



## NOTICE OF THE 31<sup>ST</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting of the members of CAPITAL FINSERVE LIMITED will be held on Wednesday, 24<sup>th</sup> September 2025, at Cloud 9 Hotels, Munnar-Airport Road, Thankalam, Kothamangalam, Kerala, 686691, India at 05:00 PM to transact the following business: -

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as of 31<sup>st</sup> March 2025, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the report of Directors' and Auditors' thereon.
2. To appoint a director in place of Mr. Saji Kochukudiyil Mathew (DIN - 02921367), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Paulosekutty Jacob (DIN - 02921370), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Binu Anachira Kuruvilla (DIN - 03638140), who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a director in place of Mr. Basil Abraham (DIN - 03380009), who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS

#### **6. APPOINTMENT OF MR. THOMAS MALIAKKEL GEORGE (DIN: 01321886) AS DIRECTOR**

To consider and if thought fit, to pass, with or without modification/(s), the following resolution as **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Sections 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Thomas Maliakkal George (DIN: 01321886), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 05th November 2024 and who holds office up to the date of this Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

#### **7. APPOINTMENT OF MR. CHARAKUNNATH VARKEY MATHAI (DIN: 02615796) AS DIRECTOR**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to Section 152 and all other applicable provisions of the Companies Act, 2013 and Rules framed there under, including any enactment, re-enactment or modifications thereof, Mr. Charakunnath Varkey Mathai (DIN: 02615796), be and is hereby appointed as the Director of the Company, whose office shall be liable to retire by rotation.”

## **8. APPOINTMENT OF MR. KEMTHOSE PATHICKAL PAUL (DIN: 06782365) AS INDEPENDENT DIRECTOR**

To consider and if thought fit, to pass, with or without modification/(s), the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Kemthose Pathickal Paul (DIN: 06782365), who was recommended by the Nomination and Remuneration Committee and has submitted a declaration that he meets the criteria of independence as prescribed under Section 149(6) of the Act, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 24.09.2025 to 23.09.2030.”

## **9. ALTERATION OF OBJECT CLAUSE OF THE COMPANY**

To consider and if thought fit, to pass, with or without modification/(s), the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and the rules framed thereunder, and subject to the approval of the Registrar of Companies, Kerala and/or any other statutory or regulatory authority as may be required, the consent of the members be and is hereby accorded for the insertion of the following new sub-clause 2 under Part A of Clause III of the Memorandum of Association of the Company, after the existing sub-clause 1:

*2. To undertake the business of insurance distribution as a composite corporate agent, in accordance with applicable laws, rules, regulations, and guidelines prescribed by the Insurance Regulatory and Development Authority of India (IRDAI), the Reserve Bank of India (RBI), and other competent authorities, including the distribution of life, health, general, accident, motor, marine, fire, and other forms of insurance products; to solicit, procure, and service insurance business on behalf of life insurer, general insurer, and health insurer, or such number as may be permitted by regulatory authorities from time to time; to carry out related and ancillary activities such as client servicing, claims assistance, and insurance awareness initiatives, and marketing, advertising, and promotional activities for insurance and products, through digital, print, broadcast, or other media, in compliance with applicable regulatory frameworks; to enter into agreements, partnerships, or strategic alliances with insurance brokers and other intermediaries for the purpose of expanding distribution reach, enhancing client servicing, and facilitating cross-selling of permitted products, strictly on a fee-based model without any risk participation or underwriting; to obtain and maintain necessary registrations or licenses as may be required for undertaking such activities; and to undertake such other activities of whatsoever nature, similar or ancillary thereto, for the attainment of the above objects, provided the same are permitted under the applicable laws and regulations, including the Insurance Act, 1938, the Development Authority of India Act, 1999, the Companies Act, 2013, and the Master Directions or guidelines issued by the Reserve Bank of India from time to time.”*

“**RESOLVED FURTHER THAT** Mr. Babu Alias (DIN: 02923957), Managing Director of the Company, be and is hereby authorized to sign and file the necessary forms, applications, and other documents with the Registrar of Companies, Kerala, and to do all such acts, deeds, and things as may be necessary or incidental to give effect to this resolution.”

## **10. INCREASE THE BORROWING POWER OF THE COMPANY**

To consider and if thought fit, to pass, with or without modification/(s), the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to authorize the Board of Directors of the Company to borrow monies, from time to time, any sum or sums of money which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid-up

share capital, free reserves and securities premium of the Company, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 140,00,00,000/- (Rupees One Hundred and Forty Crores only).”

For and on behalf of the Board of Directors of  
**CAPITAL FINSERVE LIMITED**

Babu Alias  
Managing Director  
(DIN: 02923957,  
Address: Puthusserikudiyil House,  
Nellimattom P O, Kothamangalam,  
Ernakulam, Kerala, India, 686693)

Place: Kothamangalam  
Date: 01/09/2025

**Notes:**

1. A Member entitled to attend and vote at the Annual General Meeting (“AGM”) is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. The instrument of proxy, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is enclosed.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013, and the rules made thereunder, a person shall not act as a proxy for more than fifty (50) members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, and such person shall not act as a proxy for any other person or shareholder.
3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Members/Proxies/Authorised Representatives are requested to bring the duly filled Attendance Slip enclosed herewith to attend the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. Statutory Registers and other relevant documents referred to in the Notice and the Explanatory Statement will also be available for inspection at the Registered Office of the Company during business hours on all working days (except Saturdays, Sundays and public holidays) up to the date of the AGM and shall be made available at the Meeting.
8. Members holding shares in physical form are requested to notify immediately any change in their address, email ID, bank mandates, etc., to the Company or its Registrar and Share Transfer Agent (RTA), quoting their Folio Number. Members holding shares in demat form are requested to update such details with their respective Depository Participants.

9. Members may avail nomination facility by submitting Form SH-13 in respect of shares held in physical form to the Company or RTA. In case of demat holding, nomination may be registered with the Depository Participant concerned.
10. To support the 'Green Initiative', Members who have not registered their email addresses are requested to register the same with the Company or RTA for receiving notices and other documents electronically.
11. Members holding shares in physical form are encouraged to consider converting their holdings into dematerialised form. Dematerialisation provides ease in portfolio management, quicker transfer, and eliminates risks associated with physical share certificates. For assistance, members may contact the Company or RTA.
12. Route map of the venue of the AGM is enclosed with this Notice, in accordance with the Secretarial Standard - 2 on General Meetings.

**As per the requirement of Secretarial Standard 2, the following information relating to the directors to be appointed/re-appointed as contained in Items 2, 3, 4, 5, 6, 7 and 8 are furnished below:**

Particulars	Information				
	Saji Kochukudiyil Mathew	Paulosekutty Jacob	Binu Anachira Kuruvilla	Basil Abraham	Thomas Maliakkal George
Name	Saji Kochukudiyil Mathew	Paulosekutty Jacob	Binu Anachira Kuruvilla	Basil Abraham	Thomas Maliakkal George
Age	55	59	63	60	68
Qualification & Experience	Diploma in Pharmacy	Graduate	Pre-Degree	BSc LLB	Post Graduate
Terms and conditions of appointment/reappointment	Liable for retirement by rotation	Liable for retirement by rotation	Liable for retirement by rotation	Liable for retirement by rotation	Liable for retirement by rotation
Remuneration sought to be paid	NIL	NIL	NIL	NIL	NIL
Remuneration Last drawn	NIL	NIL	NIL	NIL	NIL
Date of first appointment on Board	16-07-2013	16-07-2013	16-07-2013	22/06/2018	05-11-2024
Shareholding in the company	944	784	784	784	434
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	NIL	NIL	NIL	NIL	NIL
Number of Meetings of the Board attended during the year 2024-25	12	12	12	11	6
Other Directorships, Membership/ Chairmanship of Committees of other Boards	1. Trinity Rubbervalley LLP 2. Goldtree Bullion India Private Limited 3. Goldtree Resorts	1. Aiswarya Hire Purchase and Leasing Pvt Ltd 2. Goldtree Resorts Private Limited	Nil	1. CFL Nidhi Limited 2. Travancore Chits Private Limited 3. Kottancheril Builders And Consultants Private Limited	Nil

	Private Limited	3. Goldtree Bullion India Private Limited			
	4. My Earthful Hospitality Private Limited				

Particulars	Information	Information
Name	Charakunnath Varkey Mathai	Kemthose Pathickal Paul
Age	69	68
Qualification & Experience	SSLC	Doctorate in Philosophy
Terms and conditions of appointment/reappointment	Liabe for retirement by rotation	Appointed as an Independent Director for a term of five (5) consecutive years, not liable to retire by rotation, subject to approval of members by special resolution
Remuneration sought to be paid	NIL	NIL
Remuneration Last drawn	NIL	NIL
Date of first appointment on Board	NIL	NIL
Shareholding in the company	784	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	NIL	NIL
Number of Meetings of the Board attended during the year 2024-25	NA	NA
Other Directorships, Membership/ Chairmanship of Committees of other Boards	1 Carbomix Polymers (India) Private Limited 2. CFL Nidhi Limited 3. Trinity Rubbervalley LLP 4. Kurian Rubber Assam LLP	Soukhya Homes LLP

**STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013:**

**ITEM NO. 6: APPOINTMENT OF MR. THOMAS MALIAKKEL GEORGE (DIN: 01321886) AS DIRECTOR.**

Mr. Thomas Maliakkal George (DIN: 01321886) was appointed as an Additional Director with effect from 05<sup>th</sup> November 2024, in accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Articles of Association. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office up to the date of ensuring Annual General Meeting of the Company.

The Company has received a notice from Mr. Thomas Maliakkal George signifying his candidature as director of the Company pursuant to Section 160 of the Companies Act, 2013. Considering his experience and ability and benefit which the Company will derive from the association with him, the nomination and remuneration committee recommended his appointment as director of the Company.

The Board is of the view that the appointment of Mr. Thomas Maliakkal George on the Company Board is desirable and would be beneficial to the Company and hence it recommends the said resolution No 6 for approval by the members of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Mr. Thomas Maliakkal George in any way concerned or interested, in the said resolution. The board recommends the said resolution to be passed as an ordinary resolution.

Documents/Papers relating to the above resolution may be perused on any working day during working hours up to the date and time for commencement of the General Meeting.

**ITEM NO. 7: APPOINTMENT OF MR. CHARAKUNNATH VARKEY MATHAI (DIN: 02615796) AS DIRECTOR**

The Company has received a notice from Mr. Charakunnath Varkey Mathai signifying his candidature as director of the Company pursuant to Section 160 of the Companies Act, 2013. Considering his experience and ability and benefit which the Company will derive from the association with his, the nomination and remuneration committee recommended his appointment as director of the Company. Hence this resolution is proposed.

None of the directors, key managerial personnel or managers of the Company or their relatives are concerned or interested in this resolution except to the extent of their shareholding in the Company.

Documents/Papers relating to the above resolution may be perused on any working day during working hours up to the date and time for commencement of the Annual General Meeting.

**ITEM NO. 8: APPOINTMENT OF MR. KEMTHOSE PATHICKAL PAUL (DIN: 06782365) AS INDEPENDENT DIRECTOR**

The Company has received a notice from Mr. Kemthose Pathickal Paul signifying candidature of Mr. Kemthose Pathickal Paul as director of the Company pursuant to Section 160 of the Companies Act, 2013. Considering his experience and ability and benefit which the Company will derive from the association with him, the nomination and remuneration committee recommended his appointment as director of the Company.

Mr. Kemthose Pathickal Paul is eligible for appointment as an Independent Director under the provisions of Section 149(6) of the Companies Act, 2013 and has submitted a declaration confirming that he meets the criteria of independence as prescribed under the Act and the applicable rules.

In the opinion of the Board, Mr. Kemthose Pathickal Paul possesses appropriate skills, experience, and knowledge and fulfills the conditions for appointment as an Independent Director of the Company. The Board considers that his association would be of immense benefit to the Company and recommends the resolution for his appointment for a term of 5 consecutive years with effect from 24.09.2025 to 23.09.2030.

Documents/Papers relating to the above resolution may be perused on any working day during working hours up to the date and time for commencement of the Annual General Meeting.

#### **ITEM NO. 9: ALTERATION OF OBJECT CLAUSE OF THE COMPANY.**

The Company is a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI), primarily engaged in providing loans and advances against gold, business loans, personal loans, and other financial services as per its existing main objects. There has been no change in the nature of the Company's core business during the financial year ended 31st March 2025.

In line with its growth strategy, the Board of Directors, at its meeting held on 01.09.2025 has approved a proposal for an insurance distribution activity by acting as a composite corporate agent. This diversification is in accordance with Annex XVI of the Master Direction – RBI (Non-Banking Financial Company – Scale Based Regulation), 2023 and applicable regulations issued by the Insurance Regulatory and Development Authority of India (IRDAI).

The insurance distribution activities will involve soliciting, procuring, and servicing a range of insurance products—such as life, health, general, accident, motor, marine, and fire insurance—on behalf of IRDAI-registered insurers. These activities shall be carried out strictly on a fee-based model, without any underwriting or risk participation by the Company.

As per RBI norms, NBFCs are permitted to undertake insurance agency business without prior approval from the RBI, subject to compliance with the following conditions:

- Obtaining prior registration from the IRDAI to act as a composite corporate agent;
- Ensuring no restrictive practices in offering insurance products;
- Ensuring voluntary participation by customers without linking insurance with loan or other financial products;
- Ensuring direct premium payment by the insured to the insurer without routing through the NBFC;
- Ensuring that no insurance-related risk is borne by the NBFC.

