss on plan assets					

(x) A quantitative sensitivity analysis for significant assumption (impact on defined benefit obligation) is as below:

A. Gratuity (Funded)

(Rs in Lakhs)

	Year ended 31.03.2025		Year ended 31.03.2024	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	60,075.31	67,591.92	50,263.54	65,116.40
Salary increase rate	67,619.18	59,988.66	65,054.30	50,216.37
Employee Turnover	63,499.53	63,723.29	57,904.73	56,061.28

B. Compensated absences (Non - Funded)

(Rs in Lakhs)

	Year ended 31.03.2025		Year ended 31.03.2024	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	26,099.48	31,398.20	22,120.40	29,418.42
Salary increase rate	31,312.68	26,129.72	29,298.51	22,165.84
Employee Turnover	28,552.89	28,548.95	26,017.42	24,638.62

In the above analysis the change in the factor is made with other factors remaining intact Undiscounted Cash flow over the years is the aggregate cash flow without discounting but keeping other factors intact and is the total payment for the current complement of staff. Maturity profile of the obligation is reflected in the undiscounted aggregate cash flow given above.

Actuarial gain/ loss arising on experience adjustments

(Rs. In Lakhs)

	As at 31.03.2025	As at 31.03.2024
Gratuity (Funded)	4,962.17	5,654.86
Compensated absences (Non-Funded)	(1,780.95)	(2,481.47)

(xi) Note on actuarial risks

These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

(a) Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government bonds.

(b) Interest Risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

(c) Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(d) Salary Risk

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.
Notes:

1. The above disclosures are based on information certified by the independent actuary and relied upon by the Company.
2. The plan assets of the Company are managed by the Life Insurance Corporation of India to fund obligations of the Company with respect to its Gratuity.

29.7 Operating Segments (Ind AS -108):

Segment information

The Company has identified business segments viz; Chitty and Lending as its primary segments. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. The assets of the Company are used interchangeably between segments, and the Management believes that it is currently not practical to provide segment disclosures relating to total assets and liabilities since a meaningful segregation is not possible. Since, the revenue and profit or loss attributable to external customers are not material as compared to the combined revenue or profit or loss respectively, geographic segments reporting is not given.

(Rs in Lakhs)

Sl. No.	Particulars	Financial Year	Business segments		Total
			Chitty	Lending	
a)	Segment Revenue	2024-25	3,07,266.03	1,62,061.41	4,69,327.44
		2023-24	2,85,399.73	1,29,724.27	4,15,124.00
	Less: Inter Segment Revenue	2024-25			
		2023-24			
	Total revenue	2024-25	3,07,266.03	1,62,061.41	4,69,327.44
		2023-24	2,85,399.73	1,29,724.27	4,15,124.00
b)	Segment results	2024-25	2,84,426.92	93,797.16	3,78,224.09
		2023-24	2,60,475.87	48,781.99	3,09,257.86
	Less Unallocable Expenditure (net of Unallocated Income)	2024-25			4,08,298.68
		2023-24			3,47,725.44
	Add Other income(Net)	2024-25			86,189.82
		2023-24			93,059.02
	Total Profit BeforeTax and Exceptional Items	2024-25			56,115.23
		2023-24			54,591.44
	Add Exeptional Items	2024-25			
		2023-24			
	Profit Before tax	2024-25			56,115.23
		2023-24			54,591.44
	Income Tax Expenses	2024-25			18,565.47
		2023-24			14,181.21
	Profit after Tax	2024-25			37,549.76
		2023-24			40,410.23

29.8 Disclosure of Related Party Transactions in accordance with Ind AS 24 “ Related Party Disclosures”

A.(i) List of Related Parties where control exists and also other Related Parties with whom transactions have taken place and relationships:

Sl.No	Nature of Relationship	Name of Related Party
1	Related party	Sri. Varadharajan.K
2	Key managerial personnel	Dr. Sanil S K, Managing Director

B. Transactions during the year

(Rs in Lakhs)

