

42nd

Annual Report

2024 - 2025



Manipal Finance Corporation Ltd.

Regd. Office: "Manipal House" - Manipal – 576 104

Udupi Dist., Karnataka

CIN : L65910KA1984PLC005988

Managing Director:

Mr. T Narayan M Pai

Directors:

Mrs. Vinoda C Sherigar
Mr. Basthi Ashok Pai
Mr. Hiriadka Mohandas

Company Secretary:

Mr. Hari Shankar Shukla

Chief Financial Officer:

Mr. Srikara Malliya

**Registrar and Share Transfer Agent
(For Physical and Demat Shares)**

M/s. Cameo Corporate Services Ltd.,
V Floor, Subramanian Building
Subramanian Building
No.1, Club House Road
Chennai 600 002
Phone: 044-4002 0780
Email: investor@cameoindia.com

Registered Office:

“Manipal House” - Manipal – 576 104
Udupi Dist., Karnataka
Ph: 0820-2570741
CIN : L65910KA1984PLC005988

Auditors:

M/s. Sri Ramulu Naidu & Co.
Chartered Accountants
13-12-1394/51
Ram Bhavan complex
Kodialbail
Mangaluru - 576 003

Web: www.mfgroupco.com

Bankers:

Canara Bank
Union Bank of India
ICICI Bank Ltd.

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 42nd Annual General Meeting of the Members of Manipal Finance Corporation Ltd. will be held on Friday, the 26th September, 2025 at 11.00 a.m. at the Company's Regd. Office: "Manipal House", Manipal -576 104 Udupi District, Karnataka to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2025, statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri Tonse Narayan Madhava Pai [DIN 00101633] who retires by rotation and being eligible, offers himself for reappointment.

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

"RESOLVED THAT pursuant to provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 Sri Tonse Narayan Madhava Pai (DIN 00101633) Managing Director, who retires by rotation, be and is hereby re-appointed as a Director of the Company".

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Ordinary Resolution:

Appointment of Ms. Vinoda C. Sherigar as Non-Executive Non-Independent Director

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder, and pursuant to the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the approval of the members of the Company be and is hereby accorded for the appointment of Ms. Vinoda C. Sherigar (DIN: 07224755) as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation, with effect from the conclusion of this Annual General Meeting.

RESOLVED FURTHER THAT Mr. T Narayan M Pai, Managing Director (DIN: 00101633) and/or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters, and things as may be necessary, including filings with the Registrar of Companies and intimations to the Stock Exchanges, to give effect to this resolution."

4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Ordinary Resolution:

Appointment of Mr. Hiriadka Mohandas as Independent Director

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder, and in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), and based on the recommendation of the Nomination and Remuneration Committee, the approval of the members of the Company be and is hereby accorded for the appointment of Mr. Hiriadka Mohandas (DIN: 06926720) as an Independent Director of the Company for a term of five consecutive years, who shall not be liable to retire by rotation, with effect from the conclusion of this Annual General Meeting.

RESOLVED FURTHER THAT Mr. T Narayan M Pai, Managing Director (DIN: 00101633) and/or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, including filings with the Registrar of Companies and intimations to the Stock Exchanges, to give effect to this resolution.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

To consider and approve appointment of Cs. Ramachandra Bhat S (Membership No.4441) as Secretarial Auditor of the Company.

“RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder and Regulation 24A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, CS Ramachandra Bhat S, Practicing Company Secretary, Bengaluru (CP Number 5421), be and is hereby appointed as Secretarial Auditor of the Company for a term of five consecutive years, to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the 47th AGM to be held in the year 2030, at such remuneration and on such terms and conditions as may be determined by the Board of Directors of the Company (including its Committee(s) thereof) in consultation with the Secretarial Auditor.

RESOLVED FURTHER THAT any Director or Company Secretary be and is hereby authorized to do all such acts, deeds, things and to sign all such documents and writings as may be necessary to give effect to this resolution, including filing of necessary forms with the Registrar of Companies and other statutory authorities as may be required.”

Registered Office:
Manipal House
Manipal 576 104
Date:12.08.2025

By Order of the Board

Sd/-
(T Narayan M Pai)
Managing Director
DIN: 00101633

1. The relevant Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
2. Pursuant to MCA Circular No.14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
4. Members holding shares in physical form can avail the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and rules made thereunder, with the Company. Members holding shares in demat form may contact their respective Depository Participant(s) for availing this facility.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 20.09.2025 to 26.09.2025 (both the days inclusive)
6. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent. As per Regulation 40 of SEBI Listing Regulations (as amended), requests for effecting transfer of securities, except in case of transmission or transposition of securities, shall not be processed effective from April 01, 2019 unless the securities are held in the dematerialized form. Hence, the Members holding equity shares of the Company in physical form are requested to take action to dematerialize the same promptly.
8. All the relevant documents referred in this Notice shall be available for inspection by the Members upto the date of 42nd Annual General Meeting electronically and the Member(s) may send a request for inspection of documents to the Company (Email ID: tnmpai@mfgroupco.com) and mention the details of Folio No. or Client ID/DP ID wherein the shares of the Company are held by the Member(s).

9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.mfgroupco.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM/ Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
10. The Company has transferred the unclaimed dividend for the financial year ended 31.03.1996 and 31.03.1997 to Investor Education and Protection Fund set up by the Central Govt. Those shareholders who have so far not claimed or collected their dividend upto the aforesaid financial year may claim their dividend from Registrar of Companies, Karnataka, Bangalore.
11. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
12. The members are requested to get their shares dematerialized. The Company's ISIN Code INE798E01013 (CDSL & NSDL).
13. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants.
14. (a) In accordance with the provision of section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the shareholders may exercise their option to participate through electronic voting system and the Company is providing the facility for voting by electronic means (e-voting) to all its members. The Company has engaged the services of Central Depository Services India Limited (CDSL) to provide e-voting facilities and enabling the members to cast their vote in a secured manner. It may be noted that this e-voting facility is optional. This facility will be available at the link www.evotingindia.com during the following voting period:

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on 23.09.2025 At 9.30 A.M and ends on 25.09.2025 at 05.00 P.M During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19.09.2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting for **Individualshareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e- Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers" website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e- Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under, IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e- Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholder/Member" section. A

	new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach „Password Creation” menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to

share your password with any other person and take utmost care to keep your password confidential.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; tnmpai@mfgroupco.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders — Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33

Explanatory Note pursuant to Section 102(1) of the Companies Act, 2013.

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos.2, 3 and 4 of the accompanying Notice dated 12.8.2025

Item No.2

Sri Tonse Narayan Madhava Pai (DIN: 00101633), Managing Director of the Company, retires by rotation at the ensuing Annual General Meeting in accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company. Being eligible, he has offered himself for re-appointment.

The Board of Directors considers that his continued association would be of immense benefit to the Company, given his experience, guidance, and long-standing contribution to the growth and business affairs of the Company.

Accordingly, the Board recommends the resolution set out at Item No. 2 of the Notice for approval of the Members as a **Special Resolution**.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Sri Tonse Narayan Madhava Pai himself, is concerned or interested, financially or otherwise, in the resolution.

Item No. 3:

Ms. Vinoda C. Sherigar had earlier served as an Independent Director of the Company for two consecutive terms of five years each and ceased to hold office upon completion of her tenure in accordance with Section 149(10) of the Act. Considering her continued valuable guidance and expertise, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed her as an Additional Director (Non-Independent / liable to retire by rotation).

Her appointment is now proposed for approval of the members. Ms. Sherigar has extensive experience in finance, corporate governance, and management, which would benefit the Company. She is not related to any other Director of the Company.

The Board recommends passing the resolution as an Ordinary Resolution. None of the Directors or Key Managerial Personnel of the Company or their relatives, except Ms. Sherigar, is concerned or interested in this resolution.

Item No. 4:

Mr. Hiriadka Mohandas has been serving as a Non-Executive Non-Independent Director on the Board. Based on his qualifications, experience, and contributions, the Nomination and Remuneration Committee recommended his appointment as an Independent Director of the Company.

Mr. Mohandas has submitted a declaration confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR. In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI LODR for appointment as an Independent Director.

Mr. Mohandas is seasoned banking and finance professional with over 50 years of progressive experience across the banking and non-banking financial services (NBFC) sectors. He has held leadership roles in credit and risk management, corporate lending, financial planning and business development. The Board believes his experience will greatly benefit the Company and values his continued guidance.

Accordingly, the Board recommends the resolution for approval of the members as an Ordinary Resolution. None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Mohandas, is concerned or interested in this resolution.

Item No.5

Pursuant to Section 204 of the Companies Act, 2013 read with Rules made thereunder and Regulation 24A of the Listing Regulations, a listed entity shall appoint or re appoint an individual as Secretarial Auditor, on the basis of the recommendation of the Board of Directors, for not more than one term of five consecutive years or a Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years, with the approval of its shareholders in the Annual General Meeting.

CS Ramachandra Bhat S, Practicing Company Secretary, Bengaluru is currently the Secretarial Auditor of the Company and as per Regulation 24A (1C) of the Listing Regulations, any association of the individual or the firm as the Secretarial Auditor of the listed entity before March 31, 2025 shall not be considered for the purpose of calculating the tenure.

Accordingly, pursuant to the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on August 12, 2025, approved the appointment of CS Ramachandra Bhat S, Practicing Company Secretary, Bengaluru (CP Number 5421), as the Secretarial Auditors of the Company for a term of five consecutive years to hold office from the conclusion of this AGM till the conclusion of the 47th AGM to be held in the year 2030.

CS Ramachandra Bhat S is a reputed Company Secretary in whole time practice, specialized in Secretarial Audit and other corporate law matters. He is registered with the Institute of Company Secretaries of India and has an experience of more than 22 years in providing various corporate law services such as incorporation of companies and Limited Liability Partnerships, secretarial audit for various listed companies, voluntary winding up of companies, acting as scrutinizer and appearances before the National Company Law Tribunal on various matters on behalf of clients, etc. He also holds a valid Peer Review Certificate.

CS Ramachandra Bhat S has given their consent to act as Secretarial Auditor of the Company and confirmed that his aforesaid appointment (if made) would be within the limits specified by the Institute of Company Secretaries of India. He is also confirmed that he is not disqualified to be appointed as Secretarial Auditor and is in compliance with independence requirements as prescribed under the Auditing Standards issued by the Institute of Company Secretaries of India, and other applicable rules and regulations.

The remuneration payable to CS Ramachandra Bhat S for conducting the secretarial audit of the Company shall be fixed by the Board of Directors of the Company (including its Committee(s) thereof) from time to time, together with reimbursement of applicable out-of-pocket expenses. Any revision to the remuneration for subsequent financial year(s) during the tenure shall be determined by the Board, as deemed appropriate, in accordance with applicable laws and policies of the Company.

Further, the Company may obtain certifications and avail other permissible services under statutory regulations from CS Ramachandra Bhat S, as may be required from time to time. The remuneration for certifications and other permissible services will be paid on mutually agreed terms.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The Board of Directors recommends the resolution as set out in Item No. 5, for approval of the Members of the Company by way of an Ordinary Resolution.

Registered Office:
Manipal House
Manipal 576 104
Date:12.08.2025

By Order of the Board

Sd/-

(T Narayan M Pai)
Managing Director
DIN: 00101633

**Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting :
[Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015 and Secretarial Standard on General Meetings]**

ANNEXURE TO ITEMS 2 OF THE NOTICE

Name of the Director	Tonse Narayan Madhava Pai
Director Identification Number (DIN)	00101633
Date of Birth	17.05.1943
Nationality	Indian
Date of Appointment on Board	29.03.1984
Qualification	B.Com
Shareholding in the Company	654872
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	--
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	Member : Stakeholders Relationship Committee Member: Audit Committee

There are no inter-se relationships between the Board Members.

ANNEXURE TO ITEMS 3 OF THE NOTICE

Name of the Director	Hiriadka Mohandas
Director Identification Number (DIN)	06926720
Date of Birth	26.8.1955
Nationality	Indian
Date of Appointment on Board	30.03.2024
Qualification	B.com
Shareholding in the Company	-
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	--
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	Member : Stakeholders Relationship Committee Member: Audit Committee

There are no inter-se relationships between the Board Members.

ANNEXURE TO ITEMS 4 OF THE NOTICE

Name of the Director	Vinoda Chandappa Sherigar
Director Identification Number (DIN)	07224755
Date of Birth	15.08.1964
Nationality	Indian
Date of Appointment on Board	29.06.2015
Qualification	B.A
Shareholding in the Company	--
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	--
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	Member : Stakeholders Relationship Committee Member: Audit Committee

There are no inter-se relationships between the Board Members.

Board's report to the Shareholders

To,

The Members,

Your Directors have pleasure in presenting their 42nd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2025.

1. Financial summary or highlights/Performance of the Company

Particulars		(Rs. In '000)
	31 st March, 2025	31 st March, 2024
Income	2235	2145
Expenses	4639	5076
Profit /(Loss) before Exceptional Items and Tax	-2404	-2931
Exceptional Items - Income	74775	1534
Profit/(Loss) before Tax	72371	-1397
Balance of Loss b/f from previous year	-527970	-526665
Net loss carried forward	-455601	-527970

The company has adopted Indian Accounting Standards (IND-AS) notified under section 133 of the Companies Act, 2013 (The Act) read with the Companies (Indian Accounting Standards) Rules, 2015 (Amended from time to time) from April 1, 2019 and effective date of such transition is April 1, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued there under and guidelines issued by the Reserve Bank of India (RBI) (collectively referred to as 'the previous GAAP'). The figures have been presented in accordance with the format prescribed for financial statements for a Non Banking Finance Company (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015 in division III of Notification No. GSR 1022 (E) dated October, 11, 2018, issued by the Ministry of Corporate Affairs, Govt. of India.

2. State of Company's affair

The present activity of the Company is restricted to recovery of dues and repayment of debts.

3. Dividend:

The Company has not declared any Dividend on equity shares, due to insufficient profit.

4. Reserves:

During the year, the Company has not transferred any amount to General Reserve Account.

5. Share Capital:

The paid up Equity Share Capital as on 31st March, 2025 was Rs.83810 thousand and Preference Share Capital of Rs.29500 thousand. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

6. Directors and Key Managerial Personnel:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Sri Tonse Narayan Madhava Pai (DIN: 00101633), Managing Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment. The Board recommends his re-appointment for the approval of the Members at the Annual General Meeting..

Ms. Vinoda C. Sherigar, who had been serving as an Independent Director of the Company for two consecutive terms of five years each, ceased to be an Independent Director on completion of her tenure. Thereafter, on the recommendation of the Nomination and Remuneration Committee, she was appointed by the Board as an Additional Director (Non-Executive, Non-Independent) of the Company with effect from 12th August, 2025, in accordance with Sections 149 and 161 of the Companies Act, 2013. She holds office up to the ensuing Annual General Meeting, and the Board has recommended her appointment as a Director liable to retire by rotation, subject to approval of the members.

Mr. Hiriadka Mohandas, who was serving on the Board in the capacity of a Non-Executive Non-Independent Director, resigned from the said position during the year. Based on the recommendation of the Nomination and Remuneration Committee, the Board has proposed his appointment as an Independent Director of the Company for a term of five consecutive years, in accordance with Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013 and applicable SEBI (LODR) Regulations, subject to approval of the members at the ensuing Annual General Meeting.

Your Directors place on record their appreciation of the valuable contributions and guidance extended by the Directors in their respective roles.

In accordance with the provisions of Section 203 of the Act the following are the Key Managerial Personnel of the Company

Sr no.	Name	Designation
1.	Mr. T Narayan M Pai	Managing Director
2.	Mr. Srikara Mallya	Chief Financial Officer
3.	Mr. Hari Shankar Shukla	Company Secretary

7. Particulars of Employees:

During the year under review, the Company had no employees whose remuneration exceeded the limit prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subsequent amendments thereto.

Particulars of top ten employees of the Company in terms of remuneration drawn during the year 2024-2025 presented as an annexure to the Board Report during the Board Meeting is preserved separately and the same will be made available to any shareholders on request made to the company in writing.

8. Meetings:

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, four Board Meetings and four Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

a. Board of Directors, Meetings of the Board/Committees/Annual General Meetings.

The Board comprised of four Directors, of which one is executive and three non-executives including a woman director.