To enable the commencement of insurance distribution as a business activity, it is proposed to alter the Object Clause of the Memorandum of Association of the Company by inserting a new clause to include insurance distribution as one of the permitted business activities. The full text of the proposed amendment is detailed in the accompanying notice.

The Company shall commence insurance distribution only after receiving the necessary approval and registration from the IRDAI and other competent authorities. As on the date of this statement, the Company has not initiated any insurance-related activity and continues to operate its existing business in full compliance with RBI regulations.

None of the Directors, Key Managerial Personnel, or their relatives are in any way, financially or otherwise, concerned or interested in the resolution except to the extent of their shareholding, if any, in the Company.

The Board recommends the resolution as set out in the accompanying Notice for the approval of members by way of a Special Resolution.

#### **ITEM NO. 10: INCREASE THE BORROWING POWER OF THE COMPANY**

In view of the Company's growing business operations and future expansion plans, the Board of Directors, at its meeting held on 01/09/2025, approved a proposal to enhance the borrowing limits of the Company, subject to the approval of the shareholders under Section 180(1)(c) of the Companies Act, 2013.

Pursuant to Chapter IV, Clause 9.1 of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, the leverage ratio for NBFCs (excluding NBFC-MFIs and those classified under Middle Layer and above) shall not exceed seven times the Net Owned Fund (NOF).

The leverage ratio is calculated as total outside liabilities divided by the NOF.

As per the audited financial statements as on 31st March 2025, the Company's NOF stands at approximately ₹20 crore. Accordingly, the maximum permissible borrowing limit under the RBI regulations is ₹140 crore. In order to remain compliant with the regulatory framework and to ensure adequate limit for future borrowing, the Board proposes to enhance the borrowing limit of the Company to ₹140,00,00,000 (Rupees One Hundred and Forty Crores Only).

The Board recommends the resolution for approval of the shareholders by way of a special resolution.

Documents related to this item are available for inspection at the Registered Office of the Company during business hours on all working days up to the date of the General Meeting.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution, financially or otherwise.

For and on behalf of the Board of Directors of  
**CAPITAL FINSERVE LIMITED**

Babu Alias  
**Managing Director**  
(DIN: 02923957)

Address: Puthusserikudiyil House  
Nellimattom P O, Kothamangalam,  
Ernakulam, Kerala, India, 686693

Place: Kothamangalam  
Date: 01/09/2025



## DIRECTORS' REPORT

To,  
The Members

Your directors are pleased to present the 31<sup>st</sup> Annual Report on the business and operations of your Company together with the Audited Financial Statements and Auditor's Report for the year ended 31<sup>st</sup> March 2025.

### 1. COMPANY SPECIFIC INFORMATION

#### 1.1 FINANCIAL RESULTS

Financial Highlights	For the Year Ending 31 <sup>st</sup> March 2025	For the Year Ending 31 <sup>st</sup> March 2024
	₹. Amount in Lakhs	₹. Amount in Lakhs
Total Income	1167.19	895.52
Total Expenditure (including Depreciation)	1062.07	951.92
Profit/(Loss) before Tax	105.12	(56.40)
Tax (Including deferred tax)	27.21	14.18
Profit/(Loss) after tax	77.90	(42.21)
Surplus / (Deficit) carried to Balance Sheet	77.90	(42.21)
Basic and Diluted Earnings Per Share of ₹.10,000 each	386.67	(209.53)

During the year under review, the Indian economy sustained its growth momentum despite global headwinds such as inflationary pressures, geopolitical tensions, and fluctuating commodity prices. The NBFC sector continued to record steady credit growth, supported by rising demand from retail and MSME segments.

The gold loan industry, in particular, showed resilience with growing public preference for short-term secured loans. The business loan and personal loan segments also gained traction, albeit facing tighter regulatory scrutiny and increased competition.

In this context, our Company has made steady progress in increasing its Asset Under Management (AUM), which stood at ₹ 7183.62 Lakhs as on 31st March 2025 as against ₹ 5454.36 Lakhs in the previous year. The Company continued to raise resources through Non-Convertible Debentures (NCDs), Subordinated Debts and Directors' Deposits, while maintaining prudent asset-liability management practices.

Branch expansion remained a key focus area, with the Company operating 32 branches (20 in Kerala and 12 in Tamil Nadu), and plans to enter Karnataka, Telangana, and Andhra Pradesh in the near future.

During the financial year 2024-25, the Company has earned an income of Rs. 1167.18 Lakhs and incurred expenses of Rs. 1062.07 Lakhs compared to the previous year's income of Rs. 895.52 Lakhs and expenses of Rs. 951.92 Lakhs. In short, the income for the year has been increased at the same time the expenditure for the Company has been decreased, which affected the Companies' statement of profit and loss account and it ended with a profit of Rs. 105.12 Lakhs in the Financial Year 2024-25 compared to the previous year loss of Rs. 56.40 Lakhs.

#### 1.2 Amount, if any, which the Board proposes to carry to any reserves

In view of the profit earned during the financial year 2024-25, an amount of ₹15.58 lakhs has been transferred to the Statutory Reserve in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934. The balance profit for the year has been carried forward to the Surplus in the Statement of Profit and Loss.

### 1.3 Dividend

The Board of Directors of your company, after considering holistically the relevant circumstances and keeping in view the company's dividend distribution policy, has decided that it would be prudent, not to recommend any Dividend for the year under review.

### 1.4 Major events occurred during the year

#### a) State of the Company's Affairs

The Company continued its lending activities during the year under review, primarily focusing on gold loans, business loans, and personal loans. A summary of key developments relating to the state of affairs of the Company is provided below:

#### i. Segment-wise Position of Business and Operations

The Company operates mainly in the secured lending segment, with gold loans forming a major portion of its portfolio, followed by business loans and personal loans. As on 31st March 2025, the Company had an Asset Under Management (AUM) of ₹7183.62 lakhs, compared to ₹ 5454.36 lakhs in the previous financial year. The Company continues to focus on strengthening its presence in retail and MSME financing.

#### ii. Change in Status of the Company

There has been no change in the status of the Company. It continues to operate as a public limited company under the name Capital Finserve Limited.

#### iii. Key Business Developments

During the financial year 2024-25, the Company focused on consolidating its operations, improving credit underwriting standards, and expanding its customer base. It also continued its efforts to strengthen internal controls and compliance systems in line with regulatory expectations.

#### iv. Change in Financial Year

There has been no change in the financial year of the Company. The financial year continues to begin on 1st April and end on 31st March.

#### v. Capital Expenditure Programmes

The Company incurred capital expenditure during the year towards the establishment of new branches and the upgradation of infrastructure. These investments were aimed at enhancing customer accessibility and operational reach. As on 31st March 2025, the Company operated 32 branches, with plans for further expansion in Karnataka, Telangana, and Andhra Pradesh. The details of branches opened during the year are as follows.

Sl. No	Name of Branch	Address	Date of opening
1	Vandiperiyar	1st Floor, Vrindha Bhavan, Near Union Bank of India, Vandiperiyar-685533	04-04-2024
2	Usilampatti	Door No: 209, Madurai Road ( South ), Usilampatti, Madurai Dist, Tamilnadu - 625532	01-05-2024
3	Aandipatti	Rajakampalathar Sanga Andipatti Malaikovil Complex, No - 230/P1,First Floor,ST -2, Theni – Madurai Main Road,Near Bus Stand, -625512	05.03.2025
4	Cumbam	Haji N Kamal Complex,No –138, First Floor,Cumbam Theni Main Road,Near Fathima Store,Opposite Crescent Theatre,- 625516	05.03.2025

**vi. Details and Status of Acquisition, Merger, Expansion, Modernization, and Diversification**

The Company did not undertake any acquisition, merger, or major expansion projects during the year. However, branch expansion and infrastructure upgradation formed part of the Company's modernization and diversification initiatives.

**vii. Developments, Acquisition and Assignment of Material Intellectual Property Rights (IPRs)**

The Company has not acquired or assigned any material intellectual property rights during the financial year under review. However, the Company continues to maintain and operate its proprietary website and uses licensed accounting and operational software to support its business activities.

**viii. Other Material Events**

There were no other material events during the financial year which had a significant impact on the affairs of the Company.

**b) Change in the Nature of Business**

There has been no change in the existing nature of business carried on by the Company during the financial year ended 31st March 2025. The Company continues to operate as a Non-Banking Financial Company (NBFC), primarily engaged in providing loans and advances against gold, business loans, and personal loans, in accordance with its existing main objects.

However, the Board of Directors has proposed to diversify the Company's activities by entering into the insurance distribution business in the capacity of a composite corporate agent, in accordance with Annex XVI of the Master Direction – RBI (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. This business model will be fee-based and without risk participation, subject to the guidelines prescribed by the Insurance Regulatory and Development Authority of India (IRDAI).

To enable this diversification, a proposal to alter the Memorandum of Association of the Company to include insurance distribution as an additional object is being placed before the shareholders for approval at the Annual General Meeting scheduled to be held on 24<sup>th</sup> September 2025. The Company will initiate the insurance distribution activity only after obtaining the necessary registration and approvals from IRDAI.

As of the date of this Report, the Company has neither commenced any insurance-related business nor discontinued, hived off, or disposed of any of its existing business segments.

**c) Material changes and commitments, if any, affecting the financial position of the company, having occurred since the end of the Year and till the date of the Report**

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year, i.e., 31st March 2025, and the date of this Report.

However, during the period after the close of the financial year, the Company has continued to raise resources through the issue of Non-Convertible Debentures (NCDs) and Subordinated Debt instruments in the ordinary course of business, in compliance with the applicable provisions of the Companies Act, 2013 and Reserve Bank of India (RBI) regulations.

The borrowing limit of the Company, as approved by the shareholders under Section 180(1)(c) of the Companies Act, 2013, currently stands at ₹75 crore. As per Chapter IV, Clause 9.1 of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, the leverage ratio for NBFCs (excluding NBFC-MFIs and NBFCs in Middle Layer and above) shall not exceed seven at any point of time.

Leverage ratio is defined as total outside liabilities divided by owned fund.

As per the audited financials as on 31.03.2025, the Company's Net Owned Fund (NOF) stands at approximately ₹20 crore. Accordingly, the maximum permissible borrowing limit under the said RBI guidelines is ₹140 crore.

In view of this, the Board proposes to seek the approval of shareholders at the forthcoming Annual General Meeting scheduled to be held on 24th September 2025, to enhance the borrowing limit to ₹140 crore, in alignment with the Company's regulatory eligibility and growth plans.

As on the date of this Report, the Company has outstanding borrowings of approximately ₹50 crore, which are well within both the current borrowing limit and the RBI-prescribed leverage cap.

### **1.5 Details of Revision of Financial Statement or the Report**

The Company has not revised its financial statements or the Board's Report in respect of any of the three preceding financial years, whether voluntarily or pursuant to the order of any judicial or regulatory authority, under Section 131 of the Companies Act, 2013. Accordingly, no disclosure of financial impact or reasons for revision is required for the year under review.

## **2. GENERAL INFORMATION**

### **2.1 Overview of the Industry and Important Changes in the Industry during the Year**

The Non-Banking Financial Company (NBFC) sector continues to play a critical role in enhancing financial inclusion across India, particularly in underserved and semi-urban regions. The year under review witnessed steady credit demand across key lending segments, supported by macroeconomic recovery and increased acceptance of digital financial services. Regulatory focus on risk-based supervision, customer protection, and capital adequacy continued to shape the industry landscape.

The Company is primarily engaged in offering gold loans, business loans, demand loans, and personal loans, with a strong presence in the retail lending space. Among these, the gold loan segment remained robust, benefiting from high liquidity preference and favourable gold prices. Demand and personal loans also saw stable uptake, while business loans witnessed moderate growth due to improved MSME activity. The industry experienced heightened competition from banks and fin-tech lenders, further underscoring the importance of agility, technology adoption, and credit discipline.

### **2.2 External Environment and Economic Outlook**

During the financial year 2024-25, the Indian economy maintained a positive trajectory, despite challenges such as global inflation, fluctuating commodity prices, and geopolitical uncertainty. Domestic demand remained strong, and the MSME sector continued to rebound. The Reserve Bank of India adopted a calibrated policy stance, balancing inflation management with support for credit growth.

For the NBFC sector, the outlook remains cautiously optimistic, backed by stable asset quality, improved liquidity, and increased demand for short-term credit solutions. However, regulatory compliance, cyber security, and cost management are key focus areas going forward.

### **2.3 Induction of Strategic and Financial Partners during the Year**

The Company did not induct any new strategic or financial partners during the year under review. It continues to mobilize funds through Non-Convertible Debentures (NCDs), Subordinated Debts, and Directors' Deposits (or Loan from Directors), in addition to its capital base, to support its lending activities and expansion plans.

### **2.4 Delisting of Equity Shares**

The Company is an unlisted public limited company. Accordingly, the disclosure requirements relating to delisting of equity shares are not applicable.

## **3. CAPITAL AND DEBT STRUCTURE**

There was no change in the authorised, issued, subscribed, or paid-up share capital during the year 2024-25. As on 31st March 2025, the authorised share capital of the Company stood at ₹21,00,00,000/- (Rupees Twenty-One Crores only), divided into 21,000 equity shares of ₹10,000/- each. The issued, subscribed, and paid-up share capital of the Company as on the same date was ₹20,14,70,000/- (Rupees Twenty Crore Fourteen Lakhs Seventy Thousand only), divided into 20,147 equity shares of ₹10,000/- each. Further, there was no reclassification or sub-division of the authorised share capital, no reduction of share capital or buy-

back of shares, no restructuring that affected the capital structure, and no change in the voting rights of any class of shareholders.