		2024-25	2023-24
1	Transactions with Key Managerial Personnel		
1.a	Remuneration to the Managing Director	Dr. Sanil S K Total	36.50 32.97 36.50 32.97
1.b	Honorarium to Chairman	Sri. Varadarajan K Total	2.40 2.40 2.40 2.40
1.c	Other Payments to Chairman		1.95 0.50
	Other Payments to Managing Director/Directors		7.65 7.18
	Others: Sitting fees		3.32 4.69
	Total		12.92 12.37
1.d	Travel Expenses: Managing Director, Chairman and Other Directors		2.42 3.78
	Total		2.42 3.78

Related Parties pending payments:

Name	Nature of payment	Amount	Remarks
	- NIL -		

- 1 Various softwares related to KSFE pravasi chitty scheme were developed and implemented by Kerala Infrastructure Investment Fund Board(KIIFB) controlled by Govt of Kerala. During FY 2024-25, as part of asset transfer modality, it was decided to take over the pravasi chitty software platform by repaying the amount expended by KIIFB amounting to Rs. 85.94 crores (including GST)towards development and implementation of the same in a phased manner. Further to G.O (RT)No 196/2025/FIN dated 07.01.2025, repayment agreement outlining modalities associated with asset transfer was executed with KIIFB on 29.03.2025 and conditions stipulated therein are being complied with.
- 2 Chitty Security Deposit with regard to pravasi chitty scheme is created with KIIFB in accordance with GO issued in this regard. Similarly, prize money deposit made by the prized subscribers is also getting deposited with KIIFB. Both these category of deposits are getting invested in the form of KIIFB bonds.
- 3 Company is granting inter corporate loans to M/s Kerala Social Security Pension Limited(KSSPL) in its ordinary course of business.

Guarantee Commission Payable to Government of Kerala.

The Company has been remitting Guarantee Commission on the Fixed/Sugama/Short Term Deposits outstanding as at the end of the preceding financial year. Interest accrued on Deposits is not considered for the purpose of remitting Guarantee Commission as interest is paid on a monthly basis & Company is not having any cumulative deposit scheme. The Comptroller & Auditor General during the course of their inspection during 2003-04 had stated that an amount of Rs.561 lakhs is due up to that year on account of difference in method adopted for computation of Guarantee Commission.

29.9: Recent IND AS and Other Statutory/ Legal Announcements.

“The Code on Social Security,2020 (‘Code’) relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Ministry of Corporate Affairs (‘‘MCA’’) notifies new standard or amendments to the existing standards. Accordingly, Ministry had notified the Companies(CSR Policy) Ammendment Rules2021 dated January22, 2021 and the same is applicable to the Company.”

29.10 : Maturity analysis of assets and liabilities

The table below shows an analysis of liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2025 (Rs in Lakhs)			As at March 31, 2024 (Rs in Lakhs)		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Borrowings (other than debt securities)	344586.59		344586.59	3,45,323.59		3,45,323.59
Deposits	3009681.108		3009681.108	2525088.937		2525088.94
Other Financial Liabilities	3916024.12		3916024.12	36,78,853.08		36,78,853.08
Provisions		89753.44	89753.44		68145.85	68145.85
Other non-financial liabilities		11684.75	11684.75		11,268.22	11,268.22
	7270291.82	101438.19	7371730.01	65,49,265.61	79414.07	66,28,679.68

29.11 As required by Ind AS 109 ('Financial Instruments'), provision for expected credit loss in respect of loans, RR debtors, Amount Recoverable from Prized Subscribers has been calculated based on management's estimate of probable default and loss given default and provision created in the books of accounts accordingly.