The non-executive Directors are eminent personalities with experience in Management and Finance. The Board oversees as to how the management serves and protects the long-term interest of all the stakeholders.

i) Number of Board Meeting and Attendance of Directors:

The Board met four times during financial year 2024-2025. The details are as follows:

Date of Meeting	Board Strength	No. of Directors present
30.05.2024	4	4
13.08.2024	4	4
14.11.2024	4	4
12.02.2025	4	4

The last AGM was held on 10th September, 2024 and 3 out of 4 Directors are attended the AGM.

ii) The Composition of Board of Directors, their directorships in other companies and memberships in committees and the details of their attendance at the Board Meetings are given below:

Sl No.	Name of the Directors	Category of Directorships	No.of Meetings attended	Attendance at last AGM	No. of other directorship	No.of Board committees in which Chairman(C) Member(M)
1	Sri T Narayan M Pai	Promoter Executive	4	Yes	Nil	3(C)
2.	Sri Basthi Ashok Pai	Non-Executive Independent	4	Yes	Nil	2(M)
3.	Smt Vinoda C Sherigar	Non-Executive Independent	4	No	Nil	2(M)
4	Sri Hiriadka Mohandas	Non-Executive	4	No	Nil	2(M)

b. Audit Committee:

The Audit Committee comprised of the following members of the Board:

Sri T Narayan M Pai, Managing Director
Sri Basthi Ashok Pai, Member
Smt Vinoda C Sherigar, Member
Sri Hiriadka Mohandas, Member

The role and terms of reference of Audit Committee cover the areas mentioned under Regulation 72 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and Section 179 of the Companies Act, 2013, besides other terms referred to by the Board of Directors from time to time. During the year, the Committee met on 30.05.2024, 13.08.2024, 14.11.2024 and 12.02.2025. Sri T Narayan M Pai, Managing Director is the Compliance Officer.

Attendance of the Directors at the Audit Committee Meeting:

Meeting held on	No. of Members present
30.05.2024	4
13.08.2024	4
14.11.2024	4
12.02.2025	4

c. Nomination and Remuneration Committee:

This Committee will attend to the function relating to review of remuneration policy, changes to be effected in the policy from time to time and other aspects of remuneration to the Directors and Key Managerial Personnel from time to time.

Sri T Narayan M Pai, Managing Director is the only whole-time Director of the Company and he does not draw any remuneration.

Details of remuneration for the year ended 31st March, 2025:

i) Whole-Time Director: Nil

ii) Non-Executive Independent Directors: Smt. Vinoda C Sherigar, Non-Executive Independent Director is paid remuneration by way of sitting fees for attending Board Meetings.

iii) Key Managerial Personnel: details of remuneration paid to Chief Financial Officer of the Company has been furnished in the Annual Return (Form MGT-9).

d. Stakeholders Relationship Committee :

The Committee approves transfer, transmission, issue of duplicate Share, Debenture Certificates and Sub - Ordinated Debts, review and redress shareholders grievances/complaints on matters relating to transfer of shares, debentures, sub-ordinated debts, non-receipt of Balance Sheet etc.

Mr. T Narayan M Pai, Managing Director is the Compliance Officer.

Number of Shareholders Complaints received	:	Nil
Number of Shareholders Complaints settled	:	Nil
Number not solved to the satisfaction of the shareholders	:	Nil
Number of pending Share transfers	:	Nil

e. Annual General Meetings:

The last three Annual General Meetings were held in Regd. Office: "Manipal House",- Manipal 576 104.

AGM No.	Date	Time	Special Resolution required
39	21/09/2022	3.00 p.m.	Yes
40	29/09/2023	11.00 a.m.	Yes
41	10.09.2024	11.00 a.m.	Yes

All the resolutions as set out in the respective notices were passed by the shareholders.

9. Board Evaluation:

Pursuant to provisions of SEBI (LODR) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees. The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including *inter alia* degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning. Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director. Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors

10. CORPORATE GOVERNANCE:

Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, does not apply to your Company, as your Company's equity share Capital and net worth is below the threshold limit prescribed under the said Regulation. Hence, the Report on Corporate Governance is not provided. Part C , D & E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are not applicable since the company was having paid up equity share capital not exceeding rupees ten crores and net worth not exceeding rupees twenty five crores, as on the last day of the previous financial year.

Part F Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Disclosures with respect to demat suspense account/ unclaimed suspense Account – there are no shares outstanding in demat suspense account or unclaimed suspense account.

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Review of Operations:

The Company is engaged in the business of Hire Purchase and Lease finance and has completed 42 years of operation in this field. During the year 2024-2025, the Company has earned a net profit of Rs.72371 thousands as against the net loss of Rs.1397 thousands in the previous year 2023-2024.

Hire Purchase and Lease finance business is facing severe competition and margins are under great pressure. In the aftermath of stringent Prudential Norms promulgated by the RBI, the NBFCs all across the country suffered a severe setback. Their borrowing capacity is drastically curtailed. With no avenues for further growth, together with ever increasing defaulters in the list of corporate clients, triggered the downfall in the performance of the NBFCs. The situation that has arisen in your Company is in no way different. In spite of these hurdles, the Company has tried its best to salvage the situation by reducing its operational cost on all fronts.

The Company is putting in serious efforts to recover NPA accounts. Criminal complaints under Section 138 of Negotiable Instrument Act are also lodged simultaneously against such defaulters whose cheques were dishonoured. The Company is making good progress on the Recovery Front.

The Company has appointed M/s. N P Pai & Co. Chartered Accountants, Udupi (Firm Regn No. 115271W) as its Internal Auditor.

The discussion on financial performance of the Company is covered in the Director's Report. There has been no material development on the human resource front during the year. The number of employees employed as on 31st March 2025 was 2.

The Company has already transferred amounts of unclaimed Debentures, unclaimed subordinated debts and deposits with interest up to maturity to the Investor Education and Protection Fund.

12. CERTIFICATE UNDER REGULATION 34 OF SEBI (LODR) REGULATIONS, 2015

Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015] a certificate received from a Company Secretary in practice is enclosed as Annexure- III.

13. Remuneration Policy & Managerial Remuneration:

None of the Directors of the Company, who may be a Managing or Whole-time Director of the Company's, have received any remuneration, including commission from the Company during the year.

None of the Directors of the Company have received any remuneration or commission from any Holding Company or Subsidiary Company, service contracts, notice period, severance fees, fixed component and performance linked incentives etc.

14. Details of Subsidiary/Joint Ventures/Associate Companies

The Company does not have any Subsidiary/Joint Ventures/Associate Companies

15. Auditors:

Pursuant to the provisions of the Companies Act, 2013, the Company at its 39th AGM held on 21st September, 2022 had appointed M/s Sriramulu Naidu & Co., Chartered Accountants, Mangalore (Firm Registration No.008975S) as the Statutory Auditors of the Company for period of five years till the conclusion of the 44th annual general meeting to be held in the year 2027.

- a. In respect of the Qualification / Observation made by the Auditors vide “Basis for Qualified Opinion” , “Emphasis of the Matter”, and “other matters” Para 3, 4(e), 4(f), 4(g), 4 (j) (i) and 4(j)(iii) of the “Report on other Legal and Regulatory Requirements” of “Report on Financial Statements” and Clause Nos.(i), (v), (xvi) and (xix) of Annexure “A” to the Auditors Report and Qualification given under Basis for Issues of Qualified Opinion under Annexure “B” for the Auditors Report and the qualifications given in report in relation to matters specified in Para 3 (A) and (B) as per master direction DNBS.PPD.03/66.15.001/2016-17 issued by RBI dated 29th September, 2016, the clarifications given vide Note Nos.14.01, 18.01, 28.01, 28.08, 28.11, 28.14, 28.15 28.16, 28.23, 28.27 and 28.28 and Significant Accounting Policies, Key Accounting Estimates and Judgments I, II (m) to the financial statement are self explanatory.
- b. In respect of observations made by the Auditors with regard to the audit trail (edit log) facility as detailed in Para 4 (j)(vi) of Report on the other Legal and Regulatory Requirements of Standalone Financial Statement as detailed in Note No.28.27 of Standalone Financial Statement, the Board reiterate that the work is in progress and the Management will ensure that the audit trail (edit log) facility will be maintained within a reasonable time.

Secretarial Audit Report:

In terms of Section 204 of the Act and Rules made there under, Sri S Ramachandra Bhat, Practicing Company Secretary (Membership No.04441, C P No.5421) from Bangalore has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed as Annexure II to this report. As per Section 134 (3f) of the Companies Act 2013 Company is required to make comments on the adverse remarks / comments on the Secretarial Auditor’s Report.

As per the Secretarial Auditor’s Report placed before the Board, the Secretarial Auditor have opined that the company is a defaulter for non-payment of deposits/Debts accepted from the public as per the terms of approval in compliance of the provisions of section 58A of the erstwhile Companies Act 1956 and the Companies (Acceptance of Deposits) Rules 1975.

The company has fully settled unclaimed debentures, subordinated debts and deposits except for disputed at appropriate legal forums. The unclaimed amounts pertaining debentures, subordinated debts and deposits with interest up to maturity have been transferred to IEPF on 29th March, 2022.

Your Directors reiterate that the company during the year 2021-22 has transferred unclaimed Debts/Deposits and Debentures including Interest thereon amounting to Rs.2,55,25,779.00 to the INVESTOR EDUCATION AND PROTECTION FUND of the Central Government pursuant to the provisions of Section 125(2) of the companies Act 2013 during the year under report.

Further, as observed from the records, the company has fully repaid all its old dues payable towards Debts/Deposits and Debentures as at 31.03.2025.

Internal Audit & Controls:

The Company has established and maintained adequate internal controls over the financial reporting. Internal controls have been designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements in accordance with accounting principles generally accepted in India. The Company has internal control system commensurate with the size and nature of the business. The Company engages M/s. N P Pai & Co., Chartered Accountants, Udupi ,(Firm Registration No.115271W / Membership No.039351) as its Internal Auditor. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed and acted upon and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

16. Vigil Mechanism :

The Company has adopted a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy.

17. Details of Fraud Report by Auditors:

As per auditors' report, no fraud u/s 143(12) reported by the auditor.

18. Risk management policy

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and in pursuant to provisions of SEBI (LODR) Regulations, 2015. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The Internal Audit Department facilitates the execution of Risk Management Practices in the Company, in the areas of risk identification, assessment, monitoring, mitigation and reporting. Through this programme, each Function and Unit addresses opportunities and risks through a comprehensive approach aligned to the Company's objectives. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status. Sustainability is embedded in the Corporate Enterprise Risk Management programme, which gives an opportunity to increase the effectiveness of risk management practices and for improving business efficiency. The Company's social and environmental policies correlate strongly with the risk management strategy and ultimately the financial performance. This risk management process, which is facilitated by internal audit, covers risk identification, assessment, analysis and mitigation. Incorporating sustainability in the process also helps to align potential exposures with the risk appetite and highlights risks associated with chosen strategies. The current risk slate and the comprehensive risk policy have been further redefined during the year. The major risks forming part of the Enterprise Risk Management process are linked to the audit universe and are covered as part of the annual risk based audit plan.

19. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of annual return in MGT-7 is available on the Company's website www.mfgroupco.com (link: www.mfgroupco.com/Financials/Annual Return2025). As per provisions of Section 134(3)(a) of the Companies Act, 2013 the Annual return for financial year 2024-25 is placed on website of the company i.e. www.mfgroupco.com.

20. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report and changes in nature of business, if any:

There are no such material changes to be reported in this regard and there are no change in nature of business.

21. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:

Your Directors wish to state that there have been no significant or material orders that were passed by the Regulators or Courts or Tribunals which may impact the going concern status and operations of the Company in future.

22. Particulars of loans, guarantees or investments under Section 186:

Details of Loans: Not applicable to NBF Companies since same are given in the ordinary course of business. Further, no loans are given to any party.

Details of Guarantee / Security Provided: : Not applicable to NBF Companies. However no such guarantee or security provided.

Investments made are of the nature quoted /unquoted equity shares. Particulars of such investments are provided in the financial statements vide note No.5.

23. Conservation of energy, technology absorption and foreign exchange earnings and outgo:

The Company did not have any activity in relation to conservation of energy or technology absorption. The Company had no foreign exchange earnings or outgoings during the year under report.

24. Details in respect of adequacy of internal financial controls with reference to the Financial Statements:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

25. Deposits:

The details relating to deposits, covered under Chapter V of the Act, -

(a) accepted during the year; Nil

(b) remained unpaid at the end of the year; Nil

(c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:

(i) at the beginning of the year; Nil

(ii) maximum during the year; Nil

(iii) at the end of the year; Nil

The details of deposits which are not in compliance with the requirements of Chapter V of the Act;

26. Particulars of contracts or arrangements with related parties:

All related party transactions that were entered into were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of Companies Act, 2013 ("the Act"). There were no materially significant Related Party Transactions made by the Company during the year that would have required shareholders approval under the provisions of the Act. Details of the transactions with related parties are provided in the Note No.28.09 of accompanying financial statements. Form AOC-2 pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith marked as Annexure I.

27. Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year ended March 31, 2025:

- Number of complaints of sexual harassment received: Nil
- Number of complaints disposed of during the year: Nil
- Number of complaints pending for more than 90 days: Nil

The Company remains committed to providing a safe and respectful work environment for all its employees.

28.Compliance with the Maternity Benefit Act, 1961

The Company has duly complied with the provisions of the Maternity Benefit Act, 1961, including those relating to maternity leave, nursing breaks, and related benefits for eligible women employees. Awareness sessions and policy guidelines have been communicated across the organization.

29. Corporate Social Responsibility (CSR) : Not applicable

30. Human Resources

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

31.Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. Transfer of Amounts to Investor Education and Protection Fund

The Company has during the financial year 2021-22, transferred all the unclaimed Debentures, Subordinated Debts and Deposits with interest till maturity to Investor Education and Protection Fund.

33. LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2025-2026 to Bombay Stock Exchange, Mumbai where the Company's Shares are listed.

34. Secretarial Standards

Secretarial Standards Pursuant to Section 118 of Companies Act, 2013, The Company has complied with all the provisions of applicable Secretarial Standards issued by Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

That is as follows: 1) Secretarial Standards – I for Board Meeting.
2) Secretarial Standards – II for General Meeting.

35. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

36. THE DETAILS OF DIFFERENCE BETWEEN 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 THEREOF

There was no instance of onetime settlement with any Bank or Financial Institution.

37. GENERAL SHAREHOLDER INFORMATION:

The 42nd Annual General Meeting (AGM) of the Company is being conducted in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Notice of the 42nd AGM and the Annual Report for the financial year 2024-25, including the Audited Financial Statements, are being sent electronically to the Members at their registered e-mail addresses. The Annual Report will also be available on the website of the Company at www.mfgroupco.com and on the website of BSE Limited at www.bseindia.com.

The Company is providing to all Members the facility of remote e-voting to enable them to cast their votes electronically on all resolutions set forth in the Notice. This facility is being provided pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for remote e-voting are provided in the Notice of AGM. Members are requested to carefully read the instructions relating to participation in the 42nd AGM and voting through electronic means, including remote e-voting.

The Board of Directors has appointed **CS Ramachandra Bhat S, Practicing Company Secretary**, as the Scrutinizer to conduct the remote e-voting and voting at the AGM in a fair and transparent manner.

38. Acknowledgements

Your Directors wish to place on record their appreciation of the services and co-operation extended by our Bankers and Members of Staff of the Company, during the year under report. Your directors also wish to thank the shareholders for their support.

For and on behalf of the Board of Directors

Sd/-

Basthi Ashok Pai
Director
(DIN:08136975)

sd/-

T Narayan M Pai
Managing Director
(DIN: 00101633)

Place: Manipal

Date: 12.08.2025

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

The Company has not entered into any contracts or arrangements or transactions with its related parties which are not at arm's length basis during the financial year ended 31st March, 2025.

2. Details of material contracts or arrangements or transactions at arm's length basis:

The Company has not entered into any material contracts or arrangements or transactions with related parties at arm's length basis as covered under the third proviso to Section 188(1) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 during the financial year ended 31st March, 2025.

For and on behalf of the Board of Directors

Sd/-

Basthi Ashok Pai
Director
(DIN:08136975)

Sd/-

T Narayan M Pai
Managing Director
(DIN: 00101633)

Place: Manipal

Date: 12.08.2025

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2025

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Manipal Finance Corporation Limited
REGD. OFFICE: "MANIPAL HOUSE"
M A N I P A L - 5 7 6 1 0 4 (Udupi Dist.)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Manipal Finance Corporation Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Manipal Finance Corporation Limited for the financial year ended on 31st March, 2025 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings if any;
5. The Reserve bank of India Act 1934 and all guidelines and prudential norms framed thereunder to an extent applicable;
6. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Enforced from 1st December, 2015);

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (till 14th May, 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Enforced from 15th May, 2015);
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

7. Income Tax Act, 1961

8. Karnataka Tax on Professions, Trade, Callings & Employment Act, 1976

9. Employee Provident Fund and Miscellaneous Provisions Act, 1952

10. The Payment of Gratuity Act, 1972

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

- (i) The Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- 1. The company consistently repaid its dues, Debts, Debentures and deposits over a period of time and settled/repaid all liabilities. As observed from the records, the company has transferred unclaimed Debts/Deposits and Debentures including Interest thereon to the *INVESTOR EDUCATION AND PROTECTION FUND* of the Central Government pursuant to the provisions of Section 125(2) of the companies Act 2013.

We further report that

With respect to convening of Board meetings, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and there were no dissenting members for any item.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that we examined the records and documents on random basis and relied on the Documents and eforms filed online by the company from time to time. Further, we report that, we relied upon the soft copies/information shared with us by the company.