### **3.1 Issue of shares or other convertible securities**

During the financial year 2024–25, the Company has not issued any equity shares, preference shares, or any other securities carrying a right or option to convert such securities into equity shares. Accordingly, there were no instances of allotment of shares through preferential issue, rights issue, bonus issue, private placement, qualified institutional placement, or conversion of any existing instruments. No shares or securities were issued for consideration other than cash, and there were no issuances involving promoters or promoter group.

### **3.2 Issue of equity shares with differential rights**

During the financial year under review, the Company has not issued any equity shares with differential rights as to dividend, voting or otherwise. Accordingly, the disclosures as required under Section 43 of the Companies Act, 2013 read with Rule 4 of the Companies (Share Capital and Debentures) Rules, 2014 are not applicable.

### **3.3 Issue of Sweat Equity Shares**

During the financial year under review, the Company has not issued any sweat equity shares. Accordingly, the disclosures as required under Section 54 of the Companies Act, 2013 read with Rule 8 of the Companies (Share Capital and Debentures) Rules, 2014 are not applicable.

### **3.4 Details of Employee Stock Options**

During the financial year under review, the Company has not implemented any Employee Stock Option Scheme(s) and has not granted any employee stock options. Accordingly, the disclosures as required under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are not applicable. Further, since the shares of the Company are not listed on any recognised stock exchange, the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014 do not apply to the Company.

### **3.5 Shares held in Trust for the Benefit of Employees where Voting Rights are not exercised directly by the Employees**

During the financial year under review, no shares were held in trust for the benefit of employees wherein the voting rights were not exercised directly by the employees. Accordingly, the disclosures required under the proviso to sub-section (3) of Section 67 of the Companies Act, 2013 read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 are not applicable to the Company.

### **3.6 Issue of Debentures, Bonds or Any Non-Convertible Securities**

During the financial year under review, the Company raised funds through the issue of secured, non-convertible debentures (NCDs) and unsecured, subordinated debt instruments, both by way of private placement.

The Company issued a total of 3592 secured, non-convertible debentures of face value ₹100000/- each, aggregating to ₹ 35,92,00,000/- (Rupees Thirty Five Crore Ninety Two Lakhs Only). These debentures were issued on a private placement basis and were secured by an exclusive charge over specified loan receivables of the Company.

In addition, the Company unsecured, subordinated debt instruments aggregating to ₹ 8,48,10,000/- (Rupees Eight Crore Forty Eight Lakh Ten Thousand).

The total amount raised through these issues stood at ₹ 44,40,10,000/- (Rupees Forty Four Crore Forty Lakhs and Ten Thousand). There was no restructuring of existing debt pursuant to these issuances.

### **3.7 Issue of Warrants**

During the financial year under review, the Company has not issued any warrants. Accordingly, the disclosures as required under the applicable provisions of the Companies Act, 2013 and the relevant rules thereunder are not applicable.

### 3.8 Unsecured Loans from Directors

During the Financial year 2024-25, the Company has accepted unsecured loan from its directors and obtained a declaration from them that the amount lend by them was not the fund acquired by borrowing or accepting loan or deposit from others. The details of loans accepted and repaid from directors during the financial year 2024-25 are as follows:

<b>Amount (in Lakhs)</b>					
<b>Sl. No.</b>	<b>Name of the Directors</b>	<b>Opening</b>	<b>Addition</b>	<b>Repaid</b>	<b>Closing</b>
1.	Babu Alias	61.47	183.52	153.30	91.69
2.	Vinayan Gopinathan Nair	50	10	0	60
3.	Binu Anachira Kuruvilla	15	0	0	15
4.	Saji Kochukudiyil Mathew	25	90	40	75
5.	Shajan Kuriakose	25	47.5	7.5	65
6.	Paulosekutty Jacob	25	54	4	75
7.	Thombrayil Uthup Kuruvilla	125	30	80	75
8.	Basil Abraham	0	78.16	5	73.16
9.	Thomas Maliakkal George	0	100	50	50
10.	Sunil Jaihind Salunkhe	20	0	0	20

### 4. CREDIT RATING OF SECURITIES

During the financial year under review, the Company has not obtained any credit rating in respect of its debt instruments or other securities. Since the non-convertible debentures and subordinated debt were issued on a private placement basis and not offered to the public or listed on any recognised stock exchange, obtaining a credit rating was not mandatory under the provisions of the Companies Act, 2013 or the applicable rules.

### 5. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the financial year under review, no amount was required to be transferred to the Investor Education and Protection Fund pursuant to the provisions of Section 124(5) or Section 125(2) of the Companies Act, 2013 and the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016. Further, there were no shares liable to be transferred to the IEPF under Section 124(6) of the Act. Accordingly, no details are required to be disclosed in this regard. The Company has also not made any donations to the IEPF during the year.

### 6. MANAGEMENT

#### 6.1 Directors and Key Managerial Personnel

In accordance with the provisions of Section 149(1) (b) of the Companies Act, 2013, and Article 59 of the Articles of Association of the Company, the shareholders, at the 30th Annual General Meeting held on 28th September 2024, passed a resolution granting their consent for the appointment of directors in excess of the statutory limit of 15. Pursuant to this resolution, the Board of Directors of the Company is authorized to consist of up to twenty (20) directors.

As on the date of this Report, the Board comprises 17 directors, including the Managing Director. The Company has also appointed a Chief Financial Officer and a Company Secretary as Key Managerial Personnel.

Details of the Directors and Key Managerial Personnel as on 31.03.2025 are as follows

<b>Sl. No</b>	<b>DIN/PAN</b>	<b>Name</b>	<b>Designation</b>	<b>Date of Appointment</b>	<b>Category (Executive / Non Executive)</b>	<b>Independent / Non Independent</b>
1	01327842	Vinayan Gopinathan Nair	Director	26/10/1994	Non Executive	Non Independent

2	02921367	Saji Kochukudiyil Mathew	Director	16/07/2013	Non Executive	Non Independent
3	02921370	Paulosekutty Jacob	Director	16/07/2013	Non Executive	Non Independent
4	03638140	Binu Anachira Kuruvilla	Director	16/07/2013	Non Executive	Non Independent
5	01659358	Shibu Kuriakose	Director	21/10/2013	Non Executive	Non Independent
6	01737883	Raju Jacob	Director	21/10/2013	Non Executive	Non Independent
7	02923957	Babu Alias	Managing Director	05/03/2014	Executive	Non Independent
8	05223834	Sabu Cheriyan	Director	27/06/2015	Non Executive	Independent
9	01667684	Thombrayil Uthup Kuruvilla	Director	06/02/2017	Non Executive	Non Independent
10	03380009	Basil Abraham	Director	22/06/2018	Non Executive	Non Independent
11	01896717	Rapheal Ponthekkan Antony	Director	13/08/2020	Non Executive	Non Independent
12	08800728	Shajan Kuriakose	Director	13/08/2020	Non Executive	Non Independent
13	03638149	Kallookaren Ouseph Thobias	Director	11/09/2021	Non Executive	Non Independent
14	09314963	Muttavenchery Mathai Joseph	Director	06/11/2021	Non Executive	Non Independent
15	02403654	Jyothikumar Balakrishna Pillai	Director	02/01/2024	Non Executive	Independent
16	03638145	Sunitha Shajan	Director	28/09/2024	Non Executive	Non Independent
17	01831751	Sunil Jaihind Salunkhe	Director	28/09/2024	Non Executive	Non Independent
18	01321886	Thomas Maliakkal George	Additional Director	05/11/2024	Non Executive	Non Independent

19	ABPPJ8533R	Jagan Joseph	CFO	28/09/2024	Executive	Non Independent
20	AVIPY2086K	Anna Liya Yeldose	Company Secretary	05/02/2025	Executive	Non Independent

During the year under review and up to the date of this Report, the following changes occurred in the composition of the Board of Directors and Key Managerial Personnel of the Company:

Mr. Shajan Kuriakose (PAN: AFKPK1649G) was appointed as CFO of the Company with effect from 11.05.2024.

At the 30th Annual General Meeting held on 28th September 2024, Ms. Sunitha Shajan (DIN: 03638145) and Mr. Sunil Jaihind Salunkhe (DIN: 01831751) were appointed as Directors of the Company. Mr. Jyothikumar Balakrishna Pillai (DIN: 02403654) was appointed as Independent Director for a period of 5 years with effect from 28.09.2024. Mr. Shajan Kuriakose resigned from the position of CFO with effect from 28.09.2024. Mr. Jagan Joseph (PAN: ABPPJ8533R) was appointed as the Chief Financial Officer (CFO) with effect from the same date. Subsequently, at the Board meeting held on 5th November 2024, Mr. Thomas Maliakkal George (DIN: 01321886) was appointed as an Additional Director. Ms. Deepa Dominic (PAN: DLFPD1691M) resigned from the position of Company Secretary with effect from 28.12.2024. Further, Ms. Anna Liya Yeldose (PAN: AVIPY2086K) was appointed as the Company Secretary and Compliance Officer of the Company with effect from 5th February 2025.

Mr. Sabu Cheriyan (DIN: 05223834), who was appointed as an Independent Director on 27th June 2015, resigned with effect from 26th June 2025, upon completion of his second term of five consecutive years, in compliance with Section 149(11) of the Companies Act, 2013. The Board places on record its deep appreciation for his valuable contribution during his tenure.

Mr. Babu Alias (DIN: 02923957), was re-appointed as Managing Director of the Company for a period of 5 years with effect from 25.03.2025.

Subject to the recommendation and approval of the Board, the Company proposes to appoint Mr. Kemthose Pathickal Paul (DIN: 06782365) as an Independent Director to fill the resulting vacancy at the ensuing 31st Annual General Meeting.

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, not less than two-thirds of the total number of directors (excluding Independent Directors) shall be persons liable to retire by rotation, and one-third of such directors are required to retire at each Annual General Meeting. Accordingly, the following directors are liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment. The details of the same are as follows;

Sl. No.	Name	DIN	Designation
1	Mr. Saji Kochukudiyil Mathew	02921367	Director
2	Mr. Paulosekutty Jacob	02921370	Director
3	Mr. Binu Anachira Kuruvilla	03638140	Director
4	Mr. Basil Abraham	03380009	Director

Mr. Thomas Maliakkal George (DIN: 01321886) was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 05th November 2024, pursuant to Section 161 of the Companies Act, 2013. He holds office up to the date of the ensuing 31st Annual General Meeting and is eligible for appointment as a Director. The Board recommends his appointment to the members at the forthcoming Annual General Meeting.

Following is the Key Managerial Personnel of the Company as on 31st March 2025 as required under Section 203 of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014:

Sl. No	Name	DIN / PAN	Date of Appointment	Designation
1.	Mr. Babu Alias	02923957	05/03/2014	Managing Director
2.	Mr. Jagan Joseph	ABPPJ8533R	28/09/2024	CFO
3.	Ms. Anna Liya Yeldose	AVIPY2086K	05/02/2025	Company Secretary

Ms. Anna Liya Yeldose resigned from the position of Company Secretary of the Company with effect from 20/06/2025. The Board places on record its appreciation for her valuable contributions during her tenure. Subsequently, Ms. Fathima Rosla Vakkiyath was appointed as the Company Secretary of the Company with effect from 01.09.2025.

## 6.2 Independent Directors

As on 31st March 2025, the Company had two Independent Directors on its Board:

Name	DIN	Date of Appointment
Mr. Sabu Cheriyan	05223834	27th June 2015
Mr. Jyothikumar Balakrishna Pillai	02403654	2nd January 2024

Mr. Sabu Cheriyan (DIN: 05223834), who was appointed as an Independent Director on 27th June 2015, resigned from the Board with effect from 26th June 2025, upon completion of his second term of five consecutive years, in accordance with Section 149(11) of the Companies Act, 2013. The Board places on record its sincere appreciation for the valuable guidance and contributions made by Mr. Sabu Cheriyan during his tenure.

Subject to the recommendation of the Nomination and Remuneration Committee and approval of the Board, the Company proposes to appoint Mr. Kemthose Pathickal Paul (DIN: 06782365) as an Independent Director at the ensuing 31st Annual General Meeting to fill the resulting vacancy.

## 6.3 Declaration by Independent Directors and statement on compliance of code of conduct

Pursuant to the provisions of Section 149(6) and Section 134(3)(d) of the Companies Act, 2013, the Company has received necessary declarations from all Independent Directors confirming that they meet the criteria of independence as prescribed under the Act and the rules made thereunder.

All the Independent Directors have affirmed compliance with the Code for Independent Directors as prescribed under Schedule IV to the Companies Act, 2013.

## 6.4 Board Meetings

In accordance with the provisions of Section 134(3)(b) of the Companies Act, 2013 and Secretarial Standard-1 (SS-1) on Meetings of the Board of Directors, the details of Board Meetings held during the financial year ended 31st March 2025 are as follows:

The Board met 19 (Nineteen) times during the year. The dates of the Board Meetings were:

13.04.2024	11.05.2024	31.05.2024	21.06.2024
28.06.2024	12.07.2024	25.07.2024	06.09.2024
28.09.2024	05.11.2024	18.11.2024	18.12.2024
10.01.2025	20.01.2025	05.02.2025	21.02.2025
06.03.2025	15.03.2025	19.03.2025	

The Company ensured that the maximum interval between any two Board Meetings did not exceed 120 days, thereby complying with the statutory requirements under the Companies Act, 2013.