29.12 Other Financial Asset includes the following

Safe Deposit Locker Rent Receivable	7.80
Festival Advance To Agents	13.93
Festival Advance To Appraiser	2.80
Interest Free Loan	3.69
Rent Receivable	5.90
CMDRF Advance Recoverable	3.62
Festival Advance To Staff	1520.21
Travel Advance To Staff	0.79
Other Advances To Staff	35.15

Amount Recov. From Dismissed Employees	1.42
Recoverable Salary Advance	0.41
Other Advance To RR Staff	0.10
Amount Recoverable Staff On Deputation	0.10
Adv. Recoverable From Staff On Deputation	0.02
Advance To KSFE Staff Co-Operative	750.00
Flood Advance To Staff	1.80
Amount under Dispute(ESI)	31.83
Pre Deposit(GST)	107.43
Pre Deposit(KFC)	2.20
Amount Payable To Removed Members Account	143.17
NPDSC	43.46
Interest accrued on Treasury	
Deposit (CMDRF)	23.39
Interest subsidy on	
PBMS receivable from Government	1367.91
ITC Receivable	723.85
KVS Subsidy Receivable from Local Body	0.44
PBMS principal subsidy receivable	2250.75
	<u>7042.15</u>

29.13 Corporate Social Responsibility

- Gross Amount required to be spend by the Company during the year Rs.7,30,00,000/-
- Amount approved by the Board to be spent during the year : Rs. 7,30,00,000/-
- Amount spent during the year on:

Rs in lakhs

		In Cash	Yet to be paid in Cash	Total
(i)	Creation / acquisition of a capital asset	0	0	0
(ii)	On purposes other than (i) above	29.03	0.00	29.03

- Details of related party transactions, e.g., contribution to a trust / society / section 8 company controlled by the company in relation to CSR expenditure as per Accounting Standard (AS) 18, Related Party Disclosures: Not Applicable

- Additional Disclosures related to Section 135(5) and 135(6), with the following details in the notes should also be made:

(Rs in lakhs)

In case of S. 135(5) unspent amount				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
	Nil	24.02	24.02	0

In case of S. 135(5) excess amount spent			
Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
0		0.78	0.78

In case of S. 135(5) ongoing projects						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In separate CSR Unspent A/c
FY 2021-22	24.02			24.02		0
FY 2022-23	53.65			23.65		30
FY 2023-24	28.505	310.54	28.50	224.55		85.99
FY 2024-25	730.78		29.03			701.75

29.14 Bad And Doubtful Debts

- The impairment allowance calculated for Expected Credit Loss on loan portfolio and amount recoverable from prized subscribers
- During the year, the Company had made a provision of Rs.38950.14 lakhs (PY: 45502.89 lakhs) towards impairment allowance on the basis of Expected Credit Loss. The cumulative provision created for this category upto FY 2024-25 amounts to Rs 299575.17 lakhs (PY:260625.03 lakhs) . During this year, provision towards amount recoverable from prized chit subscribers amounting to Rs 37833 lakhs had been created. As prize money is paid on the strength of property security (twice the value of prize amount) and other fully secured securities viz. gold, FD, policies etc, provision made towards amount recoverable from prized subscribers has been made only by establishing relation between personal surety category with prize money paid during the year.
- The Company, as a matter of prudence, has been making provision for fraud/misappropriation identified during the year from FY 2015-16 onwards and provisions has been made @100% towards frauds/misappropriation cases identified during each year. For FY 2024-25, provision to the tune of Rs 3593.94 lakhs (P.Y: Rs 5103.94 lakhs) hasbeen created.
- The Company has identified bad debts, which are classified in to the following categories and written off during the year:

(Rs. In lakhs)

Particulars	Year ended 31st March, 2025	Year ended 31st March, 2024
For Recovery from Prized Subscribers	130.29	145.28
For Interest waiver write off on Gold Loan	0.00	0.00
For Revenue Recovery Debtors	0.00	0.00
For Chitt Activities	55.98	56.77
Total	186.26	202.05

29.15 Inter Branch Accounts

a) Inter Branch Accounts is shown under Other Non-Financials Assets in Note 12 .

(Rs in lakhs)

Particulars	As at 31.03.2025	As at 31.03.2024
Inter Branch Current Account Asset / (Liability)	(0.00)	0.00
Total	(0.00)	0.00

b) Inter branch current account comprises around 40 odd accounts some of which are outstanding for a long period of time. Some accounts under the said group are operational while some are not. During FY 2022-23, the un-reconciled balances under this head amounted to Rs 11804.80 lakhs and was fully provided for. During FY 2024-25, the balance has come down to Rs 5292.29 lakhs (P.Y . Rs 7830.09 lakhs) and consequentially during the year, provision to the tune of Rs 2537.81 lakhs (P.Y. Rs 3975.21 lakhs) has been written back in the books of account.