Further-:

- a. The company has fully settled unclaimed debentures, unclaimed subordinated debts and deposits except for cases disputed at appropriate Legal Forum. The unclaimed amounts pertaining to Debentures and Subordinated Debts with interest upto maturity have been transferred to Investor Education and Protection Fund in the year 2021-22. Accordingly, there is no liability outstanding in the books as on 31.03.2025.
- b. During the year under report, the company has sold 5,23,094 equity shares of Manipal Housing Finance Limited to Mr. T Narayan M Pai, Managing Director for an overall consideration of Rs.73,007 thousands. These shares have been sold at arm's length price after complying with the provisions as required under sec. 188 and sec 192 of the Company's Act 2013.
- c. We further report that during the audit period there were no instances of
 - Public/Right/Preferential issue of equity shares / debentures/sweat equity, etc.
 - Buy-back of securities.
 - Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
 - Merger / amalgamation / reconstruction, etc.
 - Foreign technical collaborations

Sd/-

Ramachandra Bhat S,
Company Secretary
FCS No.:4441 C P No.:5421

Place: Bangalore
Date: 24.06.2025

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

UDIN: F004441G000650295

P R NO 1345/2021

'ANNEXURE A'

To,
The Members,
Manipal Finance Corporation Ltd.
REGD. OFFICE: "MANIPAL HOUSE "
M A N I P A L - 5 7 6 1 0 4 (Udupi Dist.)

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

Sd/-
Ramachandra Bhat S,
Company Secretary
FCS No.:4441
C P No.:5421

Date: 24.06.2025
Place: Bangalore
UDIN: F004441G000650295

P R NO **1345/2021**

WHOLE TIME DIRECTOR/ CFO CERTIFICATION

To

The Board of Directors
Manipal Finance Corporation Ltd,
Manipal- 576 104

We, Managing Director appointed in terms of the Companies Act, 2013 and Chief Financial Officer of the Company certify to the Board that:

- (a) We have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief.
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, laws and regulations.
- (b) To the best of our knowledge and belief, no transactions are entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) That we accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company.
- (d) We have indicated to the Auditors and Audit Committee:
 - (i) No significant changes have taken place in internal control process during the year.
 - (ii) No significant changes in accounting policies during the year.

For Manipal Finance Corporation Ltd

Sd/-	Sd/-
Srikara Mallya	T Narayan M Pai
Chief Financial Officer	Managing Director
	DIN:00101633)

Place: Manipal
Date: 30/05/2025

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
MANIPAL FINANCE CORPORATION LIMITED
Manipal House
Manipal-576104

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of MANIPAL FINANCE CORPORATION LIMITED having (CIN: L65910KA1984PLC005988) and having registered office at Manipal House, Manipal - 576104 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2025, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl.No.	Name	DIN	Date of Appointment in Company*
1	Mr. Narayan Thonse Madhava Pai	00101633	01/01/2008
2	Mrs. Vinoda Sherigar Chandappa	07224755	29/06/2015
3	Mr. Basthi Pai Ashok	08136975	30/05/2018
4	Mr. Hiriadka Mohandas	06926720	30/03/2024

*the date of appointment is as depicted in the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Ramachandra Bhat S,
Company Secretary
FCS No.:4441
C P No.:5421

Place: Bangalore

Date: 12.08.2025/01.09.2025

UDIN: F004441G001132887

P R NO **1345/2021**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MANIPAL FINANCE CORPORATION LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **MANIPAL FINANCE CORPORATION LIMITED (CIN: L65910KA1984PLC005988)** ("the Company"), which comprises the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the Basis of Qualified Opinion paragraph, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the loss and total comprehensive income and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note No.14.01, 28.01 and 28.26 of the financial statements. The Company has incurred losses and its majority of funds are blocked in Non Performing Assets, raising a doubt about the Company to continue as a going concern. The account, however have been prepared on a "going concern basis" in view of management perception as detailed in Note No.28.01 as aforesaid. In this connection, we are unable to comment on the ultimate realisability of the Company's assets including Property, Plant & Equipment under lease. Accordingly, we are also unable to comment on the Company's ability to settle its liabilities.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the

Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Emphasis of Matter

During the previous year 2021-22, the Company has remitted to the credit of Investors Education and Protection Fund, all the unclaimed matured debentures and unclaimed matured subordinated debts with interest till maturity as detailed in the aforesaid note, with the exception of the amount involved in disputed cases (disputed before appropriate legal forum). The Company has disclosed such disputed sum as "Other financial liabilities" in the audited statement of assets and liabilities, with interest accrued till maturity. Our opinion is not modified in this matter.

Key Audit Matters

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

Except for the matter described in the 'Basis for Qualified Opinion' and 'Emphasis of Matter' section, we have determined that there are no other key audit matters to communicate in our report.

Other Information (other than the Financial Statements and Auditors' Report thereon)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance Report (including shareholders information) and Schedule to Balance Sheet of a Non-Banking Financial Company (as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998) but does not include the financial statements and our auditors' report thereon. The above information is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Board's Report including Annexures to Board's Report, the Corporate Governance Report (including shareholders information) and Schedule to Balance Sheet of a Non-Banking Financial Company (as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998), if we conclude that there is a material

misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended. 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, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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 misstatements 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 basis for our opinion. The

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements 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 the independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where, applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), 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 A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by the Master Direction DNBS PPD.03/66.15.001/2016-17 dated 29.09.2016 (RBI/DNBS/2016-17/48) issued by the Reserve Bank of India, Department of Non-Banking Supervision Central Office we will be giving a statement of matters specified in paragraph 3(A) & 3(B) of the order at a later date.
3. In terms of press release issued by Reserve Bank of India dated 27.06.2001, we state that:
 - a) The Certificate of Registration as issued by the Reserve Bank of India is not in force, since same was cancelled during December 2004.
 - b) The Company has not obtained credit rating.
 - c) The capital adequacy ratio is negative and accordingly the Company's loans, advances and investments are above the credit exposure limits.
 - d) The Company has not filed the prudential returns and annual returns as per revised directives. However, the Company has filed such returns as per the directives as prevailed till 31st March 2011 i.e. prudential returns on half yearly basis and annual return once a year.
 - e) The public deposits have been fully repaid by the Company during the previous year ending 31st March 2022. The Company has not accepted/renewed any deposits during the current year.
 - f) The Company does not have any outstanding deposits as on 31st March 2025 and accordingly the question of creating floating charge in favor of the depositors, on the statutory liquid assets invested does not arise.
 - g) The Company has not closed any of its branches during the year. Therefore, the question of making any comments therein does not arise.
4. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 4 (j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity 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 the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) Our Qualifications as given under paragraph titled "Basis for qualified opinion" may have adverse effect on the functioning of the Company, if the management perception as detailed in Note 28.01 of financial statement does not materialize. However, our observation as given under paragraph titled "Emphasis of matter" will not have adverse effect on the functioning of the Company.
- (f) The qualification/observations relating to the maintenance of accounts and other matters connected therewith are as stated in the "Basis for Qualified Opinion paragraph", and "Emphasis of Matter paragraph" above.
- (g) The Management of the Company is of the opinion that its directors are not disqualified u/s 164(2) of the Companies Act, 2013 as on 31st March 2025 for the reasons as stated in Note 28.11 of the financial statements. Accordingly, the directors have given the written representations as on 31st March 2025 that they are not disqualified to be the directors of the Company u/s 164(2) of the Companies Act, 2013, which has been taken on record by the Board of Directors. Accordingly, we are of the opinion that none of the directors of the Company disqualified as on 31st March 2025 from being appointed as directors in terms of Section 164(2) of the Companies Act, 2013.
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (i) With respect to the other matters to be included in Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

The Company has not paid any managerial remuneration to its directors, other than sitting fees. In our opinion and to the best of our information and according to the explanations given to us, the remuneration (i.e. sitting fees) so paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (j) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has stated vide 28.10 and 28.29 of the financial statement that the impact of pending litigations on its financial position is not ascertainable for the reasons as stated in the aforesaid notes.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses, which has been confirmed by the management vide Note 28.29 of the financial statement.

- iii. The Company has transferred unclaimed amounts of debentures and subordinated debts with interest upto maturity to the investor education and protection fund on 29th March, 2022 as given in Note 14 read with sub notes thereon.
- iv.
- A) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- B) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or b) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- C) Based on such audit procedures as 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 (iv)(A) and ((iv)(B) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year. Therefore, commenting on compliance of Sec 123 of the Act does not arise.
- vi. Based on our examination which included test checks and also disclosed by the management vide note 28.27 of standalone financial statement, the Company has used the accounting software for maintaining its books of accounts which does not have a feature of audit trail (edit log) facility.

For SRIRAMULU NAIDU & CO
CHARTERED ACCOUNTANTS
Firm's Registration Number: 008975S

Place: MANIPAL
Date : 30th May 2025

Sd/-
CA Sriramulu Naidu
PARTNER
Membership Number: 018244
UDIN: 25018244BMGETZ6698

ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT
(Issued to the Members of
MANIPAL FINANCE CORPORATION LIMITED)
REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING
“REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF EVEN DATE

- i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets i.e. Property, Plant and Equipment and Investment Property.
- (B) The Company does not have intangible assets. Accordingly, paragraph 3(i)(a)(B) of the Order is not applicable.

(b) We draw attention to Note 28.14 of the financial statements. According to the information and explanations given to us the fixed assets i.e. Property, Plant and Equipment other than those under lease and Investment Property, have been physically verified by the management during the period and no material discrepancies were noticed on such verification as compared to available records. In respect of leased assets physical verification has not been done during the year.

(c) According to the information given to us and on the basis of our examination, all title deeds of free hold immovable properties are held in the name of the company except the following:

Description of property	Gross carrying Value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Property, Plant and Equipment – Land & Building	INR 2,060.90 thousands	Mr Teofilo Eufemiano Xavier Da Cruz Pinto	No	28th September, 1995	As disclosed by Management vide Note 28.16

The title deeds of lease hold immovable properties are supported by Memorandum of agreement entered into with the lessor. We are informed that the original title deeds in respect of immovable properties of land and buildings (both freehold and lease hold), whose title deeds have been pledged as security for debentures, are lying with the Debenture Trustee, as evidenced by the records produced before us and accordingly, we have given our report as above, based on the examination of copies of the above said documents.

- (d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment during the year. The Company does not have intangible assets.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- ii
 - (a) According to the information and explanations given to us, the inventories which consist of shares and securities have been physically verified by the management during the year at reasonable intervals. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
 - (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees from banks on the basis of security of loans during the year. Accordingly, paragraph 3(ii)(b) of the Order is not applicable.
- iii

During the year the Company has not made investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, Paragraph 3(iii) of the Order is not applicable.
- iv

According to the information and explanations given to us, the Company has not given loans, made any investments or provided any guarantee or security during the year under audit. Accordingly, the question of reporting on compliance of section 185 and 186 of the Act does not arise. Therefore, the paragraph 3(iv) of the Order is not applicable to the Company.
- v.

In our opinion and according to the information and explanation given to us, the Company has complied with the directives issued by the Reserve Bank of India, the provision of Section 73 to 76 of the Companies Act, 2013, Companies (Acceptance of Deposit) Rules 2014 and Non Banking Financial Companies (Reserve Bank Directions) with regard to acceptance of deposit from public. Further, the Company has not accepted/renewed deposits/debentures/subordinated debts during the year under audit and has fully repaid the public deposits/ debentures/subordinated debts during the financial year 2021-22 by way of repayment/transfer to Investor Education and Protection Fund except for disputed amounts of INR 206 thousands which is pending before Consumer Courts. As evident by the records produced before us and as per the information and explanation given to us by the management , the Company has not received any order by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of deposits, except the orders from various Consumer Courts (including the Appellate Authorities/Courts acting upon under Consumer Protection Act) as stated above. We are informed that the Company will comply with the orders issued by the Consumer Courts as and when it is received.
- vi.

The Central Government has not prescribed maintenance of cost records u/s 148(1) of the Companies Act, 2013 for the Company. Therefore, the question of making any comments as required under paragraph 3(vi) of the Order does not arise.
- vii.
 - (a) According to the information and explanations given to us and on the basis of our examination of the record of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, duty of customs, cess, and other material statutory dues (if payable by the Company) have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and any other material statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

- (b) According to the records of the company made available to us and as per the information and explanations given, there are no statutory dues of provident fund, employees' state insurance, income tax, goods and services tax, duty of customs, cess which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 (43 of 1961) as income during the year

- ix. (a) Based on our audit and according to the information and the explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.

The Company has transferred unclaimed amounts of debentures and subordinated debts with interest upto maturity to the investor education and protection fund on 29th March, 2022 except the disputed amounts at legal forums amounting to INR 206 thousands as given in Note 14 read with sub notes thereon.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared as wilful defaulter by any bank or financial institution or Government or Government Authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans from financial institutions during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us and the procedures performed by us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis has been used for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, paragraph 3(ix)(e) of the order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

- x (a) Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, paragraph 3(x)(a) of the order is not applicable.

- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x)(b) of the order is not applicable.

- xi (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit
- (b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanation given to us, there were no whistle blower complaints received by the company during the year by the Company.
- xii The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act wherever applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provision of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi (a) The Company was registered under Section 45-IA of the Reserve Bank of India Act, 1934. However, the Certificate of Registration as issued by the Reserve Bank of India is not in force, since same was cancelled during December 2004.
- (b) The present activity of the Company is restricted to recovery of dues and repayment of debts. During the year, the Company has not renewed or accepted any fresh deposits. Accordingly, the company has not conducted any Non-Banking Financial activities during the year. Further, the Company has also not conducted any Housing Finance activities.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, paragraph 3(xvi)(d) is not applicable.

- xvii The Company has not incurred cash losses during the financial year and has incurred cash loss of INR 1,237 thousands in the immediately preceding financial year.
- xviii There has not been any resignation of the statutory auditors during the year. Therefore, reporting under paragraph 3(xviii) does not arise.
- xix We draw attention to Note 28.01 of the financial statements. The Company has incurred losses and its majority of funds are blocked in Non Performing Assets, raising a doubt about the Company to continue as a going concern. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans and in view of the management perception as stated in Note 28.01 of the financial statements, we are unable to comment on the Company's capability 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.
- xx The provisions of CSR is not applicable to the Company. Accordingly, paragraph 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- xi The Company is not required to prepare consolidated financial statements. Therefore, paragraph 3 (xxi) of the Order is not applicable.

Place: MANIPAL
Date: May 30, 2025

For SRIRAMULU NAIDU & CO
CHARTERED ACCOUNTANTS
Registration Number: 008975S

Sd/-
CA SRIRAMULU NAIDU
PARTNER
Membership Number: 018244
UDIN: 25018244BMGETZ6698

ANNEXURE “B” TO INDEPENDENT AUDITOR’S REPORT
(Issued to the Members of MANIPAL FINANCE CORPORATION LIMITED)
REFERRED TO IN PARAGRAPH 3(h) UNDER THE HEADING
“REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF EVEN DATE

Report on the Internal Financial Controls under Clause (h) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Manipal Finance Corporation Limited (“the Company”) as of 31st March 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 is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention of timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

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

Basis for issue of qualified opinion

We draw attention to Note 28.14 of the Financial Statements. The Company has not verified the Fixed Assets i.e. Property, Plant and Equipments under lease falling under the head "leased machineries and equipment" & "leased vehicles and furniture" of Note 9 of the Financial Statement.

Qualified Opinion

In our opinion except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025, based on the internal controls over financial reporting criteria

established by the company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants Of India.