## 6.5 Attendance of each director at the board meetings and last Annual General Meeting

Name of Director	Board Meetings	Last AGM 28/09/2024	Shareholding in the Company (Equity Shares of ₹ 10,000/- each)
Thombrayil Uthup Kuruvilla	9/19	Yes	34
Rapheal Ponthekkann Antony	4/19	No	784
Shajan Kuriakose	11/19	Yes	0

Muttavenchery Mathai Joseph	8/19	Yes	784
Babu Alias	11/19	Yes	786
Vinayan Gopinathan Nair	11/19	Yes	554
Shibu Kuriakose	11/19	Yes	784
Raju Jacob	7/19	No	784
Saji Kochukudiyil Mathew	12/19	Yes	944
Paulosekutty Jacob	12/19	Yes	784
Binu Anachira Kuruvilla	12/19	Yes	784
Kallookaren Ouseph Thobias	9/19	No	784
Basil Abraham	11/19	Yes	784
Sabu Cheriyan	2/19	Yes	0
Jyothikumar Balakrishna Pillai	11/19	Yes	0
Sunil Jaihind Salunkhe	2/11	Yes	784
Sunitha Shajan	1/11	Yes	784
Thomas Maliakkel George	6/9	Yes	434

## 6.6 Committees

The Company has constituted the following Committees of the Board in compliance with the provisions of the Companies Act, 2013. The purpose, composition, number of meetings held during the financial year 2024–25 is provided below:

Name of Committee	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee
<b>Purpose</b>	To oversee financial reporting, audit process, internal control & compliance	To recommend appointments and remuneration of directors and senior management	To monitor and review the Company's risk management framework and policies
<b>Constitution (Name &amp; Designation)</b>	Mr. Sabu Cheriyan – Chairman (Independent Director) Mr. Shajan Kuriakose – Director Mr. Paulosekutty Jacob – Director Mr. Jyothikumar Balakrishna Pillai – Independent Director	Mr. Sabu Cheriyan – Chairman (Independent Director) Mr. Shajan Kuriakose – Director Mr. Binu A. Kuruvilla – Director Mr. Jyothikumar Balakrishna Pillai – Independent Director	Mr. Babu Alias – Chairman (Managing Director) Mr. Shajan Kuriakose – Director Mr. Saji Kochukudiyil Mathew – Director
<b>Whether reconstituted</b>	No	No	No
<b>No. of Meetings Held</b>	4	5	4
<b>Date of Meetings</b>	21.06.2024 06.09.2024 18.12.2024 06.03.2025	11.05.2024 06.09.2024 28.09.2024 05.11.2024 05.02.2025	13.04.2024 13.08.2024 05.11.2024 06.03.2025
<b>Attendance Summary</b>	All 4 members attended 4/4 meetings	All 4 members attended 5/5 meetings	All 3 members attended 4/4 meetings
<b>Notes</b>	Nil	Nil	Nil

## 6.7 Recommendations of Audit Committee

During the financial year ended 31st March 2025, the Audit Committee, in accordance with its role under Section 177 of the Companies Act, 2013, made several key recommendations to the Board of Directors on financial and operational matters of the Company. These included:

- 1) Review and recommendation for approval of the annual financial statements of the Company for the year ended 31st March 2025;
- 2) Review of the internal audit reports and follow-up on the implementation of corrective actions by management;
- 3) Evaluation of the adequacy and effectiveness of internal financial controls and risk management systems;
- 4) Monitoring the Company's compliance with applicable statutory and regulatory requirements, including those prescribed by the Reserve Bank of India;
- 5) Review and approval of Related Party Transactions during the year;
- 6) Review of asset quality, NPA provisioning, and credit risk exposure.

The Board of Directors affirms that all recommendations made by the Audit Committee during the year were accepted and implemented, and there were no instances of non-acceptance of any recommendations by the Board.

#### **6.8 Company's Policy on Directors' appointment and remuneration**

Pursuant to the provisions of Section 134(3) and Section 178(4) of the Companies Act, 2013, the Company has formulated a Nomination and Remuneration Policy which sets out the criteria for appointment, evaluation, and remuneration of Directors, Key Managerial Personnel, and Senior Management.

Salient features of the Policy include:

- 1) Laying down the criteria for determining qualifications, positive attributes, and independence of a director.
- 2) Evaluating the balance of skills, experience, and knowledge on the Board and identifying suitable candidates.
- 3) Ensuring that the level and composition of remuneration is reasonable, competitive, and linked to performance.
- 4) Remuneration of Non-Executive Directors is based on their roles, responsibilities, and time involvement.
- 5) Remuneration of Executive Directors and KMPs is designed to attract, retain, and motivate suitable personnel while aligning their interests with the Company's objectives and shareholder value.

The policy aims to ensure diversity of thought, experience, and background in the composition of the Board.

There were no changes to the Policy during the year under review.

The complete Nomination and Remuneration Policy are available on the Company's website at:  
<https://www.capitalfinserve.com/>

#### **6.9 Board Evaluation**

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013, the requirement relating to formal annual evaluation of the performance of the Board, its Committees, and individual Directors is not applicable to the Company, as it does not fall under the prescribed class of companies.

#### **6.10 Remuneration of Directors and Employees**

In accordance with Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company, being an unlisted public company, is not mandatorily required to disclose the particulars prescribed therein.

However, as a matter of good corporate governance, the Company makes the following voluntary disclosures:

No remuneration other than sitting fees were paid to the Executive and Non-Executive Directors, including Independent Directors, during the financial year 2024–25.

Details of sitting fee paid to each directors are as follows

Name	Designation	Sitting fee for the period	Amount Paid (in Rs.)
Thombrayil Uthup Kuruvilla	Director	01.04.2024-31.03.2025	80000
Rapheal Ponthekkan Antony	Director	01.04.2024-31.03.2025	30000
Shajan Kuriakose	Director	01.04.2024-31.03.2025	120000
Muttavenchery Mathai Joseph	Director	01.04.2024-31.03.2025	80000
Babu Alias	Managing Director	01.04.2024-31.03.2025	120000
Vinayan Gopinathan Nair	Director	01.04.2024-31.03.2025	110000
Shibu Kuriakose	Director	01.04.2024-31.03.2025	110000
Raju Jacob	Director	01.04.2024-31.03.2025	70000
Saji Kochukudiyil Mathew	Director	01.04.2024-31.03.2025	120000
Paulosekutty Jacob	Director	01.04.2024-31.03.2025	120000
Binu Anachira Kuruvilla	Director	01.04.2024-31.03.2025	120000
Kallookaren Ouseph Thobias	Director	01.04.2024-31.03.2025	90000
Basil Abraham	Director	01.04.2024-31.03.2025	120000
Sabu Cheriyan	Director (Independent)	01.04.2024-31.03.2025	20000
Jyothikumar Balakrishna Pillai	Director (Independent)	01.04.2024-31.03.2025	111113
Sunil Jaihind Salunkhe	Director	28.09.2024-31.03.2025	20000
Sunitha Shajan	Director	28.09.2024-31.03.2025	0
Thomas Maliakkel George	Additional Director	05.11.2024-31.03.2025	60000

The remuneration paid to the Key Managerial Personnel other than Managing Director during the year is as follows:

Name	Designation	Period	Remuneration Paid (in Rs.)
Shajan Kuriakose	CFO	11.05.2024-28.09.2024	2,50,000
Mr. Jagan Joseph	CFO	28.09.2024-31.03.2025	4,20,000
Mrs. Deepa Dominic	Company Secretary	01.04.2024-28.12.2024	3,78,000
Ms. Anna Liya Yeldose	Company Secretary	05.02.2025-31.03.2025	69,377

The remuneration is in accordance with the terms of employment and is consistent with the Company's policy on remuneration for Key Managerial Personnel.

#### 6.11 Remuneration received by Managing/Whole-time Director from Holding or Subsidiary Company

The Company does not have any holding or subsidiary company. Accordingly, the question of receipt of any remuneration or commission by the Managing Director or Whole-time Director from such entities does not arise.

#### 6.12 Directors' Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirms that:

- In the preparation of the annual accounts for the financial year ended 31st March 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for 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 have prepared the annual accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively;
- f) Clause (f) of Section 134(5), which relates to internal financial controls to be followed by the company and their adequacy and operational effectiveness, is applicable only to listed companies. As Capital Finserve Limited is an unlisted public company, this clause is not applicable and hence has not been included.

#### **6.13 Women Director**

The Company is not covered under rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and hence it is not mandatory to appoint women director in the Board. However, the Company has women director in the board.

#### **6.14 Internal Financial Controls**

The Company has in place adequate internal financial controls with reference to the financial statements. During the year under review, such controls were tested and no material weaknesses were observed. The internal financial control systems are commensurate with the size, scale, and complexity of the Company's operations and are designed to ensure orderly and efficient conduct of business, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

These controls are periodically reviewed by the management and the Audit Committee of the Board, and necessary improvements are implemented where required.

#### **6.15 Frauds Reported by the Auditor**

During the financial year under review, the Statutory Auditor has not reported any instance of fraud to the Audit Committee or the Board under Section 143(12) of the Companies Act, 2013. Accordingly, there were no frauds required to be disclosed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014, in this Report.

### **7. DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

#### **7.1 Report on performance and financial position of subsidiaries, associates and joint ventures**

The Company does not have any subsidiaries, associate companies, or joint venture entities as on the date of this Report. Accordingly, the disclosure under Rule 8(1) of the Companies (Accounts) Rules, 2014 and the requirements relating to Form AOC-1 are not applicable.

#### **7.2 Companies which have become or ceased to be subsidiaries, associates and joint ventures**

During the financial year under review and up to the date of this Report, no entity has become or ceased to be a subsidiary, associate, or joint venture of the Company. Accordingly, the disclosure under Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 is not applicable.

### **8. DETAILS OF DEPOSITS**

The Company is registered with the Reserve Bank of India (RBI) as a Non-Banking Financial Company – Non-Deposit Taking. During the financial year under review, the Company has not accepted any public

deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Accordingly:

- 1) No deposits were accepted during the year.
- 2) There were no deposits remaining unpaid or unclaimed as at the end of the year.
- 3) There was no default in repayment of deposits or payment of interest thereon.
- 4) The Company has not received any orders from the National Company Law Tribunal (NCLT) or National Company Law Appellate Tribunal (NCLAT) in this regard.
- 5) Further, the Company has also not accepted any amount from directors or their relatives which would be considered as 'deposits' under the Companies Act, 2013.

## **9. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

During the financial year under review, the Company, being a Non-Banking Financial Company (NBFC), has extended loans and made investments in the ordinary course of its business. Pursuant to the provisions of Section 186(11) of the Companies Act, 2013, the provisions of Section 186(2) and (3) related to limits and approvals do not apply to loans or investments made by NBFCs in the ordinary course of business.

Details of loans given, investments made, guarantees given or securities provided, if any, as required under Section 186 of the Companies Act, 2013, are disclosed in the Notes to the Financial Statements and may be referred to therein.

## **10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The Company has not entered into Contracts or Arrangements with related parties within the meaning of Section 188 of the Companies Act, 2013 except to the extent of the interest paid to directors and their relative for loan accepted and debentures issued.

## **11. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company for the financial year 2024-25, and accordingly, no disclosures in this regard are required to be made in the Board's Report.

## **12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Company has taken adequate measures for conservation of energy and also very much keen on environment and safety matters and has taken adequate measures to control pollution and ensure safety etc. In view of the operations carried out by the Company, information regarding various steps taken on conservation of energy or utilization of alternate sources of energy and information regarding the impact of the same is not applicable. The information required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is set out as **Annexure I** attached hereto and forms part of this report.

## **13. RISK MANAGEMENT**

The Company has in place a Risk Management Policy to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives, and enhance the Company's competitive advantage.

The Board of Directors has reviewed the risk management framework and is of the opinion that at present, there are no risks identified which may threaten the existence of the Company.

As a matter of good governance, the Company continues to monitor industry trends, credit risk, compliance risk, operational risk, and financial risk, and has adopted internal controls and mitigation strategies to manage such exposures proactively.

#### **14. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM**

The provisions of Section 177(9) of the Companies Act, 2013 relating to establishment of a Vigil Mechanism are not applicable to the Company as it is not a listed company, does not accept public deposits, and has not borrowed in excess of ₹50 crore from banks or public financial institutions.

However, as a matter of good governance, the Company promotes ethical behaviour in all its business activities. Directors and employees are encouraged to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct to the management. The Company ensures that no personnel are victimised for such reporting.

#### **15. MATERIAL ORDERS OF JUDICIAL BODIES / REGULATORS**

There were no significant and material orders passed by any Regulator, Court, Tribunal, Statutory or quasi-judicial authority during the financial year under review which would impact the going concern status of the Company or its future operations.

#### **16. AUDITORS**

M/s. Biju George & Co., Chartered Accountants (Registration No. 007920S), continue to act as the Statutory Auditors of the Company. They were appointed for a term of five years from the conclusion of the 28th Annual General Meeting until the conclusion of the 33rd Annual General Meeting of the Company.

There has been no change in the Statutory Auditor of the Company during the financial year under review and up to the date of this Report.

The provisions relating to the appointment of a Secretarial Auditor under Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

Further, the requirement for appointment of a Cost Auditor under Section 148 of the Companies Act, 2013 is also not applicable to the Company for the financial year under review.

#### **17. SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the requirement to annex a Secretarial Audit Report is applicable to:

- 1) Every listed company,
- 2) Every public company having a paid-up share capital of ₹50 crore or more, or
- 3) Every public company having a turnover of ₹250 crore or more or
- 4) Every Company having outstanding loans or borrowings from banks or public financial institutions of one hundred crore rupees or more.

As the Company does not fall under any of the above categories, the requirement of Secretarial Audit and annexing the Secretarial Audit Report in Form MR-3 to the Board's Report is not applicable.