29.16 Auction veethapalisa in Terminated Chitties

Auction Veethapalisa in Terminated Chitties under Kerala Chitties Act, 1975 is shown as liability. However from F.Y.2014-15 onwards, the Board, vide Resolution No.6738 dt 11-11-2014, in accordance with the provisions of the Chit Fund Act- 1982 (CFA), had decided to treat forfeited veethapalisa of Chitties under CFA 1982 as income of Company at time of termination of chitty after adjusting defaulted amount. Accordingly, during the year, the Company had accounted an amount of Rs. 3921.45 lakhs as income under this head as against Rs. 4581.44 lakhs in the previous year. As there was an audit comment with regard to timing of recognition of forfeited veethapalisa, the same was taken up with EAC of the Institute of Chartered Accountants of India. The ICAI, in its opinion had stated that point of recognition would be point of legal extinguisher and as point of legal extinguisher was more connected with legal aspect rather than accounting, legal opinion in this regard was sought. The legal opinion too, is in alignment with the practice being presently followed by the Company and as such the Company intends to rely upon the said legal opinion received for the accounting policy being followed.

29.17 Finance Charges Payable Chitty/Kuri as shown in Note 15 amounting to Rs. 37,27,191.94 lakhs (P.Y. Rs. 35,24,097.91 lakhs) includes Prize Money Payable amounting to Rs 3,19,328.52 lakhs (P.Y. Rs. 3,06,613.63 lakhs). This includes amount payable in respect of tickets substituted by the Company.

29.18 The Company has a system to identify the customers at the time of opening accounts in respect of loans and deposits. Steps are also being initiated to identify the customers in line with the guidelines issued by RBI under provisions of Prevention of Money Laundering Act 2002/Know Your Customer (KYC) norms. However in few instances the same has not been complied by few branches, Company has taken strict measures to ensure the compliance of the above mentioned guidelines issued by the RBI.

29.19 During the year, as per provisions of Chit Fund Act- 1982, Company had transferred 10% of Book profit to Chitty Reserve Account.

29.20 The Company in compliance with the provisions of Chitty Act 1982, registers chitties only after realisations of first instalment. However in few instances cheques have been realized after registration of the Chitty, further there are also few instances of cheque dishonour after registration. Company has taken strict measures to ensure the compliance of the above Chitty Act provision.

29.21 The Company had opened a separate TSB account with District Treasury, Thrissur in accordance with G.O.(Rt)No.8947/2023/FIN dated 19.12.2023 and has transferred amount due to removed subscribers to this account. As on 31.03.2025, amount due under this head comes to Rs 26437.90 lakhs (P.Y: Rs 22077.62 lakhs) and as on 31.03.2025, the said account had a balance of Rs 24681.35 lakhs. The differential amount had been remitted on 08.06.2025.

29.22 The terminated chitty suspense amounting to Rs 670.46 lakhs (previous year: Rs 647.47 lakhs) is the amount received from subscribers in terminated and closed chitties. This suspense account represents the temporary parking of remittance received in terminated chitties and the same gets transferred to the appropriate chitty as and when remittance is sufficient to complete an installment amount. Similarly, the chitty suspense amounting to Rs 38421.72 lakhs (previous year: Rs 31366.36 lakhs) is the amount received from subscribers in running chitties. This suspense account represents temporary parking of remittance received from subscribers in running chitties and the same gets transferred to the appropriate chitty as and when remittance is sufficient to complete an installment amount or get adjusted with next installment amount. Though the amount lying in this account is identifiable it remains unadjusted due to reasons as stated above.