**For SRIRAMULU NAIDU & CO
CHARTERED ACCOUNTANTS
Registration Number: 008975S**

**PLACE: Manipal
DATE : 30th May, 2025**

Sd/-

**CA SRIRAMULU NAIDU
Partner
Membership No. 018244
UDIN: 25018244BMGETZ6698**

MANIPAL FINANCE CORPORATION LIMITED
MANIPAL HOUSE, MANIPAL - 576 104
CIN: L65910KA1984PLC005988
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

(Rs. in thousands)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
I CASH FLOW FROM OPERATING ACTIVITES		
Profit before tax	72,371	(1,397)
<i>Ind AS adjustments</i>		
Rental income (Ind AS adjustment)	(55)	(54)
Interest expense (Ind AS adjustment)	50	59
	72,366	(1,392)
Exceptional items	(74,775)	(1,534)
Gratuity Fund (Income)/Reversal of Provision	3	13
Interest income	-	-
Dividend income	(344)	(343)
Interest on income tax refund	(6)	(5)
Depreciation, amortisation and impairment	155	155
Operating profit before working capital changes	(2,601)	(3,105)
Movements in working capital:		
Decrease/(Increase) in loans	-	-
Decrease/(Increase) in receivables, other financial assets and other-non financial assets	1,545	1,525
Increase/(Decrease) in payables	(108)	(2)
Increase/(Decrease) in other financial liabilities	(73,162)	(1,579)
Increase/(Decrease) in other non-financial liabilities	(17)	1
Cash generated from operations	(74,342)	(3,160)
Interest paid	-	-
Direct taxes paid (net of refund)	(16)	(15)
Net cash flows from/(used in) operating activities (A)	(74,358)	(3,175)
II CASH FLOW FROM INVESTING ACTIVITES		
Reciept / (Payment) of lease security deposit	(25)	-
Interest income	6	5
Proceeds from sale of unquoted equity shares	80,034	-
Decrease/(Increase) in bank deposits	0	-
Dividend income	344	343
Net cash flows from/(used in) investing activities (B)	80,359	348
III CASH FLOW FROM FINANCING ACTIVITES		
Proceeds from borrowings	(6,169)	2,839
Net cash flows from/(used in) financing activities (C)	(6,169)	2,839
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(168)	12
Cash and cash equivalents at the beginning	278	266
Cash and cash equivalents at the end of the year	110	278

Notes 1 to 28 and 'Significant accounting policies and key accounting estimates and judgements' form an integral part of the financial statements

NOTE: I. Cash Flow Statement is prepared under Indirect Method as prescribed under Ind AS 7.
II. Cash And Cash Equivalents do not include Bank Deposits with Maturity period beyond 3 Months, Earmarked Deposits, Deposits Kept as Margin Money.
III. Refer Note 28.13 to Financial Statements for further disclosures in relation to Cash Flow Statement

As per our report of even date
For **M/s Sriramulu Naidu & Co**
Chartered Accountants
Firm Registration No. : 008975S

Sd/-
CA Sriramulu Naidu
Partner
Membership No. : 018244
UDIN: 25018244BMGETZ6698
Manipal
30-May-25

For and on behalf of the Board of Directors of
Manipal Finance Corporation Limited

Sd/-
T. Narayan M Pai
Managing Director
DIN: 00101633

Sd/-
Vinoda Sherigar
Director
DIN: 07224755

Sd/-
Srikara Mallya
Chief Finance Officer

Sd/-
Hari Shankar Shukla
Company Secretary
M. No. : A67963

Manipal
30-May-25

Manipal
30-May-25

MANIPAL FINANCE CORPORATION LIMITED
MANIPAL HOUSE, MANIPAL - 576 104
CIN: L65910KA1984PLC005988
BALANCE SHEET AS AT MARCH 31, 2025

(Rs. in thousands)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	1	110	278
(b) Bank Balances other than (a) above	2	76	76
(c) Derivative Financial Instruments		-	-
(d) Receivables			
(i) Trade Receivables	3	-	-
(ii) Other Receivables		-	-
(e) Loans	4	-	-
(f) Investments	5	107	6,869
(g) Other Financial Assets	6	847	896
Total Financial Assets		1,140	8,119
(2) Non-Financial Assets			
(a) Inventories		-	-
(b) Current Tax Assets (Net)	7	207	191
(c) Deferred Tax Assets (Net)		-	-
(d) Investment Property	8	1,903	1,963
(e) Biological Assets other than Bearer Plants		-	-
(f) Property, Plant and Equipment	9	5,688	5,783
(g) Capital Work-in-Progress		-	-
(h) Intangible Assets under Development		-	-
(i) Goodwill		-	-
(j) Other Intangible Assets		-	-
(k) Other Non-Financial Assets	10	369	369
Total Non-Financial Assets		8,167	8,306
Total Assets		9,307	16,425
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative Financial Instruments		-	-
(b) Payables			
(i) Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	11	360	468
(ii) Other Payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Debt Securities		-	-
(d) Borrowings (Other than Debt Securities)	12	9,474	15,643
(e) Deposits		-	-
(f) Subordinated Liabilities	13	29,500	29,500
(g) Other Financial Liabilities	14	6,505	79,643
Total Financial Liabilities		45,839	125,254
(2) Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)		-	-
(b) Provisions	15	88	88
(c) Deferred Tax Liabilities (Net)		-	-
(d) Other Non-Financial Liabilities	16	40,151	40,223
Total Non-Financial Liabilities		40,239	40,311
EQUITY			
(a) Equity Share Capital	17	83,810	83,810
(b) Other Equity	18	(160,581)	(232,950)
Total Equity		(76,771)	(149,140)
Total Liabilities and Equity		9,307	16,425

Notes 1 to 28 and 'Significant accounting policies and key accounting estimates and judgements' form an integral part of the financial statements

As per our report of even date
For M/s Sriramulu Naidu & Co
Chartered Accountants
Firm Registration No. : 008975S

For and on behalf of the Board of Directors of
Manipal Finance Corporation Limited

Sd/-
CA Sriramulu Naidu
Partner
Membership No. : 018244
UDIN: 25018244BMGETZ6698

Sd/-
T. Narayan M Pai
Managing Director
DIN: 00101633

Sd/-
Vinoda Sherigar
Director
DIN: 07224755

Manipal
30-May-25

Sd/-
Srikara Mallya
Chief Finance Officer

Sd/-
Hari Shankar Shukla
Company Secretary
M. No. : A67963

Manipal
30-May-25

Manipal
30-May-25

MANIPAL FINANCE CORPORATION LIMITED
MANIPAL HOUSE, MANIPAL - 576 104
CIN: L65910KA1984PLC005988
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

(Rs. in thousands)

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
I Revenue from Operations:			
(i) Interest Income	19	-	-
(ii) Dividend Income	20	344	343
(iii) Rental Income	21	1,830	1,743
(iv) Fees and Commission Income		-	-
(v) Net Gain on Fair Value Changes		-	-
(vi) Net Gain on Derecognition of Financial Instruments under Amortised Cost Category		-	-
(vii) Sale of Products (including Excise Duty)		-	-
(viii) Sale of Services		-	-
(ix) Others		-	-
Total Revenue from Operations (I)		2,174	2,086
II Other Income	22	61	59
III Total Income (I+II)		2,235	2,145
IV Expenses:			
(i) Finance Costs	23	1,799	1,854
(ii) Fees and Commission Expense		-	-
(iii) Net Loss on Fair Value Changes		-	-
(iv) Net Loss on Derecognition of Financial Instruments under Amortised Cost Category		-	-
(v) Impairment of Financial Instruments		-	-
(vi) Cost of Materials Consumed		-	-
(vii) Purchases of Stock-in-Trade		-	-
(viii) Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		-	-
(ix) Employee Benefits Expenses	24	465	786
(x) Depreciation, Amortisation and Impairment	25	155	155
(xi) Other Expenses	26	2,220	2,281
Total Expenses (IV)		4,639	5,076
V (Loss) before Exceptional Items and Tax (III-IV)		(2,404)	(2,931)
VI Exceptional Items - Income (Net)	27	74,775	1,534
VII Profit before Tax (V-VI)		72,371	(1,397)
VIII Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
Net Tax Expense		-	-
IX Profit for the year from continuing operations (VII-VIII)		72,371	(1,397)
X Profit from discontinued operations before tax		-	-
XI Tax Expense of discontinued operations		-	-
XII Profit from discontinued operations (after tax) (X-XI)		-	-
XIII Profit for the year (IX+XII)		72,371	(1,397)
XIV Other Comprehensive Income:			
A			
(i) Items that will not be reclassified subsequently to Statement of Profit and Loss			
- Remeasurement of Defined Employee Benefit Plans	27A	(2)	15
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		-	-
Subtotal (A)		(2)	15
B			
(i) Items that will be reclassified subsequently to Statement of Profit and Loss			
- Fair Value Gain on Financial Assets carried at FVTOCI		-	-
(ii) Income Tax relating to items that will be reclassified to Profit or Loss		-	-
Subtotal (B)		-	-
Total Other Comprehensive Income/(Losses) (A+B) (XIV)		(2)	15
XV Total Comprehensive Income for the year (XIII+XIV)(Comprising Profit and Other Comprehensive Income for the year)		72,369	(1,382)
XVI Earnings per equity share (for continuing operations) (Rs 10/- each fully paid)			
(1) Basic	27B	8.64	(0.16)
(2) Diluted	27B	8.64	(0.16)
XVII Earnings per equity share (for discontinuing operations) (Rs 10/- each fully paid)			
(1) Basic	27B	8.64	(0.16)
(2) Diluted	27B	8.64	(0.16)
XVIII Earnings per equity share (for continuing & discontinued operations) (Rs 10/- each fully paid)			
(1) Basic	27B	8.64	(0.16)
(2) Diluted	27B	8.64	(0.16)

Notes 1 to 28 and 'Significant accounting policies and key accounting estimates and judgements' form an integral part of the financial statements

As per our report of even date
For M/s Sriramulu Naidu & Co
Chartered Accountants
Firm Registration No. : 008975S

For and on behalf of the Board of Directors of
Manipal Finance Corporation Limited

Sd/-
CA Sriramulu Naidu
Partner
Membership No. : 018244
UDIN: 25018244BMGETZ6698

Sd/-
T. Narayan M Pai
Managing Director
DIN: 00101633

Sd/-
Vinoda Sherigar
Director
DIN: 07224755

Manipal
30-May-25

Sd/-
Srikara Mallaya
Chief Finance Officer

Sd/-
Hari Shankar Shukla
Company Secretary
M. No. : A67963

Manipal
30-May-25

Manipal
30-May-25

MANIPAL FINANCE CORPORATION LIMITED MANIPAL HOUSE, MANIPAL - 576 104 CIN: L65910KA1984PLC005988 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025						
A. Equity share capital						(Rs. in thousands)
(1) Current reporting period						
Balance at the beginning of the current reporting period	Changes in equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity Share Capital during the current year	Balance at the end of the current reporting period		
83,810.00	-	83,810.00	-	83,810.00		
(2) Previous reporting period						
Balance at the beginning of the previous reporting period	Changes in equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity Share Capital during the previous year	Balance at the end of the previous reporting period		
83,810.00	-	83,810.00	-	83,810.00		
B. Other equity						(Rs. in thousands)
(1) Current reporting period						
Particulars	Reserves and Surplus					Total
	Securities Premium	Capital Redemption Reserve	General Reserve	Statutory Reserve	Retained Earnings	
Balance at the beginning of the current reporting period	28,995	260,119	1,906	4,000	(527,970)	(232,950)
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of Total Comprehensive Income for the current year	28,995	260,119	1,906	4,000	(527,970)	(232,950)
Remeasurement of gains/(loss) on defined benefit obligation plans, net of tax effect	-	-	-	-	72,371	72,371
Dividends	-	-	-	-	(2)	(2)
Transfer to retained earnings	-	-	-	-	-	-
Any other change	-	-	-	-	-	-
Balance at the end of the current reporting period	28,995	260,119	1,906	4,000	(455,601)	(160,581)
(2) Previous reporting period						
Balance at the beginning of the previous reporting period	28,995	260,119	1,906	4,000	(526,588)	(231,568)
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of Total Comprehensive Income for the previous year	28,995	260,119	1,906	4,000	(526,588)	(231,568)
Remeasurement of gains/(loss) on defined benefit obligation plans, net of tax effect	-	-	-	-	(1,397)	(1,397)
Dividends	-	-	-	-	15	15
Transfer to retained earnings	-	-	-	-	-	-
Any other change	-	-	-	-	-	-
Balance at the end of the previous reporting period	28,995	260,119	1,906	4,000	(527,970)	(232,950)
Notes 1 to 28 and 'Significant accounting policies and key accounting estimates and judgements' form an integral part of the financial statements						
As per our report of even date			For and on behalf of the Board of Directors of			
For M/s Sriramulu Naidu & Co			Manipal Finance Corporation Limited			
Chartered Accountants						
Firm Registration No. : 008975S						
Sd/-			Sd/-			
CA Sriramulu Naidu			Vinoda Sherigar			
Partner			Director			
Membership No. : 018244			DIN: 07224755			
UDIN: 25018244BMGETZ6698						
Manipal			Sd/-			
30-May-25			Hari Shankar Shukla			
			Company Secretary			
			M. No. : A67963			
			Manipal			
			30-May-25			
Sd/-						
Srikara Mallaya						
Chief Finance Officer						
Manipal						
30-May-25						

MANIPAL FINANCE CORPORATION LIMITED
MANIPAL HOUSE, MANIPAL - 576 104
CIN: L65910KA1984PLC005988
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Rs. in thousands)

Sr No.		Particulars	(Rs. in thousands)	
			As at March 31, 2025	As at March 31, 2024
1.	CASH AND CASH EQUIVALENTS			
	(Refer Note 1.01)			
	(a) Cash on hand		6	7
	(b) Balances with banks in current accounts		104	271
		Total	110	278
Note 1.01 Balances with banks earn interest at fixed rates. Cash and cash equivalents do not include term deposits kept with a maturity period of beyond 3 months, earmarked balances with banks and bank deposits held as margin money or security against borrowings etc. The same are being disclosed in Note No. 2 below.				
2.	OTHER BALANCES WITH BANKS			
	(Refer Note 2.01 & 2.02)			
	Balances with banks in deposit accounts		76	76
	Total		76	76
Note 2.01 Fixed deposits with banks earn interest at fixed rates. Out of the above, a) Rs. 66 thousand (March 31, 2024 - Rs.66 thousand) has been pledged with the sales tax authorities				
Note 2.02 The fixed deposits as stated above have a maturity period of above 12 months.				
3.	TRADE RECEIVABLES			
	(Refer Note 3.01 to 3.06)			
	(a) Receivables considered good - secured		-	-
	(b) Receivables considered good - unsecured		-	-
	(c) Receivables which have significant increase in credit risk - unsecured		-	-
	(d) Receivables - credit impaired - unsecured		6,115	6,115
			6,115	6,115
	Less: Allowance for impairment loss			
	(a) Significant increase in credit risk		-	-
	(b) Credit impaired		6,115	6,115
	Total		-	-
	Note 3.01 The trade receivables include the due portion of lease and hire purchase, which are already matured.			
Note 3.02 No trade receivable is due from directors or other officers of the Company either severally or jointly with any other person. No trade receivable is due from firms or private companies respectively, in which any director is partner, a director or a member.				
Note 3.03 The balances in trade receivables are subject to confirmation.				
Note 3.04 For the Company's impairment policy related to trade receivables, refer note 28.12 of Financial statements				
Note 3.05 Refer Note 28.03 of Financials statements for disclosures regarding credit risk.				
Note 3.06 Ageing of trade receivables (before impairment allowance)				
As at 31st March, 2025				

MANIPAL FINANCE CORPORATION LIMITED

MANIPAL HOUSE, MANIPAL - 576 104

CIN: L65910KA1984PLC005988

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Rs. in thousands)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
4.	LOANS (Refer Note 4.01 to 4.06)		
	(A)		
	- Amortised Cost		
	(i) Bills discounted	-	-
	(ii) Term loans	205,488	205,488
		205,488	205,488
	Less: Impairment loss allowance	205,488	205,488
	Total (A)	-	-
	(B)		
	- Amortised Cost		
	(i) Secured by tangible assets		
	Secured by book debts	1,932	1,932
	(ii) Unsecured	203,556	203,556
		205,488	205,488
	Less: Impairment loss allowance	205,488	205,488
	Total (B)	-	-
	(C)		
	- Loans in India		
	- Amortised Cost		
	(i) Others		
	Retail	1,386	1,386
	Corporate	204,102	204,102
		205,488	205,488
	Less: Impairment loss allowance	205,488	205,488
	Total (C)	-	-
<p>Note 4.01 The Company had assigned under an assignment deed certain debts and recoverables consisting inter alia stock on hire along with equal liabilities of the Company to the extent of Rs. 2,66,292 thousand on 30.09.1998 to Vedachala Electronics & Financial Services Private Limited (VEFSPL). The Company had discharged the assigned liabilities of VEFSPL on its failure to service the same in terms of the Assignment deed, which has resulted in Rs. 2,03,556 thousand (March 31, 2024 - Rs. 2,03,556 thousand) receivable from VEFSPL. The Company based on the estimated recovery has made a provision of Rs. 2,03,556 thousand (March 31, 2024 - Rs. 2,03,556 thousand) against the receivables of VEFSPL. The same has been classified above as unsecured term loan from India, measured at amortised cost.</p> <p>Note 4.02 No Loans is due from directors or other officers of the Company either severally or jointly with any other person. No Loans is due from firms or private companies respectively, in which any director is partner, a director or a member.</p> <p>Note 4.03 The balances given above are subject to confirmation.</p> <p>Note 4.04 Refer Note 28.12 of Financial statements for information regarding impairment of assets.</p> <p>Note 4.05 Refer Note 28.03 of Financials statements for disclosures regarding credit risk.</p> <p>Note 4.06 The disclosures required under section 186 (4) of Companies act 2013 are not applicable to a NBFC.</p>			
(Rs. In thousands)			
	Reconciliation of impairment allowance	31-Mar-25	31-Mar-24
	Opening impairment allowance	205,488	205,488
	Addition/(Reduction) during the year *	-	-
	Closing impairment allowance	205,488	205,488
* Addition or reduction during the year is on account of recoveries made and/or write offs.			