## **18. EXPLANATIONS IN RESPONSE TO AUDITORS' QUALIFICATIONS**

The Statutory Auditor has not made any qualification, reservation, adverse remark or disclaimer in the Audit Report for the financial year under review. The provisions relating to Secretarial Audit and Cost Audit are not applicable to the Company. Accordingly, no explanation or comment by the Board is required under Sections 134(3) and 204(3) of the Companies Act, 2013.

## **19. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with all the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), namely Secretarial Standard-1 (SS-1) on Meetings of the Board of Directors and Secretarial Standard-2 (SS-2) on General Meetings. No portion of the applicable Secretarial Standards has been deviated from during the year under review.

## **20. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)**

During the financial year under review and up to the date of this Report, no application has been filed by or against the Company under the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal (NCLT), nor has any corporate insolvency resolution process been initiated.

## **21. FAILURE TO IMPLEMENT ANY CORPORATE ACTION**

During the financial year under review and up to the date of this Report, the Company has not failed to implement any corporate action within the specified time limit. No such incidents, including buyback of securities, payment of dividend, mergers, demergers, delisting, split or issue of any securities, have occurred or remained unimplemented during the period.

## **22. ANNUAL RETURN**

Pursuant to the provisions of Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company for the financial year ended 31.03.2025, in Form MGT-7, is available on the website of the Company at the following web-link: <https://www.capitalfinserve.com>.

## **23. DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has constituted an Internal Complaints Committee in accordance with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 to provide a safe and secure work environment for its employees, particularly women. The Company has complied with all provisions relating to the constitution and functioning of the said Committee.

During the year under review, there is no complaint with allegations of sexual harassment were filed, as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There were no reported cases requiring action under the said Act during the year; however, the Company continues to maintain policies and practices in adherence to the statutory requirements to ensure the welfare of women employees.

## **24. DISCLOSURE UNDER THE MATERNITY BENEFIT (AMENDMENT) ACT, 2017**

The Company affirms that it has duly complied with all provisions of the Maternity Benefit Act, 1961, and has extended all statutory benefits to eligible women employees during the year.

## **25. PRUDENTIAL NORMS**

The Company has complied with prudential norms relating to income recognition, accounting standards, assets classification, provision for bad and doubtful debts as applicable to it in terms of Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions,2016.

## **26. MAINTENANCE OF COST RECORDS**

Maintenance of cost records as specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 is not applicable to your Company.

## **27. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Company is not covered under section 178 (5) of the Companies Act, 2013 and hence not required to constitute Stakeholders Relationship Committee.

## **28. DISCLOSURE UNDER RULE 8 (5) (XII) OF COMPANIES (ACCOUNTS) RULES REGARDING DIFFERENCE BETWEEN AMOUNT OF THE VALUATION**

During the year no valuation was taken with regard to one time settlement of loan. So, disclosure under rule 8 (5)(XII) of Companies (Accounts) Rules, 2014 regarding difference between the amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons is not applicable.

## **29. APPRECIATION**

We take this opportunity to thank all employees for their contribution to the growth and success of your Company. We would also like to thank bankers, stakeholders and business associates for their extended support during the year. Also, would like to place on record their gratitude for the guidance and cooperation extended by Reserve Bank of India and other regulatory authorities.

For and on behalf of the Board of  
**CAPITAL FINSERVE LIMITED**

Sd/-  
Babu Alias  
**Managing Director**  
DIN: 02923957  
(Address: Puthusserikudiyil House, Nellimattom P O,  
Kothamangalam, Ernakulam, Kerala, India, 686693)

Sd/-  
Shajan Kuriakose  
**Director**  
DIN: 08800728  
(Address: Parackal House,  
Kothamangalam PO, Kothamangalam-686691)

Place: Kothamangalam  
Date: 01.09.2025

**Annexure I**

Information pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 and forming part of Directors Report for the year.

**(A) CONSERVATION OF ENERGY:**

The steps taken or impact on conservation of energy	NIL
The steps taken by the company for utilizing alternate sources of energy	NIL
The capital investment on energy conservation equipments	NIL

**(B) TECHNOLOGY ABSORPTION:**

Technology absorption, adaptation and innovation

Efforts, in brief, made towards technology absorption, adaptation and innovation	NIL
Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc	NIL
In case of imported technology following information may be furnished: a. Technology imported b. Year of import c. Has technology been fully absorbed? d. If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.	NIL

Research and development (R & D):

Specific areas in which R & D carried out by the company	NIL
Benefits derived as a result of the above R&D	NIL
Future plan of action	NIL
Expenditure on R & D: a. Capital b. Recurring c. Total d. Total R & D expenditure as a percentage of total turnover	NIL

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

a. Activities relating to exports; b. Initiatives taken to increase exports; c. Development of new export markets for products and services; d. Export plans;	NIL
a. Total foreign exchange outgo b. Total foreign exchange earned	NIL NIL

For and on behalf of the Board of  
**CAPITAL FINSERVE LIMITED**

Sd/-  
Babu Alias  
**Managing Director**  
DIN: 02923957  
(Address: Puthusserikudiyil House, Nellimattom P O,  
Kothamangalam, Ernakulam, Kerala, India, 686693)

Sd/-  
Shajan Kuriakose  
**Director**  
DIN: 08800728  
(Address: Parackal House,  
Kothamangalam PO, Kothamangalam-686691)

Place: Kothamangalam  
Date: 01.09.2025

## INDEPENDENT AUDITOR'S REPORT

To,  
**The Members of  
Capital Finserve Limited, Kothamangalam**

### **Report on the Audit of the Financial Statements.**

#### **Opinion**

We have audited the accompanying financial statements of **Capital Finserve Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, the statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its Profit and its cash flows for the year ended on that date.

#### **Basis of Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’ Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements .

#### **Key Audit matters**

Key Audit matters are those matters that, in our professional judgement were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701 are not applicable to the Company as it is an unlisted Company.

#### **Information other than the financial statements and auditors’ report thereon**

The Company’s Board of Directors is responsible for the preparation and presentation of other information. The other information comprises the information included in the Company’s Annual Report, but does not include the Financial Statements and our auditors’ report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in during the course of 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. We have nothing to report in this regard.

### **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted In India, including the Accounting Standards specified under section 133 of the Act .This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 2016, issued by the Reserve Bank of India, in exercise of the powers conferred by sub-section (1A) of Section 45MA of the Reserve Bank of India Act, 1934, we give in the "Annexure 1", an additional Audit Report addressed to the Board of Directors containing our statements on the matters specified therein.

2. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of section 143 of The Companies Act 2013, we give in the Annexure 2, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

3. As required by section 143(3) of the Act, We report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion the aforesaid financial statements comply with Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, In our opinion and to the best of our information and according to the explanations given to us , the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
- g. With respect to the adequacy of the internal financial controls over financial reporting with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 3".
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the information and explanations given to us:
  - i) The Company does not have any pending litigations which would impact its financial position in its financial statements
  - ii) The Company does not have any long-term contracts including derivative contracts requiring a provision for material foreseeable losses.
  - iii) The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“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;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contain any material misstatement.
- v) The company has neither declared nor paid any dividend during the year.
- vi) Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For Biju George & Company  
Chartered Accountants  
Firm Registration Number 007920S

Place: Thodupuzha  
Dated: 01/09/2025

Biju George BSc, FCA, DISA(ICA)  
Proprietor  
Membership No. 206233  
UDIN: 25206233BMNQNJ5962

## Annexure 1 to the Auditor's Report

To,

The Board of Directors  
Capital Finserve Limited  
Kothamangalam

As required by the Master Direction-Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 Issued by Reserve bank of India Vide notification Number DNBS.PPD.03/66.15.001/2016-17 dated 29<sup>th</sup> September 2016 and as amended from time to time and based on our audit, We give hereunder a statement on the matters specified in paragraph 3 & 4 of the said directions:-

1. The company is engaged in the business of Non-Banking Financial Institution and it has obtained the certificate of registration as provided in Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934).
2. The Company is entitled to continue to hold the certificate of registration in terms of asset/Income pattern as on March 31, 2025
3. The Company has met the required Net Owned Fund (NOF) requirement
4. The Board of Directors of the Company has passed a resolution for non-acceptance of public deposit.
5. The Company has not accepted any public deposits during the year 2024-2025
6. According to the information and explanation given to us, the Company has complied with the prudential norms on income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as specified in the direction issued by Reserve Bank of India in terms of the Master Directions.

For Biju George & Company  
Chartered Accountants  
Firm Registration Number 007920S

Place: Thodupuzha  
Dated: 01/09/2025

Biju George BSc, FCA, DISA(ICA)  
Proprietor  
Membership No. 206233  
UDIN: 25206233BMNQNJ5962

## **Annexure 2 to the Auditor's Report**

(Referred to in paragraph 2 under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Capital Finserve Limited)

i. In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

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

(b) The Property, plant and equipment were physically verified during the year by the management, in accordance with a regular program of verification, which in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. No material discrepancies were noticed on such verification.

(c) As explained to us, the Company has not acquired any immovable properties Accordingly the provisions of Paragraph 3 clause i (c) of the order is not applicable.

(d) The company has not revalued its property, Plant and Equipment (including right-of-use assets) or Intangible assets or both during the year.

(e) No proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (prohibition) Act, 1988 (45 of 1988) and rules made there under

ii)(a) The company is in the business of rendering financial services and accordingly does not hold any physical inventories. Thus the provisions of Paragraph 3 clause (ii)(a) of the order is not applicable to the company.

(b) The company has not been sanctioned any working capital limits in excess of 5 Crore, in aggregate, at any point of time during the year from banks or Financial Institutions on the basis of security of current assets and hence reporting under clause 3 (ii) (b) of the order is not applicable.

liii) The Company has not made investment and no guarantee has been provided and principal business of the Company is lending loans, the required information is as under

(a) The Company is engaged in principal business of lending loans, hence reporting under clause (iii) (a) is not applicable

(b) In our opinion, having regard to the nature of the Company's business, investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees are, prima facie, not prejudicial to the company's interest

(c) In respect of loans granted by the company as part of its business of providing loans, the schedule of repayment of Principal and payment of interest has been stipulated and repayments of principal Amounts and receipts of interest are generally been regular except in a few cases.

(d) According to the information and explanations given to us, and based on the audit procedures performed by us, there is an overdue amount of Rs. 747.61 lakhs for more than ninety days. Reasonable steps have been taken by the company for recovery of interest and principal.

(e) The company being a NBFC whose principal business is to give loan is exempt from Paragraph 3 Clause (iii) (e).

(f) Based on our audit procedures and according to the information and explanation made available to us the company has granted demand loans aggregating to Rs.411.54 Lakhs . The percentage thereof to the total loan granted is 5.72% . The aggregate amount of demand loans granted to related parties as defined in clause (76) of section 2 of the Companies Act , 2013 is Rs.156.84 Lakhs.

iv) In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the company has complied with the provision of sections 185 and 186 of the Companies Act, 2013 with respect to loans and advances granted, guarantees and securities provided and investments made by the company during the year.

v) According to the information and explanations given to us, the Company has not accepted any deposits from the public or amounts which are deemed to be deposits during the year which attract the directives issued by the Reserve Bank of India, within the meaning of section 73 to section 76 of Companies Act, 2013

vi) The 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 the business activities carried out by the Company. Hence, reporting under paragraph (vi) of the Order is not applicable to the Company.

vii)(a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Services Tax, Duty of customs, Cess and any other material statutory dues, as applicable to the Company, to the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed statutory dues payables in respect of Provident Fund, Employee's State Insurance, Income Tax, Goods and Services Tax, Duty of customs, Cess and any other material statutory dues were outstanding as at March 31,2025, for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which not been deposited on account of any dispute.

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, reporting under clause 3(viii) of the order are not applicable to the company

ix) (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of loans or other borrowings or in the payment of interest there on to any lender.

(b) According to the information and explanations given to us the company has not been declared as a willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us the company has not obtained any term loan from any bank or financial institution and therefore, the reporting requirement under clause (ix) (c) of paragraph 3 of the Order is not applicable.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short term basis have been utilized for long term purposes by the company.

(e)The company does not hold any investment in any subsidiary, associates or joint ventures (as defined under the companies act, 2013) during the year ended 31 March 2025. Therefore, the reporting requirement under clause (ix) (e) and (f) of paragraph 3 of the Order is not applicable

x (a) The company has not raised any money during the year by way of initial public offer or further public offer (including Debt Instruments ). Therefore, the reporting requirement under clause (x) (a) of paragraph 3 of the Order is not applicable.

b) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Thus, reporting under paragraph 3(x)(b) of the order is not applicable to the company

xi a) During the course of our audit, and on examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us , we have neither come across any instance of material fraud by the Company nor on the Company.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) As represented to us by the management ,there are no whistle blower complaints received by the Company during the year

xii) The Company is not a Nidhi Company as per the provisions of the Companies act 2013. Therefore the provisions of Paragraph 3 clause (xii) of the Order are not applicable to the Company.

xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv) Since the company is not covered by Section 138 of the Companies Act 2013, Paragraph 3 Clause (xiv) (a)to (b) of the Order is not applicable and hence not commented upon.

xv) According to the information and explanations given to me and based on my examination of the records of the Company, the company has not entered into any non-cash transactions with its directors or persons connected with its directors ; Hence Paragraph 3 clause ( xv) of the order is not applicable.

xvi) (a) In our opinion and according to the information and explanations given to us, the company is required to obtain the registration under section45-IA and the necessary registration has been duly obtained.

b) In our opinion, the Company has conducted Non-Banking financial activities with a valid certificate of registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence paragraph 3(xvi)(c) & (d) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.

xvii) The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year. Accordingly Clause 3 (xviii) of the order is not applicable.

xviii) There has been no resignation of the statutory auditors during the year. Hence the provisions stated in Paragraph 3 clause (xviii) of the order is not applicable.

xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements 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) According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Accordingly, Paragraph 3 clause (xx) (a) and (b) of the Order are not applicable to the Company.

xxi) According to the information and explanations given to us, the Company does not have any subsidiary / Associate/ Joint Venture. Hence there is no preparation of consolidated financial statements. Accordingly, the provisions stated in paragraph 3 Clause (xxi) of the Order is not applicable to the Company

For Biju George & Company  
Chartered Accountants  
Firm Registration Number 007920S

Place: Thodupuzha  
Dated: 01/09/2025

Biju George BSc, FCA, DISA(ICA)  
Proprietor  
Membership No. 206233  
UDIN: 25206233BMNQNJ5962

## **ANNEXURE 3 TO THE AUDITOR'S REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of Capital Finserve Limited (the "Company") as of March 31, 2025 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to Financial Statements 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 (the "ICAI"). 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 Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Financial Statements.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Biju George & Company  
Chartered Accountants  
Firm Registration Number 007920S

Place: Thodupuzha  
Dated: 01/09/2025

Biju George BSc, FCA, DISA(ICA)  
Proprietor  
Membership No. 206233  
UDIN : 25206233BMNQNJ5962

**CAPITAL FINSERVE LIMITED, KOTHAMANGALAM**  
**Note 1: SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of Preparation of Financial Statements**

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**1.2 Basis of Accounting**

The financial statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 2013.