29.23 EIR on amount recoverable from prized subscribers: The amount recoverable from Prized Subscribers amounting to Rs.4158260.75 lakhs (Previous year 3841336.81 lakhs) includes various heads of account viz. prized collection, piricheduppu, prize amount paid, prize amount paid in advance etc. There are financial assets which are to be measured at amorized cost using Effective Interest Rate (EIR) as per Ind AS 109. Effective Interest Rate (EIR), as per IndAs 109, is the rate that exactly discounts the expected future cash receipts through maturity to the net carrying amount at initial recognition. Amortized cost method involves calculation of present value of all future cash flows expected throughout the entire life of financial assets at theprevailing rate of interest. It is not possible to ascertain the future amount recoverable from the prized subscribers in advance as the auction discount for future instalments are not known in advance. As chitty happens to be a unique product and non availability of any specific model for chit business for measuring the same using effective interest rate (EIR), compliance with Ind AS 109 is impractical. Comparison of present method and EIR based working is also not possible as calculation under EIR methodology cannot be done due to reasons mentioned above and Management has concluded the financial statements present a true and fair view of the entity's financial position, financial performance and cash flows. The Company has complied with the applicable Ind ASs (except those as reported elsewhere) to present true and fair view. The reasons as to why a particular Ind AS cannot be complied with has been also stated. The financial effect due to departure from a particular Ind AS cannot be reported as compliance with the particular Ind AS is not possible.

29.24 The Company advances loans and releases chitty prize money on the strength of different category of securities viz. property, fixed deposits, gold, insurance policies, personal surety etc. Loans guaranteed by personal surety areestimated to be around 10% of the total loan portfolio and classified as unsecured.

29.25 Maximum balance outstanding at any time during the year with non-scheduled banks (Treasuries and DistrictCo-Operative Banks) is not exhibited in Note 5 and 6. In view of large number of accounts maintained at different branches, it is not possible to compile the figures, within the existing system framework.

29.26 The Company is accepting deposits from public, repayment of which is guranteed by Government of Kerala. The Government had guaranteed deposit to the extent of o Rs 2500000 lakh vide G.O (Rt)No. 1027/2024/Taxes dated 16.11.2024.

29.27 The Company had declared dividend @35% for FY 2023-24 and paid during December 2024.

29.28 SSS Bhadratha & Revised Bhadratha Deposit Schemes

The Company had been acting as an agent of Government of Kerala, on commission basis for its SSS Bhadratha & Revised Bhadratha Schemes (both of which had been since discontinued). Funds

mobilized by the Company under these schemes were parked with district treasury Thrissur and various other treasuries across the State. As stated, since the schemes had already been discontinued, we have taken up the matter with Government of Kerala for final settlement/closure of various accounts related to the said schemes. Government had resumed funds amounting to Rs 16,11,19,350 from some of the TSB accounts opened in connection with these schemes and out of the funds so resumed, and an amount of Rs 10,96,70,380 had been refunded on various dates and Rs 5,14,48,970 remains unrefunded as on 31.03.2025. As Company has to get a total refund/reimbursement of Rs 2,94,06,957.01 (Rs 10,60,150.61 under SSS Bhadratha Scheme and Rs 2,83,46,806.40 under Revised Bhadratha Scheme respectively), we have requested Government to resume the balance funds in various TSB accounts opened in connection with these schemes after reimbursing the said amount of Rs 2,94,06,957.01 to us and close/settle the accounts pertaining to these schemes on a final basis. Matter is being followed up with Government and awaiting final approval.

(Rs in lakhs)

Particulars	As at 31.03.2025	As at 31.03.2024
Bhadratha Monthly Deposit	0.00	-31.31
Bhadratha Lump Sum Deposit	0.00	-2.40
Bhadratha Admission Fee	0.00	0.00
Bhadratha Revival Fee	0.00	-0.05
Bhadratha Penalty	0.00	-0.26
Bhadratha Remittance	0.00	34.87
Bhadratha Other Br. Collection	0.00	-2.09
Bhadratha Other Br. Remittance	0.00	1.36
Excess/Short Collection(Sss)	0.00	-0.01
SSS Payment	0.00	17.84
Balance with Treasury	37.33	36.22
Old Bhadratha	-230.92	0.00
Monthly Deposit	0.00	-51.41
Lumpsum Deposit	0.00	-4.04
Excess/Short Collection	0.00	-4.75
Penalty	0.00	-0.45
Interest Received on Collections Deposited with Treasury & Due to Govt.	0.00	-191.08
Amount receivable from Govt. (Try resumption)	204.19	204.19
Net Balance	10.60	6.63