MANIPAL FINANCE CORPORATION LIMITED

MANIPAL HOUSE, MANIPAL - 576 104

CIN: L65910KA1984PLC005988

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Rs. in thousands)

Sr No.	Particulars	As at March 31, 2025	As at March 31, 2024
5.	INVESTMENTS		
	(Refer Note 5.01 to 5.04)		
	In India- carried at Fair Value through Profit or Loss		
	(a) Fully paid equity shares (quoted)	1	1
	(b) Fully paid equity shares (unquoted)	105	6,867
	(c) Investment in Preference Shares	1	1
	Total	107	6,869

Note 5.01 Out of the above, the fully paid equity shares (quoted) are held-for-trading and the fully paid equity shares (unquoted) and preference shares are held as long term investments.

Note 5.02 The Company received Rs.344 thousands (2023-24 - Rs. 343 thousands) as dividend from the above investments.

Note 5.03 For the Company's policy on impairment of investments, refer Note No. 28.12 of Financial statements.
The company has sold 5,23,094 equity shares of Manipal Housing Finance Limited to the Managing Director Mr. T Narayan

Note 5.04 M Pai for an overall consideration of Rs. 73,007 thousands. These shares have been sold at arms length price after complying with the provisions as required under sec. 188 and sec 192 of the Company's Act 2013.

(Rs. in thousands)

(a)	Particulars	As at March 31, 2025	As at March 31, 2024
	<u>Equity Instruments (Quoted)</u>		
	ICDS Limited (53,531 shares of Face Value Rs. 10 each)	*	*
	Praman Capital Market Services Limited (10,000 shares of Face Value Rs. 10 each)	*	*
	Arvind Limited (9 shares of Face Value Rs. 10 each)	*	*
	Modern Threads (I) Limited (150 shares of Face Value Rs. 10 each)	*	*
	Rajinder Steel Limited (100 shares of Face Value Rs. 10 each)	*	*
	Lloyds Steel Industries Limited (68 shares of Face Value Rs. 10 each)	1	1
	Uttam Value Steels Limited (500 shares of Face Value Rs. 1 each)	*	*
	Sangeetha Granites Limited (500 shares of Face Value Rs. 10 each)	*	*
		1	1
	<i>(* market value of these shares is taken as 'nil' since these shares are not actively traded)</i>		
(b)	<u>Equity Instruments (Unquoted)</u>		
	Manipal Housing Finance Syndicate Limited (PY 5,23,094 shares of Face value Rs. 10 each)	-	6,762
	Karnataka Rubbers Limited (50 shares of Face Value Rs. 100 each)	-	-
	Shamrao Vithal Co-operative Bank Limited (1,000 shares of Face Value Rs. 25 each)	25	25
	MPL Enterprises Limited (13,382 shares of Face Value of Rs. 10 each)	80	80
		105	6,867
(c)	<u>Preference Shares (Unquoted)</u>		
	Triveni Engineering & Industries Ltd. (12% redeemable cumulative) (30 shares of Face Value Rs. 10 each)	1	1

		1	1
Note 5.05	The above list of shares is to be considered as disclosure under Section 186(4) of the Companies Act 2013.		

MANIPAL FINANCE CORPORATION LIMITED

MANIPAL HOUSE, MANIPAL - 576 104

CIN: L65910KA1984PLC005988

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Rs. in thousands)

(Rs. in thousands)			
Sr No.	Particulars	As at March 31, 2025	As at March 31, 2024
6.	OTHER FINANCIAL ASSETS (Refer Note 6.01 & 6.02)		
	Other receivables	847	896
	Total	847	896
	Note 6.01 The balance in 'Other receivables' includes deposits kept in pursuance of orders of the Consumer Courts.		
	Note 6.02 No Receivables is due from directors or other officers of the Company either severally or jointly with any other person. No Receivables is due from firms or private companies respectively, in which any director is partner, a director or a member.		
7.	CURRENT TAX ASSETS (NET)		
	Advance Income Tax and TDS (net of provisions) [net of provision for income tax Rs. NIL (March 31, 2024 - Rs. NIL)]	207	191
	Total	207	191
8.	INVESTMENT PROPERTY (Refer Note 8.01 to 8.08)		
	Buildings		
	Gross Block		
	Opening Balance	2,325	2,325
	Additions/Disposals	-	-
	Closing Balance	2,325	2,325
	Accumulated Depreciation and Impairment		
	Opening Balance	362	302
	For the year	60	60
	Additions/Disposals	-	-
	Closing Balance	422	362
	Net Block	1,903	1,963
	Note 8.01 The original cost of Investment Property as on March 31, 2025 is Rs. 3,839 thousands (March 31, 2024 - Rs. 3,839 thousand)		
	Note 8.02 The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.		
	Note 8.03 Carrying value of Investment property pledged as collateral for liabilities or commitments as at March 31, 2025 is Rs. 353 thousand (March 31, 2024- Rs. 365 thousand).		
	Note 8.04 Investment properties are leased out to tenants. Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. Investment Property includes property agreed to be sold as detailed in Note No. 16.		
	Note 8.05 Disclosures with regard to Measurement, Depreciation Method etc. of Investment property is given vide sub-note (e) of Significant Accounting Policies, Key Accounting Estimates and Judgements.		
	Note 8.06 Refer Note 28.12 of Financial statements for company's policy on impairment		
	Note 8.07 The management has not assessed the fair value of the the investment properties considering the cost involved therein. However management is of the opinion that the carrying value does not exceed the fair value of the asset considering the fact that the investment in property was made more than two decades ago and the value of the property has increased over the period.		
	(Rs. In thousands)		
Note 8.08	Amounts recognised in Statement of Profit and Loss for Investment Property	Year ended March 31, 2025	Year ended March 31, 2024
	Rental income	1,830	1,743
	Direct operating expenses from properties that generated rental income	450	218
	Profit from investment properties before depreciation	1,380	1,525
	Depreciation	60	60
	Profit from investment properties	1,320	1,465

MANIPAL FINANCE CORPORATION LIMITED

MANIPAL HOUSE, MANIPAL - 576 104

CIN: L65910KA1984PLC005988

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

9. PROPERTY, PLANT AND EQUIPMENT

(Refer Note 9.01 to 9.09)

(Rs. in thousands)

Particulars	Gross Block				Accumulated depreciation and amortisation				Net Carrying Value	
	Opening balance as at April 1, 2024	Additions/ Adjustments	Deletions	Closing balance as at March 31, 2025	Opening balance as at April 1, 2024	Depreciation/ Amortisation for the year	Deletions/ Adjustments	Closing balance as at March 31, 2025	As at March 31, 2025	As at March 31, 2024
OWN ASSETS										
Land- Freehold	260	-	-	260	-		-	-	260	260
Buildings- Freehold	4,023	-	-	4,023	570	95	-	665	3,358	3,453
Office Furntiures and Fixtures	354	-	-	354	-		-	-	354	354
Office Equipments	43	-	-	43	-		-	-	43	43
<u>Assets given on lease:</u>										
Leased Machineries and Equipments	1,671	-	-	1,671	-		-	-	1,671	1,671
Leased Vehicles and Furnitures	2	-	-	2	-		-	-	2	2
Total	6,353	-	-	6,353	570	95	-	665	5,688	5,783

MANIPAL FINANCE CORPORATION LIMITED

MANIPAL HOUSE, MANIPAL - 576 104

CIN: L65910KA1984PLC005988

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Rs. in thousands)

Particulars	Gross Block				Accumulated depreciation and amortisation				Net Carrying Value	
	Opening balance as at April 1, 2023	Additions/ Adjustments	Deletions	Closing balance as at March 31, 2024	Opening balance as at April 1, 2023	Depreciation/ Amortisation for the year	Deletions/ Adjustments	Closing balance as at March 31, 2024	As at March 31, 2024	As at March 31, 2023
OWN ASSETS										
Land- Freehold	260	-	-	260	-		-	-	260	260
Buildings- Freehold	4,023	-	-	4,023	475	95	-	570	3,453	3,548
Office Furntiures and Fixtures	354	-	-	354	-		-	-	354	354
Office Equipments	43	-	-	43	-		-	-	43	43
<u>Assets given on lease</u>										
Leased Machineries and Equipments	1,671	-	-	1,671	-		-	-	1,671	1,671
Leased Vehicles and Furnitures	2	-	-	2	-		-	-	2	2
Total	6,353	-	-	6,353	475	95	-	570	5,783	5,878

Note 9.01 The original cost of Property, Plant and Equipment as on 31 March, 2025 is Rs. 1,95,333 thousands.

Note 9.02 For the Company's policy on measurement, depreciation method etc., refer sub note (d) of Significant accounting policies, Key accounting estimates and judgments.

Note 9.03 Building (freehold) includes property, plant and equipment given on lease. Leased machinery and equipment and leased vehicles and furniture represent property, plant and equipment given on lease.

Note 9.04 Carrying value of property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2025 is Rs. 3,506 thousand (March 31, 2024 - Rs. 3,601 thousand).

Note 9.05 Land and Building (freehold) and Investment Property as per Note 8 includes the property agreed to be sold as detailed in Note No. 16.

Note 9.06 For details regarding charges on property, plant and equipment, refer Note No.14.02.

Note 9.07 No borrowing cost was incurred towards any qualifying asset. Hence, no borrowing cost is being capitalised during the reporting period.

Note 9.08 Refer Note 28.12 of Financial statements for company's policy on impairment.

Note 9.09 The Company has not revalued any of its property, plant and equipment during the years ended March 31, 2025 and March 31, 2024

MANIPAL FINANCE CORPORATION LIMITED									
MANIPAL HOUSE, MANIPAL - 576 104									
CIN: L65910KA1984PLC005988									
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025									
(Rs. in thousands)									
Sr No.	PARTICULARS				As at March 31, 2025		As at March 31, 2024		
10.	OTHER NON-FINANCIAL ASSETS								
	(Refer Note 10.01 & 10.02)								
	Plan asset - Gratuity Fund						58		63
	Other non-financial assets						311		306
	Total						369		369
	Note 10.01				The balance in 'Other non-financial assets' consists of deposit given for electricity, telephone, rent deposit etc.				
	Note 10.02				Asset in respect of gratuity fund represents the excess of fair value of gratuity plan assets over present value of gratuity plan obligations as at year end as valued by independent actuarial valuer.				
11.	TRADE PAYABLES								
	(Refer Note 11.01 to 11.03)								
	(a) Total outstanding dues of micro enterprises and small enterprises						-		-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises						360		468
	Total						360		468
	Note 11.01				There are no outstanding dues to Micro and Small enterprises as on the date of the Balance Sheet as disclosed in the above note. Accordingly, there are no other disclosures to be made, as required under Para K to "General Instructions for preparation of Balance Sheet" of Division III of Schedule III to Companies Act 2013. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company's management. This has been relied upon by the auditors.				
	Note 11.02				Balances held under trade payables as above are subject to confirmation and reconciliation.				
	Note 11.03				Ageing of Trade Payables				
	As at 31st March 2025								
					Outstanding for following periods from due date of payment				

MANIPAL FINANCE CORPORATION LIMITED MANIPAL HOUSE, MANIPAL - 576 104 CIN: L65910KA1984PLC005988																																																																																															
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025																																																																																															
Note 13.02	Details of shareholders holding more than 5% of Preference shares: 7% Redeemable Non-Cumulative Preference Share (Date of Allotment : 12th Aug 2021) Mr Narayan Pai T - 1,51,667 shares (March 31,2024 - 1,51,667 shares)(Shareholding percentage - 15.96%, (March 31, 2024- 15.96%)), Mrs Vijayalakshmi N Pai - 1,51,667 shares (March 31,2024- 1,51,667 shares) (Shareholding percentage - 15.96%, (March 31,2024- 15.96%)), Mr T Sanjay Pai - 1,51,667 shares(March 31,2024 - 1,51,667 shares)(Shareholding percentage - 15.96%, (March 31,2024- 15.96%)), Mr T Sunil Pai - 1,51,667 shares(March 31,2024 - 1,51,667 shares)(Shareholding percentage - 15.96%, (March 31,2024- 15.96%)), Mrs Sangeta Pai - 1,51,666 shares (March 31,2024 - 1,51,666 shares)(Shareholding percentage - 15.96%, (March 31,2024- 15.96%)), Mrs Pranthi Pai - 1,91,666 shares (March 31,2024 - 1,91,666 shares) (Shareholding percentage - 20.20%, (March 31,2024- 20.20%)) 7% Redeemable Non-Cumulative Preference Share (Date of Allotment : 16th Feb 2021) Mr Narayan Pai T - 3,40,000 shares (March 31,2024 - 3,40,000 shares)(Shareholding percentage - 17.00%, (March 31, 2024 - 17.00%)), Mrs Vijayalakshmi N Pai - 3,40,000 shares (March 31,2024 - 3,40,000 shares)(Shareholding percentage - 17.00%, (March 31, 2024 - 17.00%)), Mr T Sanjay Pai - 3,40,000 shares (March 31,2024 - 3,40,000 shares)(Shareholding percentage - 17.00%, (March 31,2024 - 17.00%)), Mr T Sunil Pai - 3,40,000 shares (March 31,2024 - 3,40,000 shares)(Shareholding percentage - 17.00%, (March 31,2024 - 17.00%)), Mrs Sangeta Pai - 3,40,000 shares (March 31,2024 - 3,40,000 shares)(Shareholding percentage - 17.00%, (March 31,2024 - 17.00%)), Mrs Pranthi Pai - 3,00,000 shares (March 31,2024 - 3,00,000 shares) (Shareholding percentage - 15.00%, (March 31,2024 - 15.00%))																																																																																														
	Note 13.03 Details of shares held by Promoters at the end of the year 7% Redeemable Non-Cumulative Preference Share (Date of Allotment : 12th Aug 2021)																																																																																														
	<table><tr><th rowspan="2">Name</th><th colspan="2">As at 31st March 2025</th><th colspan="2">As at 31st March 2024</th><th rowspan="2">% change during the year</th></tr><tr><th>No of Shares</th><th>% of issued preference shares</th><th>No of Shares</th><th>% of issued preference shares</th></tr><tr><td>Narayan Pai T</td><td>151,667.00</td><td>15.96%</td><td>151,667.00</td><td>15.96%</td><td>0%</td></tr><tr><td>Vijayalakshmi N Pai</td><td>151,667.00</td><td>15.96%</td><td>151,667.00</td><td>15.96%</td><td>0%</td></tr><tr><td>T Sanjay Pai</td><td>151,667.00</td><td>15.96%</td><td>151,667.00</td><td>15.96%</td><td>0%</td></tr><tr><td>T Sunil Pai</td><td>151,667.00</td><td>15.96%</td><td>151,667.00</td><td>15.96%</td><td>0%</td></tr><tr><td>Sangeta Pai</td><td>151,667.00</td><td>15.96%</td><td>151,667.00</td><td>15.96%</td><td>0%</td></tr><tr><td>Total</td><td>758,335.00</td><td>79.82%</td><td>758,335.00</td><td>79.82%</td><td>0%</td></tr></table> <table><tr><th rowspan="2">Name</th><th colspan="2">As at 31st March 2025</th><th colspan="2">As at 31st March 2024</th><th rowspan="2">% change during the year</th></tr><tr><th>No of Shares</th><th>% of issued preference shares</th><th>No of Shares</th><th>% of issued preference shares</th></tr><tr><td>Narayan Pai T</td><td>340,000.00</td><td>17.00%</td><td>340,000.00</td><td>17.00%</td><td>0%</td></tr><tr><td>Vijayalakshmi N Pai</td><td>340,000.00</td><td>17.00%</td><td>340,000.00</td><td>17.00%</td><td>0%</td></tr><tr><td>T Sanjay Pai</td><td>340,000.00</td><td>17.00%</td><td>340,000.00</td><td>17.00%</td><td>0%</td></tr><tr><td>T Sunil Pai</td><td>340,000.00</td><td>17.00%</td><td>340,000.00</td><td>17.00%</td><td>0%</td></tr><tr><td>Sangeta Pai</td><td>340,000.00</td><td>17.00%</td><td>340,000.00</td><td>17.00%</td><td>0%</td></tr><tr><td>Total</td><td>1,700,000.00</td><td>85.00%</td><td>1,700,000.00</td><td>85.00%</td><td>0%</td></tr></table> 7% Redeemable Non-Cumulative Preference Share (Date of Allotment : 16th Feb 2021)			Name	As at 31st March 2025		As at 31st March 2024		% change during the year	No of Shares	% of issued preference shares	No of Shares	% of issued preference shares	Narayan Pai T	151,667.00	15.96%	151,667.00	15.96%	0%	Vijayalakshmi N Pai	151,667.00	15.96%	151,667.00	15.96%	0%	T Sanjay Pai	151,667.00	15.96%	151,667.00	15.96%	0%	T Sunil Pai	151,667.00	15.96%	151,667.00	15.96%	0%	Sangeta Pai	151,667.00	15.96%	151,667.00	15.96%	0%	Total	758,335.00	79.82%	758,335.00	79.82%	0%	Name	As at 31st March 2025		As at 31st March 2024		% change during the year	No of Shares	% of issued preference shares	No of Shares	% of issued preference shares	Narayan Pai T	340,000.00	17.00%	340,000.00	17.00%	0%	Vijayalakshmi N Pai	340,000.00	17.00%	340,000.00	17.00%	0%	T Sanjay Pai	340,000.00	17.00%	340,000.00	17.00%	0%	T Sunil Pai	340,000.00	17.00%	340,000.00	17.00%	0%	Sangeta Pai	340,000.00	17.00%	340,000.00	17.00%	0%	Total	1,700,000.00	85.00%	1,700,000.00	85.00%	0%
Name	As at 31st March 2025		As at 31st March 2024		% change during the year																																																																																										
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Total	1,700,000.00	85.00%	1,700,000.00	85.00%	0%																																																																																										
	Note 13.04 Reconciliation of number of shares outstanding:																																																																																														
	<table><tr><th>Particulars</th><th>No. of shares</th><th>Rs. In thousands</th></tr><tr><td>7% Non-Cumulative Redeemable Preference Shares</td><td></td><td></td></tr><tr><td>Opening balance as on April 01, 2024</td><td>2,000,000</td><td>20,000</td></tr><tr><td>Changes during the year - Issue</td><td>950,000</td><td>9,500</td></tr><tr><td>Closing Balance as on March 31, 2025</td><td>2,950,000</td><td>29,500</td></tr><tr><td>Changes during the year</td><td></td><td></td></tr><tr><td>Closing Balance as on March 31, 2025</td><td>2,950,000</td><td>29,500</td></tr></table>		Particulars	No. of shares	Rs. In thousands	7% Non-Cumulative Redeemable Preference Shares			Opening balance as on April 01, 2024	2,000,000	20,000	Changes during the year - Issue	950,000	9,500	Closing Balance as on March 31, 2025	2,950,000	29,500	Changes during the year			Closing Balance as on March 31, 2025	2,950,000	29,500																																																																								
Particulars	No. of shares	Rs. In thousands																																																																																													
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Opening balance as on April 01, 2024	2,000,000	20,000																																																																																													
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Changes during the year																																																																																															
Closing Balance as on March 31, 2025	2,950,000	29,500																																																																																													
14.	OTHER FINANCIAL LIABILITIES (Refer Note 14.01 to 14.04)																																																																																														
	In India																																																																																														
	(a) Accrued employee benefit expense																																																																																														
	(b) Other financial liabilities																																																																																														
	Total																																																																																														
	Note 14.01																																																																																														
	Note 14.02																																																																																														
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	PROVISIONS (Refer Note 15.01)																																																																																														
	(a) Provision for compensated absences																																																																																														
	Total																																																																																														
	Note 15.01																																																																																														
	OTHER NON-FINANCIAL LIABILITIES (Refer Note 16.01 & 16.02)																																																																																														
	(a) Statutory dues																																																																																														
	(b) Advance rent (Ind AS adjustment)																																																																																														
	(c) Advance for sale of property																																																																																														
	Total																																																																																														
	Note 16.01																																																																																														
	Note 16.02																																																																																														