**1.3 Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. The estimates and assumptions used in the financial statements are based upon the Management's evaluation of the relevant facts and circumstances as on the date of financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

**1.4 Own Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation. The cost includes purchase consideration and other directly attributable costs incurred to bring an Asset to its working condition for its intended use.

**1.5 Depreciation:**

Depreciation on fixed assets is provided based on the useful life of the asset as prescribed under Schedule II of the Companies Act, 2013. Depreciation on addition has been calculated on prorata basis.

Assets	Useful Life in years
Furniture & Fittings	10 Years
Equipments	15 Years
Computer	3 Years
Computer-Server	6 Years

**1.6 Provision for NPA:**

The Company has 173 NPA Accounts with an outstanding of Rs 666.28 lakhs on which the Company has provided Rs. 308.19 Lakhs as provision for NPA and Rs 16.29 Lakhs as provision for Standard assets in accordance with the new Regulatory frame work of NBFCs.

**1.7 Special Reserve:**

The Company has appropriated 15.58 lakhs towards Special Reserve under the new regulatory framework of NBFCs.

### **1.8. Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **1.9 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income including Interest on NPA is recognized only when it is actually realized. Any interest income recognized before the asset become NPA and remaining unrealized is derecognized.

### **1.10. Goods and Service Tax**

Goods and Service tax is not applicable since the company is having only interest income.

### **1.11. Employee Benefits**

- i. Short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
- ii. Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss Account for the year in which the employee has rendered services.
- iii. Gratuity is not provided in the books as it will be recognized on cash basis.

### **1.12. Dividend**

Final dividends on shares are recorded as a liability on the date of approval by the share holders and Interim Dividends are recorded as a liability on the date of declaration by the Company's board of directors.

No dividend has been declared during the year.

### **1.13. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss Account in the period in which they are incurred.

### **1.14. Earnings Per Share**

The basic earnings per share are calculated by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax during the year and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the year unless they have been issued at a later date.

**1.15. Financial Derivatives and Commodity Hedging Transactions**

No such transactions and hence not applicable to the company.

**1.16. Provision for Current and Deferred Tax**

Provision for taxation is made for both current and deferred taxes

Current tax is provided on the basis of estimated taxable income in accordance with the Income Tax Act, 1961 using the applicable tax rates and tax laws.

Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognized using the tax rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date.

Deferred Tax Assets are recognized and carried forward only if there is a virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

**1.17. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**1.18.** There is no amount overdue to Micro, Small and Medium Enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006 as at 31<sup>st</sup> March 2025

**1.19.** Claims against the company not acknowledged as debts: Rs NIL (Rs NIL).

**1.20.** Contingent Liabilities: Rs NIL (Rs NIL).

**1.21.** Previous Years figures are regrouped or rearranged wherever necessary to conform to current year classification.

**CAPITAL FINSERVE LIMITED, KOTHAMANGALAM**  
Balance Sheet as at March 31, 2025

Particulars	Note	As at 31.03.2025	As at 31.03.2024
		Amount in Lakhs	
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	2,014.70	2,014.70
(b) Reserves and Surplus	3	75.94	(1.97)
<b>(2) Non-Current Liabilities</b>			
(a) Long term Borrowings	4	4,757.94	3,558.67
(b) Long term provisions	5	16.29	11.56
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	6	559.10	202.00
(b) Other Current Liabilities	7	187.52	137.91
(c) Short-term provisions	8	314.64	369.20
<b>Total</b>		<b>7,926.13</b>	<b>6,292.07</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property ,Plant, Equipment & Intangible Assets			
(i) Property, Plant and Equipment	9	253.42	210.84
(ii) Intangible Assets	9	8.46	9.92
(b) Deferred tax assets (net)		84.98	105.74
(c) Long- term loans and advances	10	7,183.62	5,454.36
(d) Other Non Current Assets	11	66.20	57.39
<b>(2) Current assets</b>			
(a) Cash and Cash Equivalents	12	87.59	113.66
(b) Short term loans and advances	13	35.14	46.95
(c) Other Current Assets	14	206.70	293.21
<b>Total</b>		<b>7,926.13</b>	<b>6,292.07</b>

Summary of Significant accounting policies

The accompanying notes are an integral part of the financial statements

In terms of our report attached report of even date

For Biju George &Co

Chartered Accountants  
Firm Regn No 007920S

Biju George , B Sc , FCA,DISA(ICA)  
(Proprietor)  
M.No.206233  
UDIN : 25206233BMNQNJ5962

Place : Thodupuzha

Date :01.09.2025

For and on behalf of the Board of Directors  
For Capital Finserve Limited

Babu			
Alias	Saji K	Shibu	
Managing Director	Mathew	Kuriakose	Jagan
DIN:	DIN:	DIN:	Joseph
02923957	02921367	01659358	CFO
Poulose			
Binu A	Kutty	Shajan	Fathima
Kuruvila	Jacob	Kuriakose	Rosla
Director	Director	Director	Vakkiyath
DIN:	DIN:	DIN:	Company
03638140	02921370	08800728	secretary
			ACS 76538

**CAPITAL FINSERVE LIMITED, KOTHAMANGALAM**  
Statement of Profit and Loss for the Year ended March 31,2025

Particulars	Note No.	For the period ended 31st March, 2025	For the period ended 31st March, 2024
		Amount in Lakhs	
<b>I.REVENUE</b>			
Interest Received	15	1,161.26	890.25
Other Income	16	5.93	5.27
<b>Total Revenue</b>		<b>1,167.19</b>	<b>895.52</b>
<b>II.EXPENSES</b>			
Employee benefits expenses	17	337.89	294.37
Finance Costs	18	505.22	384.06
Depreciation and amortization expense	9	34.17	31.92
Other expenses	19	184.79	241.58
<b>Total Expenses</b>		<b>1,062.07</b>	<b>951.92</b>
<b>III. Profit/ Loss before tax (I-II)</b>		<b>105.12</b>	<b>(56.40)</b>
IV. Tax expense:			
(1) Current tax		6.45	-
(2) Deferred tax		20.76	14.18
<b>V Profit /loss after tax (III-IV)</b>		<b>77.90</b>	<b>(42.21)</b>
Basic and Diluted Earnings Per Share of Rs.10,000 each	20	386.67	(209.53)

Summary of Significant accounting policies

The accompanying notes are an integral part of the financial statements

In terms of our report attached report of even date

For Biju George &Co

Chartered Accountants  
Firm Regn No 007920S

Biju George , B Sc , FCA,DISA(ICA)  
(Proprietor)  
M.No.206233  
UDIN : 25206233BMNQNJ5962

Place : Thodupuzha  
Date :01.09.2025

For and on behalf of the Board of Directors  
For Capital Finserve Limited

Babu  
Alias Saji K Shibu  
Managing Mathew Kuriakose  
Director Director Director  
DIN: DIN: DIN: Jagan Joseph  
02923957 02921367 01659358 CFO

Poulose Fathima  
Binu A Kutty Shajan Rosla  
Kuruvila Jacob Kuriakose Vakkayath  
Director Director Director Company  
DIN: DIN: DIN: secretary  
03638140 02921370 08800728 ACS 76538

**CAPITAL FINSERVE LIMITED, KOTHAMANGALAM**  
Cash Flow Statement for the year ended 31st March, 2025

Particulars	For the year Ended 31st March, 2025	For the year Ended 31st March, 2024
	Amount in Lakhs	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax and Interest	610.33	327.66
<b>Adjustment for:</b>		
Depreciation	34.17	31.92
<b>Operating profit before working capital changes</b>	<b>644.51</b>	<b>359.58</b>
<b>Adjustments for:</b>		
Short Term loans and advances	11.81	(1.58)
Long Term loans and advances	(1,729.26)	(885.73)
Non Current Assets	(8.81)	(20.90)
Other Current Assets	86.50	(125.68)
Long Term Provisions	4.73	2.63
Other Current Liabilities	49.61	17.59
Short Term Provisions	(61.01)	43.52
<b>Cash generated from operations</b>	<b>(1,646.43)</b>	<b>(970.15)</b>
Direct taxes paid (including Tds less Refund)		
Net cash from operating activities A	<b>(1,001.92)</b>	<b>(610.57)</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	(75.30)	(84.52)
Net cash used in Investing activities B	(75.30)	(84.52)
<b>C.CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds of Un Secured Loans	1,556.37	1,010.76
Finance Cost	(505.22)	(384.06)
Net cash from financing activities C	1,051.15	626.71
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(26.06)	(68.38)
Cash & Cash Equivalents at Beginning of year	113.66	182.04
Cash & Cash Equivalents at End of year	87.59	113.66
Net Increase/(Decrease) in Cash & Cash Equivalents	(26.06)	(68.38)

Summary of Significant accounting policies

The accompanying notes are an integral part of the financial statements

In terms of our report attached report of even date

For Biju George &Co

Chartered Accountants  
Firm Regn No 007920S

Biju George , B Sc , FCA,DISA(ICA)  
(Proprietor)  
M.No.206233  
UDIN : 25206233BMNQNJ5962

Place : Thodupuzha  
Date :01.09.2025

For and on behalf of the Board of Directors  
For Capital Finserve Limited

Babu Alias Saji K Shibu Jagan Joseph  
CFO

Managing Director Director Director  
DIN: DIN: DIN:

02923957 02921367 01659358  
Poulose

Binu A Kuty Shajan Fathima  
Kuruvila Jacob Kuriakose Rosla

Director Director Director  
DIN: DIN: DIN: Company  
secretary

03638140 02921370 08800728 ACS 76538

**NOTES TO THE ACCOUNTS (Contd.)**

**Note 2: SHARE CAPITAL**

Particulars	As at 31.03.2025		As at 31.03.2024	
	Number of shares	Amount in Lakhs	Number of shares	Amount in Lakhs
<u>(a) Authorised Capital</u> Equity shares of Rs. 10,000/- each with voting rights	21,000.00	2,100.00	21,000.00	2,100.00
<u>(b) Issued Capital</u> Equity shares of Rs. 10,000/- each with voting rights	20,147.00	2,014.70	20,147.00	2,014.70
<u>(c) Subscribed and fully paid up</u> Equity shares of Rs. 10,000/- each with voting rights	20,147.00	2,014.70	20,147.00	2,014.70
<b>Total</b>	<b>20,147.00</b>	<b>2,014.70</b>	<b>20,147.00</b>	<b>2,014.70</b>

Notes:

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Buy Back	Closing Balance
Equity shares with voting rights Year ended 31 March, 2025				
- Number of shares	20,147.00		-	20,147.00
- Amount (In Rs.)	2,014.70		-	2,014.70
Year ended 31 March, 2024				
- Number of shares	20,147.00		-	20,147.00
- Amount (In Rs.)	2,014.70		-	2,014.70
<b>Total</b>	<b>2,014.70</b>	-		<b>2,014.70</b>

- (ii) Rights, Preferences and restrictions attached to Equity Shares:

The Company has one class of equity shares, having a par value of Rs 10,000 each. Each shareholder is eligible for one vote per share held. The Dividend Proposed by the board of directors is subject to the approval of shareholders in the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company in proportion to their share holding.