(Rs in lakhs)

Particulars	As at 31.03.2025	As at 31.03.2024
Deposits Received & Outstanding	1,410.42	114.44
Interest Accrued on Deposit	0.00	360.44
Interest Credited by Treasury on the Amount Deposited		3,089.43
HOC (Revised Bhadratha)	1,683.90	
Sub Total (A)	3,094.32	3,564.31
Less: Amount Receivable from Govt. on account of		
Commission Paid	0.00	12.03
Interest Accrued on Deposit Receivable from Govt	0.00	496.44
Balance with Treasury - Branches	1,512.11	1,468.74
Balance with Treasury HO	208.56	
Treasury resumption	1,142.63	1,142.63
Sub Total (B)	2,863.30	3,119.83
Net (A - B)	231.02	444.48

29.29 The details of immovable properties held by the Company:

Location of land	District	Land areas	Land status
KSFE Building, Chinnakkada, Kollam	Kollam	16.7 cents	Free hold
KSFE Bhavan, Mavelipuram, Kakkanad, Ernakulam	Ernakulam	10 cents	Free hold
KSFE Head Office, Museum road, Thrissur	Thrissur	74.96 cents	Free hold
Kodakara, Vazhiyambalam, Kodakara	Thrissur	19.98 cents	Free hold
Muhamma, Thaneermukkam Thekku village	Alappuzha	183.66 cents	Free hold
KSFE silver jubilee building, Statue, Chirakulam road, Trivandrum	Thiruvananthapuram	16.626 cents	Free hold
Kattappana property, Near STI Kattappana South	Idukki	8.50	Free hold

Title deeds of following immovable properties not held in name of the Company:

Location of land	District	Land areas	Land status
KSFE Building, Chinnakkada, Kollam	Kollam	15 cents	Government of Kerala had allotted 15 cents of land to construct Kollam branch building as per letter from District Collector, Kollam vide Letter No.L3-23875/72-3 dated 04-10-1976. Assignment has not been obtained so far. The cost of land has not been paid to the Government, as it has not been fixed so far.
KSFE Head Office, Museum road, Thrissur	Thrissur	75 cents	

- 29.30** At all branches, balances of debtors and creditors gets confirmed on a random basis.
- 29.31** The Company has restarted to transfer unclaimed matured deposit to Investors Education and Protection Fund.
- 29.32** The Company has not accounted the interest receivable from Government in respect of Vidyasree laptop loan scheme.
- 29.33** An amount of Rs 192.87 lakhs had been withheld by the Company being penalty towards delayed supply of laptops by M/s Ingram. Matter is pending before the Government.
- 29.34** Pay revision of the employees is implemented once in 5 years and the long term settlement in force regarding pay, allowances and other service benefits is due for revision from 01.08.2022. During FY 2024-25, the Company had created provision of Rs 15050.78 lakhs (previous year: Rs 13978.66 lakhs) @15% of basic and DA. Cumulative provision till FY 2024-25 made towards pay revision arrears amount to Rs 37139.55 lakhs.
- 29.35** Relationship with Struck off Companies : Company has not entered into any transactions with companies whose names have been struck off u/ s 248 of Companies Act, 2013 in the financial years ended March 31, 2025, and March 31, 2024.
- 29.36** Undisclosed income : The Company does not have any transactions which is not recorded in the books of accounts.
- 29.37** Details of Crypto Currency or Virtual Currency: The Company had not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2025, and March 31, 2024.
- 29.38** Details of Benami Property held: No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder during the financial years ended March 31, 2025, and March 31, 2024.
- 29.39** Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2025, and March 31, 2024.
- 29.40** There is no discrepancy in utilisation of borrowings.
- 29.41** Wilful defaulter: The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2025, and March 31, 2024.
- 29.42** No Scheme of arrangement has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 to the company for the year.
- 29.43** All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2025 and March 31, 2024. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

29.44 The Company has availed borrowings from banks on the basis of security of receivables and fixed deposit with treasury. The Company submit receivable statement every month to the bank which is in conformity with books of accounts. Loan availed from banks are utilised for lending operations/ advancing inter-corporate loans of the Company in ordinary course of business.