MANIPAL FINANCE CORPORATION LIMITED

MANIPAL HOUSE, MANIPAL - 576 104

CIN: L65910KA1984PLC005988

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Rs. in thousands)

Sr No.	PARTICULARS		As at March 31, 2025	As at March 31, 2024
17	SHARE CAPITAL (Refer Note 17.01 to 17.08) AUTHORISED 90,00,000 (PY 90,00,000) Equity Shares of Rs. 10 each 60,00,000 (PY 60,00,000) Non-Cumulative Redeemable Preference Shares of Rs. 10 each ISSUED, SUBSCRIBED & PAID UP 83,80,961 Equity Shares of Rs. 10 each, fully paid up (March 31, 2022 83,80,961) Total		 90,000 60,000 150,000 83,810 83,810	 90,000 60,000 150,000 83,810 83,810

Note 17.01 Reconciliation of number of shares outstanding:

Particulars		No. of shares	Rs. in thousands
Equity Shares			
Opening balance as on April 01, 2024		8,380,961	83,810
Changes during the year		-	-
Closing Balance as on March 31, 2025		8,380,961	83,810
Changes during the year		-	-
Closing Balance as on March 31, 2025		8,380,961	83,810

Note 17.02 Rights, preferences and restrictions attached to shares:

Equity Shares : The equity shares are having a par value of Rs.10 per share. Each shareholder is eligible for one vote per each share held. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company (after distribution of all preferential amounts) in proportion to their shareholding.

Note 17.03 Details of shareholders holding more than 5% shares:**Equity Shares:**

M/s TVP Consultants Limited, Chennai - 6,72,225 shares (March 31, 2024- 6,72,225 shares) (Shareholding percentage - 8.02% (March 31, 2024 - 8.02%)),

Mr Narayan Pai T, Manipal - 6,55,282 shares (March 31, 2024 - 6,55,282 shares) (Shareholding percentage - 7.82% (March 31, 2024 - 7.82%)),

M/s ICDS Limited , Manipal - 4,49,163 shares (March 31, 2024 - 4,49,163 shares) (Shareholding percentage - 5.36%) (March 31, 2024 - 5.36%)

Note 17.04 Details of shares held by Promoters at the end of the year**Equity Shares**

Name	As at 31st March 2025		% change during the year
	No of Shares	%	
Kamalaksha Pai K	4,793.00	0.06%	-
Vijayalaxmi N Pai	281,445.00	3.36%	-
Vidya	1,297.00	0.02%	-
Sunithi P Nayak	6,272.00	0.07%	-
Chetan B Pai	2,307.00	0.03%	-
Sangeetha Pai	3,000.00	0.04%	-
Narayan M Pai T	655,282.00	7.82%	-
Shankarnarayan Aithal K	200.00	0.00%	-
B Manjunath Shenai	868.00	0.01%	-
Ranga Pai M (HUF)	5,500.00	0.07%	-
Suman Pai M	3,500.00	0.04%	-
Ashok Pai T	2,215.00	0.03%	-
Neetha	1,215.00	0.01%	-
Sunil Pai	284,265.00	3.39%	-
Sanjay Pai	5,615.00	0.07%	-
Manjunath Shenai B	4,868.00	0.06%	-
Rajesh Pai T	1,800.00	0.02%	-
Manipal Prakashan Limited	35,589.00	0.42%	-
Praman Capital Market Services Limited	28,063.00	0.33%	-
Sharath Investments Limited	15,183.00	0.18%	-
Manipal Industries Limited	12,650.00	0.15%	-
Manipal Sowbhagya Nidhi Limited	224,456.00	2.68%	-
TVP Consultants Limited	672,225.00	8.02%	-
ICDS Limited	449,163.00	5.36%	-
Jayanthi R Pai	5,494.00	0.07%	-
Total	2,707,265.00	32.30%	-

Note 17.05 There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

Note 17.06 There are no securities convertible into equity shares, calls unpaid or forfeited shares.

Note 17.07 The Management of the company has put in all the efforts to manage the capital by concentrating on recoveries of dues, sale of assets and settlement of debts. The same has to be read with Note 14 and Subnotes thereon.

Note 17.08 Disclosure with regard to Preference Shares made vide Note No 13 read with Note 13.01 to 13.04

MANIPAL FINANCE CORPORATION LIMITED

MANIPAL HOUSE, MANIPAL - 576 104

CIN: L65910KA1984PLC005988

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Rs. in thousands)

Sr No.	PARTICULARS	As at March 31, 2025	As at March 31, 2024
18	OTHER EQUITY		
	(Refer Note 18.01 to 18.02)		
	(a) Capital Reserve 1	1,503	1,503
	(b) Capital Reserve 2		
	<i>Opening</i>	258,616	258,616
	<i>Add: Transferred</i>	-	-
	<i>Closing</i>	258,616	258,616
	(c) Securities Premium	28,995	28,995
	(d) Special Reserve	4,000	4,000
	(e) General Reserve	1,906	1,906
	(f) Retained Earnings		
	<i>Opening Balance</i>	(527,970)	(526,588)
	<i>Add: Profit/(Loss) of the year</i>	72,371	(1,397)
	<i>Add: Remeasurement of post employee benefit obligation, net of tax</i>	(2)	15
	<i>Closing</i>	(455,601)	(527,970)
	Total	(160,581)	(232,950)

Note 18.01 Nature and Purpose of Reserves

Particulars	Nature and purpose of Reserves
(a) Capital Reserve 1	The Capital Reserve 1 was created in the year ended 30th September, 1998 being the allotment money of unsubscribed portion of equity warrants.
(b) Capital Reserve 2	The Company, upto 31st March 2022, with a view towards restructuring its liabilities has settled deposits/debentures/subordinated debts at discounted rates. The same has been done with due consent of the parties to deposits, debentures and debts. The interest write back pertaining to deposits/debentures/subordinated debts is treated as Exceptional Item in the Statement of Profit and Loss. Principal write back arising out of such settlement is considered as capital receipt and taken directly to Capital Reserve (viz: Capital Reserve 2) as above. This has been done as per the accounting policy followed by the Company, as stated in sub note (m) of Significant Accounting Policies, Key Accounting Estimates and Judgements. The Company had made similar settlements during the earlier years also, by giving the similar accounting treatment.
(c) Securities Premium	The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013
(d) Special Reserve	Special reserve was created during earlier year/s, pursuant to Reserve Bank of India (Amendment) Act 1997.
(e) General Reserve	Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013
(f) Retained Earnings	Retained earnings are the profits that the Company has earned till date, less any transfers to special reserve, general reserve, dividends distributions paid to shareholders etc.

Note 18.02 Refer Statement of Changes in Equity for details about other Comprehensive Income.

MANIPAL FINANCE CORPORATION LIMITED

MANIPAL HOUSE, MANIPAL - 576 104

CIN: L65910KA1984PLC005988

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Rs. in thousands)

Sr No.	PARTICULARS	2024-25	2023-24
19.	INTEREST INCOME		
	On Financial Assets measured at Amortised Cost		
	Interest income on deposits with banks	-	-
	Total	-	-
20.	DIVIDEND INCOME		
	Dividend on equity instruments	344	343
	Total	344	343
21.	RENTAL INCOME		
	(Refer Note 21.01)		
	Rent received	1,830	1,743
	Total	1,830	1,743
	Note 21.01 Rent received represents amount of income accrued on cancellable operating lease.		
22.	OTHER INCOME		
	(Refer Note 22.01)		
	Other Interest	6	5
	Rental income (Ind AS adjustment)	55	54
	Miscellaneous income	0	-
	Total	61	59
	Note 22.01 The rental income (Ind AS adjustment) represents amount on account of valuing Rent deposits as disclosed in Note 14 at amortised cost in compliance with requirements of Ind AS 109, "Financial Instruments" .		
23.	FINANCE COSTS		
	On Financial Liabilities measured at Amortised Cost		
	(a) Interest on Debt Securities - Matured Debentures	-	-
	(b) Interest on Matured Subordinated liabilities	209	291
	(c) Interest on Fixed Deposits	-	-
	(d) Interest on Borrowings	1,590	1,563
	Total	1,799	1,854
24.	EMPLOYEE BENEFIT EXPENSES		
	(Refer Note 24.01)		
	(a) Salaries, wages and bonus	447	721
	(b) Contribution to provident and other fund	7	41
	(c) Staff welfare expenses	8	10
	(d) Expenses related to post-employment defined benefit plans	3	14
	Total	465	786
	Note 24.01 Disclosure as required under Ind AS 19 'Employee Benefits', given under Note No. 28.07		
25.	DEPRECIATION, AMORTIZATION AND IMPAIRMENT		
	(a) Depreciation on Property, Plant and Equipment - Own assets	95	95
	(b) Depreciation on Investment Property	60	60
	Total	155	155

MANIPAL FINANCE CORPORATION LIMITED
MANIPAL HOUSE, MANIPAL - 576 104
CIN: L65910KA1984PLC005988

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Rs. in thousands)

Sr. No.	PARTICULARS	2024-25	2023-24
26	OTHER OPERATING EXPENSES		
	(Refer Note 26.01 & 26.02)		
	(a) Rates and taxes & energy costs	23	35
	(b) Repairs and maintenance - Building	18	124
	- Others	444	49
	(c) Communication costs	63	18
	(d) Printing and stationery	35	34
	(e) Advertisement and publicity	33	42
	(f) Director's fees, allowances, and expenses	12	12
	(g) Auditor's fees and expenses	118	118
	(h) Legal and Professional charges	738	498
	(i) Brokerage expenses	15	109
	(j) Bank charges	9	4
	(k) Travelling and conveyance expenses	190	67
	(l) Registration and filing fees	390	486
	(m) Office maintenance	-	-
	(n) Office Rent	-	-
	(o) Interest expense (Ind AS adjustment)	50	59
	(p) Penalty paid	-	500
	(p) Miscellaneous expenses	82	126
	Total	2,220	2,281
	Note 26.01 Auditor's fees and expenses:		
	PARTICULARS	2024-25	2023-24
	Statutory audit	80	80
	Certification and tax audit	20	20
	Goods and Service Tax	18	18
	Total	118	118
	Note 26.02 Refer Note 28.06 for disclosure on Office Rent.		
27	EXCEPTIONAL ITEMS		
	(Refer Note 27.01)		
	Bad debts recovered	1,504	1,534
	Bad debts written off	(71,069)	
	Bad debts written back	71,069	
	Profit on sale of unquoted equity shares	73,271	
	Total Income (Net)	74,775	1,534
	Note 27.01 The present activity of the Company is restricted to recovery of dues and repayment of debts. Accordingly, the income of the Company depends upon the recoveries made during the period which vary substantially on year to year basis. Therefore, the Company has disclosed the amount of bad debts recovered, reversal of provisions for NPA, settlement credit and bad debts written off under this head. For details regarding settlement credit, refer Note No. 18.01 to Financial statements.		
	Note 27.02 The Company has earned Profit on sale of unquoted equity shares as mentioned in Note 5.04		
27A	OTHER COMPREHENSIVE INCOME		
	(Refer Note 27A.01)		
	(A) Items that will not be reclassified to profit or loss		
	(i) Remeasurement of Defined Employee Benefit Plans	(2)	15
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss	-	-
	Total	(2)	15
	(B) Items that will be reclassified to profit or loss;		
	(i) Fair Value Gain on Financial Assets carried at FVTOCI	-	-
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss	-	-
	Total	-	-
	Note 27A.01 Refer Para II (i) of Significant Accounting Policies, Key Accounting estimates and Judgements		
	PARTICULARS	2024-25	2023-24
27B	EARNINGS PER SHARE		
	Net profit after tax as per Statement of Profit and Loss (Rs. in thousands)	72,371	(1,397)
	Weighted average number of equity shares for calculating basic EPS (in thousands)	8,381	8,381
	Basic EPS per equity share (in Rs.) (Face value of Rs. 10 per share fully paid)	8.64	(0.16)
	Weighted average number of equity shares for calculating diluted EPS (in thousands)	8,381	8,381
	Diluted EPS per equity share (in Rs.) (Face value of Rs. 10 per share fully paid)	8.64	(0.16)

MANIPAL FINANCE CORPORATION LIMITED
MANIPAL HOUSE, MANIPAL - 576 104
CIN: L65910KA1984PLC005988

ANNEXURE TO FINANCIAL STATEMENTS FOR THE YEAR 2024-25

SIGNIFICANT ACCOUNTING POLICIES, KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

I. Corporate Information:

The Registered Office of the Company is at Manipal (State: Karnataka). The Company had commenced its business as a Non-Banking Financial Company registered with Reserve Bank of India as 'Hire Purchase and Leasing Company'. However, the Reserve Bank of India has since cancelled the registration of the Company and the Company has stopped activities of accepting deposits from public/debentures/subordinated debts, extending loans, hire purchase and leasing activities since July 01, 2002. The present activity of the Company is mainly restricted to recovery of dues and repayment of the debts. The other necessary details are being given under Note no. 14.01.

II. Significant Accounting Policies:

a. Basis of Preparation and Presentation of Financial Statements - Statement of Compliance

The financial statements of the Company have been prepared to comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The Indian Accounting Standards are prescribed under Section 133 of the Act read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company's financial statements are presented in Indian Rupees, which is also its functional currency. All the values are rounded off to the nearest thousand.

These financial statements have been prepared on accrual basis under the historical cost convention except for (a) certain Financial Assets and Liabilities and (b) Defined Employee Benefit Plan Assets, which have been measured at their fair values. Further, the carrying value of all the items of Property, Plant and Equipment and Investment Property as on the date of transition has been considered at deemed cost as provided under Ind AS 101 'First-Time Adoption of Indian Accounting Standards'.

These financial statements have been approved for issue by the Board of Directors at their meeting held on May 30, 2025 at Manipal, Karnataka.