- (iv) Details of shares held by Promoters at the end of the year

Promoter Name	AS AT 31.03.2025			AS AT 31.03.2024		
	Number of shares held	% holding in that class of shares	% Change during the year	Number of shares held	% holding in that class of shares	% Change during the year
Vinayan Gopinathan Nair	554	2.75	-	554	2.75	-
Shibu Kuriakose	784	3.89	-	784	3.89	-
Thombrayil Uthup Kuruvilla	34	0.17	-	34	0.17	

Raju Jacob	784	3.89	-	784	3.89	-
Pontheakkan Antony Raphy	784	3.89	-	784	3.89	-
Saji Kochukudiyil Mathew	944	4.69	-	944	4.69	-
Paulosekutty Jacob	784	3.89	-	784	3.89	-
Babu Alias	786	3.9	-	786	3.9	-
Basil Abraham	784	3.89	-	784	3.89	-
Binu Anachira Kuruvilla	784	3.89	-	784	3.89	-
Kallookaren Ouseph Thobias	784	3.89	-	784	3.89	-
Muttanvancherry Mathai Joseph	784	3.89	-	784	3.89	-

**Note 3: RESERVES & SURPLUS**

Particulars	As at 31.03.2025 Amount in Lakhs	As at 31.03.2024 Amount in Lakhs
a. Statutory Reserve		
As per last Balance Sheet	106.19	106.19
Add: Transferred from Profit and Loss Account	15.58	
<b>Total Statutory Reserve</b>	<b>121.77</b>	<b>106.19</b>
b. Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	(108.16)	(65.95)
Add: Transferred from Profit and Loss Account	77.90	(42.21)
(-) Amount Transferred to Statutory Reserve	15.58	
<b>Closing Balance of Surplus</b>	<b>45.84</b>	<b>(108.16)</b>
<b>TOTAL</b>	<b>75.94</b>	<b>(1.97)</b>

**Note 4: LONG TERM BORROWINGS**

Particulars	As at 31-03-2025 Amount in Lakhs	As at 31-03-2024 Amount in Lakhs
<b>Secured Loans</b>		
a).HDFC Bank Car loan	25.61	
<b>(b)Non-Convertible Debenture</b>	3,036.00	2,714.00
(Secured by <i>Pari - pasu</i> first charge on pledged gold ornaments,mortgaged land and current assets of the Company)		
<b>Un secured loans</b>		
<b>(c) Subordinated Liabilities</b>		
Un Secured Subordinated Debts	848.10	359.20
<b>(d) Loans</b>		
From Directors and Relatives	848.23	485.47
<b>Total</b>	<b>4,757.94</b>	<b>3,558.67</b>

Debentures-Series	Amount in Lakhs	Rate of Interest	Date of Redemption
S SERIES	259	11.5% for monthly and quarterly scheme and 12% for annual and 12.5% for doubling scheme	12.05.2030 / 12.06.2030
R SERIES	343	11.5% for monthly and quarterly scheme and 12% for annual and 12.5% for doubling scheme	22.11.2019/ 21.12.2019
Q SERIES	152	11% for monthly and quarterly scheme and 11.25% for annual scheme	10.06.2028

P SERIES	420	11% for monthly and quarterly scheme, 11.25% for annual scheme and 12% for doubling scheme	24.11.2027/ 24.03.2029
O SERIES	95	11% for monthly and quarterly scheme, 11.25% for annual scheme and 12% for doubling scheme	22.09.2028
N SERIES	101	11% for monthly and quarterly scheme, 11.25% for annual scheme and 12% for doubling scheme	23.01.2028
M SERIES	165	11% for monthly and quarterly scheme and 11.25% for annual scheme	06.12.2026 / 10.12.2026
L SERIES	190	11% for monthly and quarterly scheme, 11.25% for annual scheme and 12% for doubling scheme	12.10.2027
K SERIES	321	11% for monthly and quarterly scheme and 11.25% for annual scheme, 12% for doubling scheme	08.04.2027/ 18.04.2027/ 30.04.2027
J SERIES	283	11% for monthly and quarterly scheme and 11.5% for annual scheme, 12% for doubling scheme	08.09.2025/ 05.01.2027
I SERIES	60	11% for monthly and quarterly scheme and 11.5% for annual scheme, 12% for doubling scheme	14.11.2025
T-SERIES	137	11.50% for monthly and quarterly scheme and 12% for annual scheme, 11.75% for doubling scheme	31.06.2029 /28.06.2029
U-SERIES	798	11.50% for monthly and quarterly scheme and 12% for annual scheme, 11.73% for doubling scheme	18.12.2029
V- SERIES	268	11.50% for monthly and quarterly scheme and 12% for annual scheme, 11.71% for doubling scheme	21/02/2030 /19.03.2030
<b>TOTAL</b>	<b>3,592.00</b>		

Normally the debentures are issued for a period of five years but the debenture holders will have an option to redeem the debentures from the end of one year from the date of issue.

**Note 5 LONG TERM PROVISIONS**

<b>Particulars</b>	<b>As at 31.03.2025 Amount in Lakhs</b>	<b>As at 31.03.2024 Amount in Lakhs</b>
Provision on Standard assets	16.29	11.56
<b>Total</b>	<b>16.29</b>	<b>11.56</b>

**Note 6 SHORT TERM BORROWINGS**

<b>Particulars</b>	<b>As at 31.03.2025 Amount in Lakhs</b>	<b>As at 31.03.2024 Amount in Lakhs</b>
Current Maturities of Long Term Debt: (a) Non-Convertible Debentures	556.00	202.00
(b)HDFC Bank Car loan	3.10	
<b>Total</b>	<b>559.10</b>	<b>202.00</b>

**Note 7: OTHER CURRENT LIABILITIES**

Particulars	As at 31-03-2025 Amount in Lakhs	As at 31.03.2024 Amount in Lakhs
Interest Payable on Non-Convertible Debentures	157.16	115.44
Interest payable on Subordinated Liabilities	20.81	11.32
Interest payable on loans from directors and relatives	1.40	2.98
<b><u>Other Payables</u></b>		
PF and ESI Payable	1.67	0.76
Bills Payable	0.54	
TDS Payable	3.27	6.33
Audit Fee payable	0.90	
Loan Installments received in Advance/Part	1.76	1.09
<b>Total</b>	<b>187.52</b>	<b>137.91</b>

**Note 8: SHORT TERM PROVISIONS**

Particulars	As at 31-03-2025 Amount in Lakhs	As at 31.03.2024 Amount in Lakhs
Provision for Non Performing Assets	308.19	369.20
Provision for Taxation	6.45	
<b>Total</b>	<b>314.64</b>	<b>369.20</b>

**Note 10: LONG TERM LOANS AND ADVANCES**

Particulars	As at 31-03-2025 Amount in Lakhs	As at 31.03.2024 Amount in Lakhs
<b>Loans and Advances-Others</b>		
Secured and considered good		
Gold Loan	5,872.50	3,828.81
Secured and considered good		
Business Loan	816.56	963.00
Unsecured and Considered good:		
Personal Loan	83.02	286.67
Unsecured and Considered good:		
Demand Loan	411.54	375.89
<b>Total</b>	<b>7,183.62</b>	<b>5,454.36</b>

**Note 11: OTHER NON CURRENT ASSETS**

<b>Particulars</b>	<b>As at 31-03-2025 Amount in Lakhs</b>	<b>As at 31.03.2024 Amount in Lakhs</b>
<b><u>a) Security Deposits</u></b>		
<b>Building Security Deposit</b>		
Rent deposit-Kattappana	1.00	1.00
Rent deposit- (Headoffice)	3.56	0.05
Rent deposit-Nedumkandam	1.00	1.00
Rent deposit- Murikkassery	1.00	1.00
Rent deposit- Rajakumary	0.75	0.75
Rent deposit- Illupur	2.30	2.30
Rent deposit- Rajakkad	2.50	2.50
Rent deposit- Kothamangalam town	3.00	3.00
Rent deposit- Vagamon	0.50	0.50
Rent deposit- Karambakudi	1.00	1.00
Rent deposit- Sholavandan	2.20	2.20
Rent deposit- Elappara	2.00	2.00
Rent deposit- Adimaly	1.00	1.00
Rent deposit- Angamaly	2.50	2.50
Rent deposit- Srivilliputhur	3.00	3.00
Rent deposit- Muvattupuzha	2.10	2.10
Rent deposit- Thirumangalam	1.80	1.80
Rent deposit- Perumbavoor	1.50	1.50
Rent deposit- thodupuzha	3.00	3.00
Rent deposit- sivakasi	2.00	2.00
Rent deposit- Thripunithura	4.00	4.00
Rent deposit- Rajapalayam	2.80	2.80
Rent deposit- Natham	2.00	2.00

Rent deposit- Kanjirappally		2.10
Rent deposit- Ettamannor	2.00	2.00
Rent deposit- Cherai	2.00	2.00
Rent deposit- Upputhura	1.00	1.00
Rent deposit- Pattimattom	0.25	0.25
Rent deposit- Pezhakkappilly	2.00	2.00
Rent deposit- North Paravoor	2.00	2.00
Rent deposit- Kothamangalam		2.00
Rent deposit- Andipatti	1.90	
Rent deposit- Cumbum	1.50	
Rent deposit- Usliampatti	1.00	
Rent deposit-Vandiperiyar	5.00	
<b>ii) Other Deposits</b>		
PMGKY Deposit	0.75	0.75
Gas Connection Deposit	0.02	0.02
Electricity Deposit	0.27	0.27
<b>Total</b>	<b>66.20</b>	<b>57.39</b>

**Note 12: CASH AND BANK BALANCES**

Particulars	As at 31-03-2025	As at 31.03.2024
	Amount in Lakhs	Amount in Lakhs
Cash in hand	21.24	71.65
<b><u>Cash at bank in Current accounts</u></b>		
Federal bank , Town Branch 1148	11.26	5.99
Federal bank , Town Branch 1189	0.08	0.08
Federal bank , Town Branch 1205	0.10	0.10

Federal bank , Thrissur Branch 11020		0.14
Federal Bank Muvattupuzha 4628	0.10	1.15
Federal Bank Angamaly 807	0.28	0.70
Federal Bank, Kattappana	0.13	0.60
Federal Bank, Nedumkandam	0.10	0.51
Federal Bank,1213 T Branch KMM Town	0.12	0.82
Federal bank KMM	0.14	0.14
Federal Bank Limited TPZ1039	0.18	1.19
Federal Bank KLR 14404	0.20	0.28
Federal Bank 174302000001279 Pbr	0.41	0.06
HDFC Bank HO	13.06	17.89
HDFC Bank Pattimattom	0.11	0.07
HDFC Bank Srivilliputhur 7133	0.03	0.13
HDFC Bank Thirumangalam7944	1.42	0.07
HDFC Bank Thripunithura 13663	1.01	0.04
HDFC Bank Pezhakkappilly 9067	0.04	0.41
South Indian Bank - Murikkasserry 0315	0.52	1.85
Federal Bank Rajakkad-5822	0.19	1.11
Federal Bank Upputhura -2917	1.62	0.45
Gramin Bank 0690 -Elappara	0.72	0.83
Union Bank-Rajakumari	1.72	0.25
Federal Bank Cherai	0.18	2.57
Federal Bank Kanjirapally	0.10	0.36
Federal Bank Ettumanoor	0.10	0.17
HDFC Bank Rajapalayam 7132	0.02	0.12
EASF Vagamon 682542	0.62	0.97
Federal Bank Share 1171	0.10	0.10

Federal Bank 13640200005880 ADI	1.06	0.78
HDFC Sub Debt 486	11.55	0.00
Canara Bank Natham	0.89	0.10
Federal Bank North Paravoor	0.13	1.47
Axis Bank -Illupur	0.25	0.00
HDFC Bank Sivakasi 77424594	0.93	0.53
UNION BANK VANDIPERIYAR	0.10	
SOUTH INDIAN BANK 52769	9.31	
CANARA BANK SHOLAVANDAN	0.15	
HDFC USILAMPETTY 0912	0.25	
HDFC ANDIPETTY 1263	0.25	
HDFC CUMBAM 2091	1.54	
CSB BANK KMM	1.00	
HDFC ILUPPUR 2060	0.25	
<b>In fixed Deposit accounts</b> (with maturity of less than 3 months)		
Sweep Account with Federal bank	4.00	
<b>Total</b>	<b>87.59</b>	<b>113.66</b>

**Note 13: SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31-03-2025	As at 31.03.2024
	Amount in Lakhs	Amount in Lakhs
Demat Account-Advance	1.01	1.79
Suit Fees Recoverable	31.68	29.12
Advance paid for interior Work of Branches.	2.45	16.04
<b>Total</b>	<b>35.14</b>	<b>46.95</b>

**Note 14: OTHER CURRENT ASSETS**

Particulars	As at 31-03-2025	As at 31.03.2024
	Amount in Lakhs	Amount in Lakhs
T D S	8.88	47.34
Interest Receivable on Loans (BL)	1.73	23.02
Interest Receivable on Loans (DL)	3.00	53.55
Interest Receivable on Loans (GL)	166.41	121.42
Land attached in satisfaction of debt	22.01	46.01
Pre paid insurance	3.21	1.87
Prepaid road tax Car	1.46	-
<b>Total</b>	<b>206.70</b>	<b>293.21</b>

The accompanying notes are an integral part of the financial statements

In terms of our report attached report of even date For and on behalf of the Board of Directors

For Biju George &Co

For Capital Finserve Limited

Chartered Accountants  
Firm Regn No 007920S  
  
Biju George , B Sc , FCA,DISA(ICA)  
(Proprietor)  
M.No.206233  
UDIN : 25206233BMNQNJ5962

Babu  
Alias  
Managing  
Director  
DIN:  
02923957

Saji K  
Mathew  
Director  
DIN:  
02921367

Shibu  
Kuriakose  
Director  
DIN:  
01659358

Jagan Joseph  
CFO

Place : Thodupuzha  
Date :01.09.2025

Binu A  
Kuruvila  
Director  
DIN:  
03638140

Poulose  
Kutty  
Jacob  
Director  
DIN:  
02921370

Shajan  
Kuriakose  
Director  
DIN:  
08800728

Fathima  
Rosla  
Vakkiyath  
Company  
secretary  
ACS 76538

**NOTES TO THE ACCOUNTS (Contd.)****15 REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>For the year ended 31st March, 2025 Amount in Lakhs</b>	<b>For the year ended 31st March, 2024 Amount in Lakhs</b>
<b><u>INTEREST</u></b>		
Interest on personal loan	36.69	45.11
Interest on business loan	44.12	114.14
Interest on gold loan	1075.16	655.07
Interest on Demand / Instant loan	5.28	75.93
<b>TOTAL</b>	<b>1,161.26</b>	<b>890.25</b>