Charge Creation:

(Rs in Lakhs)

Date	Name of Bank	Amount
31.05.2025	Canara Bank	50000
29.06.2024	The Federal Bank Ltd	12000
24.12.2024	Canara Bank	25000

Charge Modification

(Rs in Lakhs)

Date	Name of Bank	Amount
15.02.2025	The Bank of Maharashtra Ltd	90000
30.12.2024	Dhanlaxmi Bank Ltd	15000

Charge satisfaction:

(Rs in Lakhs)

Date	Name of Bank	Amount
03.06.2024	Canara Bank	50000

29.45 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

29.46 There are no additional regulatory information to be reported as required under MCA notification No. G.S.R 207(E) dated 24.03.2021 at this stage other than the details already furnished.

29.47 Micro, Small and Medium scale business entities: There are no Micro, Small and Medium Enterprises to whom the Company owes dues. This information as required to be disclosed under the MSMED Act 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company.

29.48 Figures of the previous year have been regrouped and recast wherever necessary to suit the current year's layout in accordance with the Ind AS requirements.

Analytical Ratios

(Rs. in Lakhs)

Sl. No	Analytical Ratios	Units	Numerator	Denominator	31st March 2025	31st March 2024	Difference	% Change
1	Debt - Equity Ratio (Total Debt/ Shareholder's Equity)	No. of times	7270292	158385	45.90	46.23	-0.33	-0.71
2	Debt Service Coverage Ratio (Earnings before Interest Tax, Depreciation & Amortization)	No. of times	2,44,482.37	358330	0.68	0.63	0.00	0.19
3	Return on Equity Ratio (Net Profit After Tax/ Average Shareholder's Equity)	Percentage	37549.76	146022.62	25.72	32.71	0.001	0.00
4	Net Profit Ratio (Net Profit after tax / Net Sales)*	Percentage	37550	552767	6.79	8.02	-1.23	-15.30
5	Return on Capital Employed (Earnings Before Interest & Taxes / Capital Employed)	Percentage	3,00,598	74,59,890	4.03	3.88	0.15	3.85
6	Return on Investment (Earnings Before Interest and Taxes/Average Shareholders Equity)	Percentage	3,00,598	146022.62	206	195.00	10.8569	5.57
7	Current Ratio (Current Assets / Current Liabilities)	NA	NA	NA	NA	NA	NA	Refer Note No 29.49
8	Inventory turnover ratio (Cost of Goods Sold/ Average Inventory)	No of Times	NA	NA	NA	NA	NA	Refer Note No 29.49
9	Trade Receivables turnover ratio (Net Sales/Average Trade Receivable)	No of Times	NA	NA	NA	NA	NA	Refer Note No 29.49
10	Trade Payables Ratio(Net Purchases/ Average Trade Payables)	No of Times	NA	NA	NA	NA	NA	Refer Note No 29.49
11	Net Capital Turnover Ratio (Net Sales/ Average Working Capital)	Percentage	NA	NA	NA	NA	NA	Refer Note No 29.49

29.49 The Company is a Miscellaneous Non-Banking Company (MNBC), these ratios are not applicable since the same will not give correct results.

For **M/s Abraham & Jose**
Chartered Accountants
Firm Registration No: FRN000010S

Partner : **CA. Jose Francis**
Membership No.: 204975

Place : THRISSUR
Date : 29-07-2025

For and on behalf of the Board of Directors

K. Varadarajan
DIN: 08157496
Chairperson

Preetha B.S
DIN: 07553746
Director

CS Emil Alex
Company Secretary

Dr. Sanil S.K
DIN : 09811727
Managing Director

CA Sarath Chandran S
General Manager (Finance)



KSFE
(ഒരു കേരള സർക്കാർ സ്ഥാപനം)
CIN: U65923KL1969SGC002249

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