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss have been prepared and presented in the format prescribed in Division III of Schedule III to Companies Act, 2013. The Statement of Cash Flows has been prepared as per the requirements of Ind AS 7 'Statement of Cash Flows'. The disclosures as prescribed in Division III of Schedule III to the Companies Act, 2013 have been presented by way of notes forming part of the financial statements along with other disclosures required under Ind AS. Disclosures as per Ind AS and Division III of Schedule III to the Companies Act, 2013 have been made in this Financial Statement to the extent applicable.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

Critical Accounting Estimates

Depreciation and Useful Lives of Property, Plant and Equipment and Investment Property and Decommissioning Liability

Property, Plant and Equipment and Investment Property are depreciated over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on Company's historical experience with similar assets and after taking into account the anticipated technological changes. In case of significant changes in the estimates in future, the depreciation shall be revised accordingly. The Company has not made any policy with regard to decommissioning liability for the reasons specified in clause (d) below.

Allowance for Doubtful Debts on Trade Receivables/Loans

When determining the lifetime expected credit losses for trade receivables, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. Judgements are required in assessing the recoverability of other advances including other receivables and determining whether a provision against those Loans/receivables is required. Factors considered include relations with the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances and these judgements are subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take into account changing facts and circumstances.

Employee Benefit Obligations

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

Deferred Tax Assets

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if estimates of projected future taxable income or tax regulations undergo a change.

Impairment of Non-Financial Assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

c. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- i. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ii. Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- iii. Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

d. Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of 'Property, Plant and Equipment' are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items such as purchase price, freight, duties and levies. Such cost includes the cost of replacing parts of the 'Property, Plant and Equipment' and the borrowing cost if any, till the date of installation of qualifying asset and any attributable cost of bringing the asset to its working condition for its intended use. Expenses incurred on start-up, commissioning of the project including expenditure incurred on test runs and experimental production in respect of new unit if any, are also capitalized.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

An item of 'Property, Plant and Equipment' and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized. Further, when each major inspection is performed, its cost is recognized in the carrying amount of the item of 'Property, Plant and Equipment' as a replacement if the recognition criteria are satisfied. Machinery spare if any which are specific to a particular item of 'Property, Plant and Equipment' and whose use is expected to be irregular are capitalized as 'Property, Plant and Equipment'.

Spare parts if any are capitalized when they meet the definition of 'Property, Plant and Equipment' i.e. when the Company intends to use these for more than a period of 12 months. The management is of the opinion that, the Property, Plant and Equipment held by the Company does not involve decommissioning cost and the cost of removal of such assets is not material considering the size of the Company. Considering this aspect, the Company has not made any policies for capitalizing the decommissioning cost.

Depreciation on 'Property, Plant and Equipment' generally is provided on the Straight Line Method over the useful lives of the assets and residual value in terms of Schedule II to the Companies Act, 2013. Depreciation for the assets purchased/sold during the period is proportionately charged. Building constructed on the lease hold land is depreciated over the period of lease or the useful life in terms of Schedule II of the Companies Act 2013, whichever expires earlier. Leasehold land if any, is amortized over the period of the lease. Improvements to buildings are amortized over the period of remaining useful life of the building. No further depreciation is charged on assets, where the assets have completed their useful life. The residual values, useful lives and methods of depreciation of 'Property, Plant and Equipment' are reviewed at each financial year end and adjusted prospectively, if appropriate and under such circumstances the appropriate disclosure is being made in the notes to accounts.

For transition to Ind AS, the Company has elected to continue with carrying value of its Property, Plant and Equipment recognized as on April 01, 2018 (transition date) measured as per the previous GAAP as the deemed cost of the Property, Plant and Equipment on the date of transition to Ind AS.

e. Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs. It consists of Freehold Buildings that are not intended to be occupied substantially for use by, or in the operations of, the Company. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period. Investment Properties are carried at cost less accumulated depreciation. Depreciation is provided in the manner as stated in clause (d) above.

For transition to Ind AS, the Company has elected to continue with carrying value of its Investment Property recognized as on April 01, 2018 (transition date) measured as per the previous GAAP as the deemed cost of the Investment Property on the date of transition to Ind AS.

f. Financial Instruments

1. Initial Recognition and Measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at Fair Value on initial recognition, except for trade receivable which is initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date, i.e. the date that the Company commits to purchase or sell the asset.

2. Subsequent Measurement - Non Derivative Financial Instruments

Financial Assets carried at Amortized Cost

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

Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset other than equity investment is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding. Where the Company makes an irrevocable election based on its business model, for its investments which are classified as equity investments, the subsequent changes in the fair value will be recognized in other comprehensive income.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss. Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

3. Derecognition of Financial Instruments

The Company derecognizes a financial asset when the contractual rights to cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

4. Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may never be actually realized.

For financial assets and liabilities maturing within one year from the reporting date and which are not carried at fair value, the carrying amounts approximate fair value due to short maturity of these instruments.

g. Taxes on Income

Income tax expense for the period comprises of current and deferred income tax if any. Income tax expense if any, is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case tax is also recognized in other comprehensive income or in equity, as appropriate. Current income tax for current and prior periods is recognized in the Statement of Profit and Loss at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit. The Company recognizes a deferred tax asset arising from unused tax losses or tax credit only to the extent that it is probable that sufficient future taxable profits will be available against which unused tax losses or tax credits can be utilised by the entity. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period. Deferred tax assets and liabilities are presented in the Balance Sheet after setting off the same against each other.

Deferred tax assets are assessed in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Income tax paid (including tax deducted at source, tax paid on self-assessment or otherwise) and provision for current income tax if any is presented in the Balance Sheet after setting off the same against each other.

h. Revenue Recognition

Revenue from Operations

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection in accordance with the provisions of Ind AS 115.

The Company has followed the Prudential Norms for Income Recognition as prescribed by Reserve Bank of India for Non-Banking Financial Companies. The principal write back pertaining to deposits & debentures (as stated in note 18) has been directly taken to the credit of Capital Reserve in the Balance Sheet, since the same is in the nature of capital receipt for the reasons as stated in sub-clause (m) below.

Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL. Interest income on credit impaired assets if any, is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

Dividend Income

Dividend income is recognized when the Company's right to receive the payment has been established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

Rental Income

Rental income from operating leases is recognized in the Statement of Profit and Loss on straight line basis over the lease term unless there is another systematic basis which is more representative of the time pattern of the lease. Revenue from lease rental is disclosed net of indirect taxes, if any.

Rendering of Services

Revenue from rendering services if any is disclosed net of GST and recognized when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction. The outcome of the transaction can be estimated reliably when all the following conditions are satisfied:

- i) The amount of revenue can be reliably measured,
- ii) It is probable that the economic benefits associated with the transaction will flow to the Company,
- iii) The stage of completion of the transaction at the end of the reporting period can be reliably measured, and
- iv) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Other Income:

Interest on refund of Income Tax is accounted in the year of receipt and Miscellaneous income is accounted as and when received.

i. Employee Benefits

Short-term Employee Benefits

Employee benefits such as salaries, wages, short-term compensated absences, expected cost of bonus, ex-gratia and performance linked rewards such as annual variable pay falling due wholly within twelve months of rendering the service are classified as short-term benefits and are expensed in the period in which the employee renders the related service.

Post Employment Benefits

Defined Contribution Plans

Provident fund scheme and employee state insurance scheme are the Company's defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The contribution paid or payable under the scheme is recognized during the period in which the employee renders the related service. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service.

Defined Benefit Plans

The Company provides for gratuity, a defined benefit plan covering eligible employees. The gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment with the Company.

The Company's contribution towards gratuity is invested in a Group Gratuity Policy with the Life Insurance Corporation of India. Deficit/surplus of present value of obligations (under gratuity policy) over the fair value of gratuity plan assets is recognized in the Balance Sheet as an asset or liability. The same is determined based on an independent actuarial valuation using the Projected Unit Credit Method. Gains and losses through remeasurement of the net gratuity liability/asset are recognized in other comprehensive income and is reflected in other equity and the same is not eligible to be reclassified subsequently to profit or loss. Premium expense incurred to keep in effect such a group gratuity policy is recognized in the Statement of Profit and Loss as employee benefit expense in the year such premium falls due.

Other Long Term Employment Benefits

The company has recognised liability in respect of leave encashment i.e. the provision for compensated absences as a long term employee benefit. The same has been made on an estimated basis, considering the fact that the amount involved therein is not material.

j. Share Capital, Share Premium and Dividend Distribution

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares if any, are shown in equity as a deduction (net of tax) from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

Preference shares are classified as shares entitled for preferential right over dividend (before the equity shareholders). A preference share that provides for redemption a specific date or at the option of holder contains a financial liability. Accordingly the same will be recognised as financial liabilities and any payment of dividend in relation to these shares shall be considered as Finance cost in accordance with provisions of Ind AS 109.

k. Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

l. Lease Transactions

As a Lessee:

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company has adopted Ind AS 116 effective 1st April, 2019, using the modified retrospective method, without giving effect to opening balance of retained earnings.

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

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

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets

Right of Use asset (ROU Asset) have been separately presented in the Balance Sheet as a part of Property, Plant and Equipment. Corresponding lease liabilities are being disclosed as other financial liabilities either as current or non current depending on the period of reversal. and lease payments have been classified as financing cash flows.

As Lessor:

Leases are classified as Finance Lease or Operating Lease, in the manner stated above.

Lease income is recognised in the Statement of Profit and Loss on straight-line basis over the lease term unless there is another systematic basis which is more representative of the time pattern of the lease. Revenue from lease rental is disclosed net of indirect taxes, if any.

m. Capital Reserve

The principal write back pertaining to deposits, debentures and Subordinated debts as stated in Note no. 18.01, is in the nature of capital receipt. The stand taken by the Company is also duly supported by the decision of Jurisdictional High Court i.e. Honorable High Court of Karnataka, as reported in 285 ITR 310 (2006) (CIT Vs ICDS Limited) wherein it is held that surplus on purchase of own debentures is a Capital Receipt, not subject to tax and 249 CTR 214 (2011) (CIT Vs Compaq Electric Limited) wherein it was held that the waiver of the loan is a Capital receipt. In the case of the Company viz. CIT Vs Manipal Finance Corporation Limited (ITA No. 795 & 794/2008) the Hon. High Court of Karnataka has dismissed the appeal filed by the department on the similar grounds. Considering the above, the same has been directly taken to the credit of Capital Reserve in the Balance Sheet

n. Borrowing Cost

Borrowing cost if any, includes interest expense calculated using the effective interest method and finance expenses in respect of assets acquired on finance lease if any.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset, are capitalized/inventoried as a part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are recognized as expenses in the period in which they are incurred.

o. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. When the unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received under such contract (onerous contract), the present obligation under the contract is recognized and measured as a provision.

Contingent liability is disclosed in the notes to accounts when in case of a present obligation arising from past events, it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the same is not possible.

Contingent assets are disclosed in the notes to accounts when an inflow of economic benefits is probable.

p. Impairment of Assets

Financial Assets

In accordance with Ind AS 109, the Company applies the Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL impairment loss allowance (or reversal) during the period if any, is recognized as expense/income in the Statement of Profit and Loss.

Non-Financial Assets Property, Plant and Equipment and Investment Property

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired based on external and internal factors and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined, at the higher of the assets' fair value less cost to sell and value in use; and

- In case of cash generating unit if any, (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI if any. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through the Statement of Profit and Loss.

q. Earnings per Share

Basic earnings per equity share is calculated by dividing the net profit or loss after tax (before considering other comprehensive income) for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share, if any, is computed by dividing the net profit or loss for the year as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares and dilutive potential equity share outstanding during the period except when the results would be anti-dilutive.

r. Statement of Cash Flows

Cash flows are reported using the indirect method in accordance with Ind AS 7 'Statement of Cash Flows', whereby profit after tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

s. Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and at bank and term deposits maturing within 3 months from the date of deposit. Term deposits maturing beyond 3 months, earmarked balances with banks and deposits held as margin money or security against borrowings etc. have not been considered as Cash and cash equivalents.

t. Other Matters**Recent Accounting Pronouncements - Application of new and revised Ind ASs**

All the Indian Accounting Standards ("Ind AS") issued and notified by the Ministry of Corporate Affairs are effective and considered for the significant accounting policies to the extent relevant and applicable for the Company. Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. No such notifications issued during the year.

Reclassification/Regrouping/Reworking of Previous Year's Figures

Under Ind AS the Company is required to prepare the financial statements as per Division III of Schedule III to Companies Act 2013. Previous year's figures have been reworked, regrouped and reclassified wherever necessary.

MANIPAL FINANCE CORPORATION LIMITED
MANIPAL HOUSE, MANIPAL - 576 104
CIN: L65910KA1984PLC005988

Other Disclosures and Notes forming part of Financial Statements for the year 2024-25

28.01 The Company has been incurring substantial losses over the last few years and major portion of its funds are blocked in non-performing assets. In view of the same there is considerable uncertainty that the Company will continue as a going concern and meet its commitments to its creditors. The accounts however have been prepared on the going concern basis in view of management has settled all its dues held by way of deposits, secured debentures and subordinated debts, either by repayment or by transfer to Investor Education and Protection Fund (except for the disputed dues, the amount involved wherein is not material) as detailed in Note No. 14 and the management is being hopeful of recovery of dues from its borrowers.. Accordingly the management is of the opinion that the losses as aforesaid and also the circumstances as stated in Note No. 14 of the financials statement will not have adverse effect on the functioning of the Company

28.02 The Company has not recognised the net deferred tax asset which constitutes mainly of carry forward losses, excess depreciation claimed in Income Tax and Provisions for doubtful debts, as a matter of prudence. Details of which are given below:

Disclosures pursuant to Ind AS 12 "Income Taxes" (Rs. In Thousands)

(A) Major components of tax expense/(income):

Company does not have any current tax liability and company has not recognised deferred tax asset (net) as a matter of prudence. Accordingly the question of disclosure of components of tax expense/(income) does not arise.

(B) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India:

Sr no.	Particulars	2024-25	2023-24
(a)	Profit before Tax	72,375	(1,397)
(b)	Corporate tax rate as per Income Tax Act 1961	25.168%	25.168%
(c)	Tax on Accounting Profit (a*b)	18,215	(352)
(d)	(i) Tax on items not tax deductible:	151	223
	(ii) Tax on items which are tax deductible and allowances	(452)	(465)
	(iii) Difference on account of Ind AS Adjustments	1.3	1.2
	(iv) Tax on income Exempt from tax	-	-
	(v) Tax difference on income taxed at specialised tax rates	-	-
	(vi) Tax on other heads of income	269	299
	(vii) Tax savings on set off of Current year/Bought Forward losses	(269)	(299)
	(viii) Tax difference on account of Losses for the year	488	593
	Total effect of tax adjustments [(i) to (viii)]	189	353
(e)	Current Tax expense recognised during the year (c as adjusted by d)	-	-
	Prior Period Adjustments	-	-
	Deferred Tax expense Charged (recognised) during the year	-	-
	Total tax expense recognised during the year	-	-
(f)	Effective tax rate (e/a)	NA	NA

Note : Company has no tax payable during the year as well as previous year. Hence effective tax rate is nil.

(C) Components of deferred tax assets (net) not recognised in Balance Sheet and Statement of Profit or Loss:

Sr no.	Particulars	Deferred Tax as at		Adjustment for the year	
		31-03-2025	31-03-2024	2024-25	2023-24
(a)	Brought forward Business Losses	17,552	17,279	273	479
(b)	Unabsorbed depreciation	13,623	13,604	19	21
(c)	Financial assets	53,256	53,256	-	(53)
(d)	Employees' Defined Benefit Plan	15	16	(1)	1
(e)	Depreciation on Investment Property	487	472	15	15
	Deferred tax (expenses)/income (not recognised)				
	Net deferred tax assets (not recognised)	84,933	84,627		

The Deferred Tax asset as disclosed above, not recognised in the Financial Statement, as a matter of prudence. Accordingly no amounts charged or recognised in the statement of profit and loss. There are no deferred tax liabilities. Also the deferred tax asset computation as above for the comparative period has been made arrived at considering the tax rate as 25.168%.

(D) Reconciliation of deferred tax (assets)/liabilities:

The question of reconciliation of deferred tax assets & liability does not arise, since the same are not recognised in the financial statement.

(E) Tax adjustments made directly to Equity

There are no adjustments pertaining to current and deferred tax adjustment directly charged or credited directly to Equity for the year and also for the comparative periods.