**16 OTHER INCOME**

<b>Particulars</b>	<b>For the year ended 31st March, 2025 Amount in Lakhs</b>	<b>For the year ended 31st March, 2024 Amount in Lakhs</b>
Interest on Sweep A/c	0.28	0.80
G L Service charges	1.15	3.27
Interest on Income Tax Refund	1.66	1.20
Miscellaneous income	0.02	0.00
Processing fee	2.83	0.00
Personal Loan Renewal charge	0.00	0.01
<b>TOTAL</b>	<b>5.93</b>	<b>5.27</b>

**17 EMPLOYEE BENEFIT EXPENSES**

<b>Particulars</b>	<b>For the year ended 31st March, 2025 Amount in Lakhs</b>	<b>For the year ended 31st March, 2024 Amount in Lakhs</b>
Salaries, Wages & Other benefits	298.15	244.30
Staff welfare expenses	3.00	1.63
Incentive to staff	18.94	9.75
Bonus	1.88	2.20
Eemployers Contribution to PF & ESI	8.90	6.28
Gratuity To Employees	1.70	0.00
Salary paid to marketing managers	0.00	6.65
Wages	5.30	23.56
<b>TOTAL</b>	<b>337.89</b>	<b>294.37</b>

18 **FINANCE CHARGES**

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
	Amount in Lakhs	Amount in Lakhs
Interest on Loans from Directors and Relatives	66.80	23.53
Interest on Debenture	361.40	335.08
Interest on Subordinated Liabilities	72.05	20.98
Interest on Gold Loan Federal Bank	0.00	4.47
Broken period interest on Debenture	3.07	0
Other Interest	1.90	0
<b>Total</b>	<b>505.22</b>	<b>384.06</b>

19 **OTHER EXPENSES**

Particulars	For the year ended	For the year ended
	31st March, 2025	31st March, 2024
	Amount in Lakhs	Amount in Lakhs
Audit fees	1.36	0.75
Advertisement	8.07	2.59
Bank Charges	3.13	1.91
Business promotion expenses	2.76	4.00
Car Running Expense	3.88	2.60
Commission	3.62	2.15
Demat Expenses	0.00	0.06
Discount on gold loan Interest	8.63	4.32
Discount on Personal Loan Interest	0.02	0.13
Discount on business Loan Interest	3.17	15.59
Discount on demand Loan Interest	0.00	0.32
Donation	0.33	0.04
Electricity charges	9.67	7.75
Insurance	3.69	2.01
Internet expense	1.11	0.77
Legal Fee	4.19	1.59
Meeting expenses	8.55	3.25
Office Expenses	13.33	11.93
PF Administration charges	0.63	0.41
Postage & telegram	0.76	0.63
Printing & stationery	11.85	7.59

Professional Charges	9.57	4.70
Provision for NPA Written back	(61.01)	43.52
Provision for Standard assets	4.73	2.63
Rates & Taxes	0.86	1.01
Registration fee	0.18	3.09
Rent paid	86.17	71.81
Repairs & Maintenance	6.79	7.01
ROC Filing fees	0.30	0.07
Sitting fee	15.01	7.23
Software expenses	14.15	11.91
Suit filing expenses	2.65	1.75
Telephone Charges	4.37	3.99
Travelling Expenses	12.26	12.45
<b>TOTAL</b>	<b>184.79</b>	<b>241.58</b>

20 **EARNINGS PER SHARE**

<b>Numerator</b>	<b>Current Year Amount in Lakhs</b>	<b>Previous Year Amount in Lakhs</b>
Net Profit as per statement of Profit and loss	77.90	(42.21)
Net Profit available to Equity Share Holders	77.90	(42.21)
<b>Denominator</b>		
Number of Equity Shares at the year end	20,147.00	20,147.00
Weighted average number of equity shares outstanding during the year (Partly paid shares treated as a fraction of an equity share)	20,147.00	20,147.00
Earnings per Share	386.67	-209.53
Face Value per Equity Share	10,000.00	10,000.00

21 **Related Party Disclosure**

<b>Directors, Key Management Personnel</b>	<b>Nature of Relationship</b>
Babu Alias	Managing Director
Saji K Mathew	Director
Raju Jacob	Director
Shibu Kuriakose	Director
Shajan Kuriakose	Director
Ponthekkal Antony Raphy	Director
Paulose Kutty Jacob	Director
Binu A Kuruvila	Director
T U Kuruvila	Director
G Vinayan	Director
Basil Abraham	Director
Kallookaren Ouseph Thobias	Director
Muttavenchery Mathai Joseph	Director
Jyothykumar Balakrishna Pillai	Independent Director
Thomas Maliakkal George Wef 05/11/2024	Professional Director
Sunitha Shajan Wef 28/09/2024	Professional Director
Jagan Joseph Wef 28/09/2024	CFO
Sunil Jaihind salunkhe Wef 28/09/2024	Professional Director
Sabu Cherian	Independent Director
Deepa Dominic Till 28/12/2024	Company Secretary
Anna Liya Yeldhose 05/02/2025 TO 20/06/2025	Company Secretary

**Relatives of Directors or Key Management personnel with whom Transactions taken place during the year**

Ann Paul	D/o Paulosekutty Jacob
Saira Paul	D/o Paulosekutty Jacob
Elsa Paul	D/o Paulosekutty Jacob
Jency Paulosekutty	W/o Paulosekutty Jacob
Elezabeth Paul	Daughter in Law Shajan Kuriakose
Dolly Binu	W/o Binu A Kuruvila
Megha Binu	D/o Binu A Kuruvila
Angel Thoby	D/o K O Thobias
Ashiq Thoby	S/o K O Thobias
Roysy Thoby	W/o K O Thobias
Jelly Shibu	W/o Shibu Kuriakose
Silvy Raphy	W/o Raphy PA
Sunitha Shajan	W/o Shajan Kuriakose
Chinnamma Kuruvila	W/o T U Kuruvila
Ave Maria	D/o Raphy PA
Roshan Babu	S/o Babu Eliyas
Kiran Babu	S/o Babu Eliyas

Tania Babu  
Varghese A Kuruvila  
Jacob Parackal

D/o Babu Eliyas  
Brother of Binu A Kuruvila  
S/o Shajan Kuriakose

Enterprises in which directors have substantial interest/ Significant influence  
Kottancheril Trading Company  
K P Chacko Gold Centre and Kids  
Peeyar Exporters  
Karuvanthala Hotels  
Sona Hotel  
Capital Credits  
Capital Investments  
Angel Gold

**Related party transactions during the year (Amounts in Lakhs)**

**Loans accepted from Directors, key Management Personnel / Relative during the year**

NAME	Opening Balance As On 01/04/2024	Loans accepted during the year	Loans repaid during the year	Closing Balance	Interest Paid 2025	Interest Paid 2024
Babu Alias	61.47	183.52	153.3	91.69	6.27	3.07
G Vinayan	50	10	-	60	-	3
Binu A Kuruvila	15	-	-	15	1.95	0.14
Saji K Mathew	25	90	40	75	6.83	1.92
Shajan Kuriakose	25	47.5	7.5	65	4.07	1.09
Paulose Kutty Jacob	25	54	4	75	3.27	2.97
Elezabath Paul	50	2.75	22	30.75	5.59	5.29
Dolly Binu	25	-	-	25	3.25	0.23
T U Kuruvila	125	30	80	75	14.62	3.22
Chinnamma Kuruvila	50	50	-	100	8.73	0
Roshan Babu	4	8.13	2.5	9.63	0.63	0
Muttavenchery Mathai Joseph	-	-	-	-	2.94	0.29
Tania Babu	-	7.5	4.5	3	-	-
Sunitha Shajan	-	7.5	7.5	-	-	-
Joseph M M	-	41	1	40	-	-
Thomas M George	-	100	50	50	1.91	-
Basail Abraham	-	78.16	5	73.16	1.84	-
Varghese A Kuruvila	-	30	-	30	2.28	-
Jacob Parackel	-	3	3	-	-	-
Sunil J S	20	-	-	20	2.6	0.87
<b>Total</b>	<b>475.47</b>	<b>743.06</b>	<b>380.3</b>	<b>838.23</b>	<b>66.8</b>	<b>22.09</b>

**Debentures Issued to Directors, key Management Personnel / Relative during the year**

NAME	Opening Balance As On 01/04/2024	Debentures Issued during the year	Debentures Redeemed during the year	Closing Balance as 31.03.2025	Interest Paid 2025	Interest Paid 2024
Megha Binu	40.00			40.00	4.77	0.55

Saira Paul	20.00	10.00	5.00	25.00	2.52	1.33
Elsa Paul	20.00	5.00	5.00	20.00	2.37	1.44
Jency Paulosekutty	40.00	10.00	-	50.00	4.38	3.63
Ann Paul	45.00	15.00	5.00	55.00	4.66	3.26
T U Kuruvila	20.00	-	-	20.00	2.20	2.69
G Vinayan	14.00	-	-	14.00	1.54	1.69
Roosy Thoby	5.00	5.00	5.00	5.00	0.55	0.62
Silvy Raphy	25.00	-	-	25.00	2.99	2.70
Angel Thoby	13.00	30.00	-	43.00	1.84	1.40
Ashiq Thoby	2.00	-	-	2.00	0.23	-
Sunitha Shajan	25.00	-	-	25.00	2.93	3.00
Ave Maria	5.00	-	-	5.00	0.56	0.56
Megha Binu	40.00			40.00	4.77	0.55
Saira Paul	20.00	10.00	5.00	25.00	2.52	1.33
<b>Total</b>	<b>274.00</b>	<b>75.00</b>	<b>20.00</b>	<b>329.00</b>	<b>31.57</b>	<b>22.88</b>

**Loan Given to key Management Personnel / Relatives of key Management personnel / Enterprises in which directors have significant influence during the year**

NAME	Opening Balance As On 01/04/2024	Loans accepted during the year	Loans repaid during the year	Closing Balance	Interest Paid 2025	Interest Paid 2024
Jelly Shibu	1.00			1.00		1.33
Kottancheril Trading Company	10.35		1.90	8.45	0.64	1.58
Karuvanthala Hotels	50.00			50.00	9.61	-
Sona Hotel	25.00			25.00	-	-
K P Chacko Gold Centre and Kids	50.00			50.00	6.00	6.02
Shajan Kuriakose		22.40		22.40		

Remuneration paid to Key persons	Current Year	Previous Year
Jagan Joseph	4.20	-
Deepa Dominic	3.78	1.38
Shajan Kuriakose	2.50	1.75
Anna Liya Geldhose	0.69	-
Fathima Karim	-	2.70
Binoychandran Balachandran	-	12.00

- 22 Balance of debtors, creditors & loans and advances are subject to confirmation/reconciliation.
- 23 In the opinion of the management , the current assets, loans and advances shall realise the value as shown in the balance sheet, if realised in the normal course of business.
- 24 The company does not hold any immovable property as on the Balance sheet date.
- 25 The company has not revalued its property, Plant and Equipment during the year.
- 26 Demand Loans are granted to related parties (as defined in clause (76) of Sec 2 of the Companies Act, 2013,).

27 No proceedings have been initiated or pending against the company for holding any Benami Property under the Benami Transactions (prohibitions) Act, 1988 (45 of 1988) and Rules made thereunder.

28 As on the date of approval of this financial statements, the company is not declared as wilful defaulter by any Bank or any financial institution or other lender.

29 During the year The Company has no transaction with Companies struck off under section 248 of Companies Act 2013 or sec 560 of Companies Act, 1956.

30 No charges or satisfaction is yet to be registered with Registrar of Companies beyond the statutory period.

31 The Company has no layers and hence the provisions of layers prescribed under clause (87) of section 2 of the Companies Act, is not applicable.

32 There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237 of the Companies Act, 2013

33 The company has not advanced/loaned/invested or received funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall 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 to or on behalf of the Ultimate Beneficiaries.

34 There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

35 The company is not covered by the provisions of Corporate Social Responsibility provided under section 135 of Companies act 2013

36 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year,

37 Previous year figures have been regrouped /reclassified wherever necessary to suit the current year's layout.

38	Analytical Ratios	Current Period	Previous Period	% of variance*	Reason for variance
I	Liquidity Ratio <b>Current Ratio (times)</b>  Current Assets/Current Liabilities	1.76	3.29	-47	Due to increase in current liabilities of the Company (Debentures to be redeemed during 2025-2026 Rs 5.56 Crore)
II	Solvency Ratio <b>Debt-Equity Ratio (times)</b> Total Debt/Shareholder's Equity  <b>Debt Service Coverage Ratio (times)</b>	2.12	1.69	26	Due to increase in Borrowings by the Company during 24-25



Net Credit Purchases /Average Trade Payables	NA	NA	NA	NA
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Summary of Significant accounting policies

The accompanying notes are an integral part of the financial statements

In terms of our report attached report of even date

For Biju George &Co

Chartered Accountants  
Firm Regn No 007920S

Biju George , B Sc , FCA,DISA(ICA)  
(Proprietor)  
M.No.206233  
UDIN : 25206233BMNQNJ5962

Place : Thodupuzha  
Date :01.09.2025

For and on behalf of the Board of Directors  
For Capital Finserve Limited

Babu	Saji K	Shibu	
Alias	Mathew	Kuriakose	
Managing	Director	Director	Jagan
Director	DIN:	DIN:	Joseph
02923957	02921367	01659358	CFO
	Poulose		Fathima
Binu A	Kutty	Shajan	Rosla
Kuruvila	Jacob	Kuriakose	Vakkiyath
Director	Director	Director	Company
DIN:	DIN:	DIN:	secretary
03638140	02921370	08800728	ACS 76538