(F) Reconciliation of Income Tax Paid

Sr.no.	Particulars	As at 31st March 2025	As at 31st March 2024
(a)	At the beginning of the year (Paid - Advance IT/TDS)	191	176
(b)	Charge for the year	-	-
(c)	Charge for the previous year adjusted	-	-
(d)	Tax Paid (net of refund received/Adjustment) during the year	16	15
(e)	At the end of the year (Paid or provision)	207	191

(G) Disclosure of Temporary Difference, unused tax credits and unused tax losses for which no deferred tax asset is recognised in the Balance Sheet

Sr.no.	Particulars	As at 31st March 2025	As at 31st March 2024
(a)	Temporary Difference on account of Unabsorbed Depreciation (No expiry dates)	54,129	54,055
(b)	Temporary Difference on account of Unused Tax Losses . (Refer table below for expiry dates of unused tax losses)	69,737	68,653
(c)	Temporary Difference on account of Depreciation on Investment Property	1,936	1,876
(d)	Temporary Difference on account of Provisions on Financial Assets	211,603	211,603
(e)	Temporary Difference on account of Provisions on Employees Defined Benefit Plan	58	63

Loss relating to AY	Expiry years	As at 31st March 2025	As at 31st March 2024
2016-17	AY 24-25	7,064	7,064
2017-18	AY 25-26	8,054	8,054
2018-19	AY 26-27	12,340	12,340
2019-20	AY 27-28	5,070	5,070
2020-21	AY 28-29	25,040	25,040
2021-22	AY 29-30	-	-
2022-23	AY 30-31	9,185	9,185
2023-24	AY 31-32	1,900	1,900
2024-25	AY 32-33	1,085	-
Total		69,737	68,653

(H) Applying the tax rate to arrive at the Tax Liability:

The Company is Computing the Tax u/s 115BAA of Income Tax Act 1961. Accordingly, the tax expenses are arrived at 25.168% (Tax at 22%, surcharge -10% and Cess - 4%)

28.03 Disclosures pursuant to Ind AS 107 "Financial Instruments : Disclosures"**Financial Risk Management**

In the course of its business, the Company is exposed primarily to liquidity risk and credit risk which may impact the fair value of its financial instruments. The company adheres to a robust Financial management framework to address these risks.

Credit Risk

Credit risk is the risk that counterparty will not be able to meet its obligations under a financial instrument leading to a financial loss. As detailed in Note 14.01 the Company has not been performing operations since 2001 and the recovery of dues is under process. Management of the company has duly provided for impairment losses where it is of the opinion of that the parties will not be able to discharge their liabilities. The maximum exposure to credit risk in respect of the financial assets at the reporting date is the carrying value of such assets recorded in the financial statements net of any allowance for losses.

Financial Assets for which loss allowance is measured using 12 month Expected Credit loss

Particulars	(Rs. in thousands)	
	31st March 2025	31st March 2024
Cash and Cash Equivalents	110	278
Other Balances with Banks	76	76
Investments	107	6,869
Other Financial Assets	847	896
TOTAL	1,140	8,119

Financial Assets for which loss allowance is measured using Lifetime Expected Credit loss**(a) Trade Receivables**

The Company's trade receivables include the due portion of lease and hire purchase along with interest accrued thereon.

The ageing analysis of trade receivables (before impairment) as of the reporting date (considered from the date they are due for payment) is as follows:

Due for	(Rs. in thousands)	
	As on 31st March 2025	As on 31st March 2024
0-5 past due date	-	-
More than 5 Years past due date	6,115	6,115
Total Trade Receivable	6,115	6,115

The company has already provided for impairment in full towards these financial assets after assessing the extent of recoveries.

The following table summarizes the impairment loss model

Particulars	(Rs. In thousands)	
	31st March 2025	31st March 2024
(i) Balance as at beginning of the year	6,115	6,115
(ii) Impairment Allowance	-	-
(ii) Provisions Written back	-	-
(iv) Balance at end of the year	6,115	6,115

In addition to above a sum of Rs. NIL (P Y Rs.Nil) written off as Bad Debt.

(b) Loans

As detailed in Note 4.01 of Financial statements, the Company had assigned under an assignment deed certain debts and recoverables consisting inter alia stock on hire along with equal liabilities of the Company to Vedachala Electronics & Financial Services Private Limited. The Company had discharged the assigned liabilities of VEFSP on its failure to service the same. The Company based on the estimated recovery has made full impairment provision against the receivables of VEFSP and from other parties.

Due for	(Rs. in thousands)	
	As on 31st March 2025	As on 31st March 2024
0-5 past due date	-	-
More than 5 Years past due date	205,488	205,488
Total Loans	205,488	205,488

The company has already provided for impairment in full towards these financial assets after assessing the extent of recoveries.

The following table summarizes the impairment loss model

Particulars	(Rs. In thousands)	
	31st March 2025	31st March 2024
(i) Balance as at beginning of the year	205,488	205,488
(ii) Impairment Allowance	-	-
(ii) Provisions Written back	-	-
(iv) Balance at end of the year	205,488	205,488

In addition to above a sum of Rs. NIL thousands (P Y Rs. Nil) written off as Bad Debt.

Liquidity Risk

Liquidity Risk refers to the risk that the Company cannot meet its financial obligations on time. The objective of the liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for timely settlement of the obligations.

The Company's treasury department monitors the liquidity, funding as well as settlements of these obligations, in addition to settlement of all other external liabilities. The treasury department monitors its risk of shortage of funds on a regular basis to ensure continuity of funding. In addition, the management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company stopped accepting/renewing deposits, debentures and subordinated debts with effect from July 01, 2002. Public deposits accepted by the Company are fully matured. As detailed in Note 14.01, the Company has fully settled unclaimed debentures, unclaimed subordinated debts and deposits except for disputed at appropriate legal forums. The unclaimed amounts pertaining to debentures and subordinated debts with interest upto maturity have been transferred to Investor Education & Protection Fund on 29th March 2022. Accordingly, there is no liability outstanding in the books of the Company as on 31st March 2025 except the disputed amounts at legal forums amounting to INR 2.06 lakhs. For further information on Trade Receivables, Loans, Borrowings and Subordinated liabilities refer Note 3, Note 4, Note 12, Note 13 and Note 14 read with subnotes thereon.

Maturity Profile of Financial assets and Financial liabilities (Rs. In thousands)

As at 31st March 2025				
Particulars	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Financial Assets				
Cash and Cash Equivalents	110	-	-	110
Other Balances with Banks	-	76	-	76
Trade Receivables	-	-	-	-
Loans	-	-	-	-
Investments	1	-	106	107
Other Financial Assets	647	200	-	847
TOTAL	758	276	106	1,140
Financial Liabilities				
Trade Payables	142	-	218	360
Subordinated Liabilities	-	-	29,500	29,500
Borrowings	7	1,311	8,156	9,474
Other Financial Liabilities	6,142	363	-	6,505
TOTAL	6,291	1,674	37,874	45,839

As at 31st March 2024				
Particulars	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Financial Assets				
Cash and Cash Equivalents	278	-	-	278
Other Balances with Banks	-	76	-	76
Trade Receivables	-	-	-	-
Loans	-	-	-	-
Investments	1	-	6,868	6,869
Other Financial Assets	646	250	-	896
TOTAL	925	326	6,868	8,119
Financial Liabilities				
Trade Payables	142	128	198	468
Subordinated Liabilities	-	-	29,500	29,500
Borrowings	139	1,919	13,585	15,643
Other Financial Liabilities	79,186	457	-	79,643
TOTAL	79,467	2,504	43,283	125,254

Fair value measurement hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Particulars	(Rs. In thousands)					
	As at 31st March 2025			As at 31st March 2024		
	Carrying Amount	Level 1	Level 2	Carrying Amount	Level 1	Level 2
Financial Assets						
At Amortised Cost						
Cash and Cash Equivalents	110	-	-	278	-	-
Other Balances with banks	76	-	-	76	-	-
Trade receivables	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Financial assets	847	-	-	896	-	-
At FVTPL						
Investments	107	1	106	6,869	1	6,868
Financial Liabilities						
At Amortised Cost						
Trade Payables	360	-	-	468	-	-
Borrowings	9,474	-	-	15,643	-	-
Subordinated liabilities	29,500	-	-	29,500	-	-
Other Financial Liabilities	6,505	-	-	79,643	-	-

28.04 Disclosure pursuant to Ind AS 108 "Segment reporting"

The company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting. Therefore the question of making disclosures as required under Ind AS 108 does not arise.

Company does not have any major customer contributing more than 10% of Revenue (including income considered as exceptional items).

28.05 Disclosure with regard to Corporate Social Responsibility as required by Section 135 of Companies Act, 2013

Provisions of CSR is not applicable to the Company considering the fact that the net profit does not exceed Rs. 50,000 thousands.

28.06 Disclosures pursuant to Ind AS 116 "Leases"**The Company as a Lessee:**

Depreciation charge for right of use assets by class of underlying asset: Nil, since there are no Right to Use Assets. However depreciation in respect of Building Lease hold, disclosed vide Note 9 read with note 25.

Interest expense on lease liabilities : Nil, since there are no such liabilities.

Expense relating to short term leases accounted for applying recognition exemptions: Refer Note 26 under the head "Office Rent"

Expenses relating to leases of low value assets accounting for applying recognition exemptions: There are no such leases.

Expenses relating variable lease payments not included in the measurement of lease liabilities: There are no such cases.

Income from subleasing of right to use assets: There are no such cases.

Total cash outflow for leases: Not applicable, since there are no Right to Use Assets.

Cash outflows in respect of short term leases, if any covered under Note 26 of financial statement, as stated above. Cash outflow in respect of such leases within next 12 months Rs. NIL (PY Rs Nil)

Addition to Right to use assets and Carrying amount right of use assets at the end of the reporting period by class of underlying asset : There are no such additions.

Maturity Analysis of Lease Liabilities applying Ind AS 107: Not applicable, since there are no lease liabilities.

Year wise break up of Lease Rent Payables (covered under Ind AS 116) : Not Applicable, since there are no such leases.

Nature of leasing activities: The Company has taken the Building on lease on a short term basis, which has been used in the ordinary course of business.

Other disclosures are required under Ind AS 116 not applicable to the Company.

The Company as a Lessor:

The Company has given the commercial premises under operating leases. The lease rent receivable there on credited to statement of profit and loss account vide Note 21.

The nature of leasing activity carried on by the Company is the giving of commercial premises on operating lease. The management does not foresee any risk associated with any rights in retaining the underlying asset. The lease is supported by lease agreement/MOU and lessee is required to hand over the possession of the property back to the Company on expiry of the lease term. There are no other risk management strategy with regard to the lease.

Year wise breakup of Future Lease Rental Receipts:

Rs . In thousands	
Amount receivable during next	As at 31st March 2025
1 Year	1,830
2 Year	1,542
3 Year	1,437
4 Year	1,192
5 Year	1,256
Total	7,257

28.07 Disclosures relating to employee benefits as per Ind AS 19 "Employee Benefits"**A) Brief description of the plans:**

The Company has two schemes for Long-Term Benefits: Provident Fund and Gratuity. In case of Funded Schemes, the funds are administered through Appropriate Authorities. The Company's Defined Contribution Plan is Employees' Provident Fund (under the provisions of Employee Provident Fund and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to the said fund. The Company is also contributing towards Employee State Insurance Plan as per statutory requirements, wherein the Company has no further obligation beyond making the contributions. The Company's Defined Benefit Plan is Gratuity.

The Company is also providing employee benefit by way of encashment of earned leave. The provision for the same has been made on estimated basis. The amount involved therein is not material, considering the size of the Company. The Company has not opted for actuarial valuation, considering the cost involved and also the concept of materiality.

The Company's defined benefit plan is gratuity.

B) Charge to the Statement of Profit and Loss on account of contributions:

(Rs. In thousands)

Particulars	2024-25	2023-24
Company's contribution to		
i. Provident Fund	7	41
ii. Employee State Insurance Plan	-	-
iii. Leave encashment provision	-	-

C) Disclosures pertaining to Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age. This fund is being maintained by Life Insurance Corporation of India (LIC). The disclosures as required under Ind AS 19 is made below, on the basis of report obtained from LIC.

(Rs. In Thousands)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
a) Changes in defined benefit obligations		
Present value of obligation as at the beginning of the year	518	479
Interest Cost	25	34
Current service cost	7	17
Past service cost	-	-
Remeasurements - Net actuarial (gains)/ losses	(4)	(12)
Benefits paid	(280)	-
Present value of obligation as at the end of the year	266	518
b) Changes in fair value of the plan assets of the gratuity plan		
Plan assets at the beginning of the year	581	539
Interest income	29	39
Contribution by employer	1	-
Benefit paid	(280)	-
Return on plan assets (Excl. interest income)	(6)	3
Fair value of the plan assets at the end of the year	325	581
c) Expenses recognised in the Statement of Profit and Loss		
Interest cost	25	34
Current service cost	7	17
Past service cost	-	-
Total	32	51
d) Remeasurement gains/ (losses) recognised in OCI	-	
Actuarial changes arising from changes in financial assumptions	35	22
Return on plan assets (including interest income)	23	41
Total	58	63
e) Amount recognised in the Balance Sheet		
Present Value of Funded Defined Benefit obligation	266	518
Fair value of plan assets	325	581
Net funded Asset/(Liability)	58	63
f) Actuarial assumptions		
Discount rate	6.53%	7.17%
Salary escalation rate - over a long-term	7.00%	7.00%
Mortality rate	Indian assured lives mortality (2012-14) (Ultimate)	Indian assured lives mortality (2012-14) (Ultimate)

The attrition rate is 3% for the year ended 31st March, 2025 (3% for the year ended 31st March, 2024)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The employees of the Company are assumed to retire at the age of 58 years.

The expected contribution payable to the plan next year is Rs. 7 thousand (Rs.7 thousand).

g) Quantities sensitivity analysis for significant assumption is as below:

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant. The significant actuarial assumptions are discount rate and salary escalation rate.

Particulars	Year ended 31st March, 2025 (Rs. In thousands)	Year ended 31st March, 2024 (Rs. In thousands)
	1% increase	
i. Discount rate	262.04	496.91
ii. Salary escalation rate - over a long term	271.00	540.55
iii. Attrition rate	265.92	516.61
	1% decrease	
i. Discount rate	270.61	540.28
ii. Salary escalation rate - over a long term	261.57	496.30
iii. Attrition rate	266.61	519.35

The sensitivity analysis presented above may not be representative of the actual charge in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as the assumptions may be correlated.

h) Maturity analysis of defined benefit obligation (Payout)

The defined benefit obligation shall mature after 31st March, 2025 as follows

Particulars	Rs. In thousands
Year 1	9.91
Year 2	286.87
Year 3	-
Year 4	-
Year 5	-
Next 5 Years (6-10 Years)	-
Payouts above 10 years	-
Total Expected Payments	296.80

28.08 Financial and Non-Financial Assets

In the opinion of the Board of Directors, the assets listed under the heads Financial Assets & Non-Financial Assets (other than Property Plant and Equipment, Investment Property and Investments) as stated in Note 1 to 10 the Balance Sheet, have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.

(a) List of Related Parties and its Status of Transactions

Sr. No.	Name of the Related Party	Nature of relationship	Whether Related party transactions entered during the year (Yes/No)
1	T Narayana M Pai, Managing Director	Key Managerial Personnel	No
2	T Sanjay Pai, Chief Finance Officer till 30/03/2024	Key Managerial Personnel	Yes
3	Srikara Malliya, Chief Finance Officer from 30/03/2024	Key Managerial Personnel	No
4	Hari Shankar Shukla, Company Secretary	Key Managerial Personnel	Yes
5	B Ashok Pai, Director	Key Managerial Personnel as per Ind As	No
6	Vinoda Sherigar, Woman Director	Key Managerial Personnel as per Ind As	No
7	Hiriadka Mohandas, Director	Key Managerial Personnel as per Ind As	No

(b) Summary of Related party Transactions

Sl No.	Particulars	KMP and their Relatives		Other Related Parties		Total	
		2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
A1	A. Volume of Transactions: Advances received	-	-	-	-	-	-
A2	Salary and Other Allowances	420	673	-	-	420	673
B1	B. Balances at the end of the year: Balance in advances received	-	73,007	-	-	-	73,007
C1	C. Other disclosures: Other Payments to Directors	-	-	12	12	12	12

(c) Disclosure of Related Party Transactions

(Rs. in thousands)			
Sr. No.	Nature of Transactions/Parties	2024-25	2023-24
A1	Advances received during the year		
	<i>T Narayana M Pai, Managing Director</i>	-	-
		-	-
A2	Key Management personnel Compensation:		
	<i>T Sanjay Pai, Chief Finance Officer</i>		
	Short term Employee benefits	-	223
	Post Employment benefits	-	30
	Total	-	253
	<i>Hari Shankar Shukla, Company Secretary</i>		
	Short term Employee benefits	420	420
	Total	420	420
	Grand Total	420	673
B1	Balance in advances received		
	<i>T Narayana M Pai, Managing Director</i>	-	73,007
		-	73,007
C1	Other Payments to Directors		
	<i>Sitting Fees to Independent/non executive directors</i>	12	12
		12	12

28.10 Disclosure pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

A. Liability in respect of damages and others in respect of suits against the Company before various Courts, Consumer Courts etc. (in respect of repayment of deposits/debentures/debts with interest & other costs) amounts to INR 206 thousands (PY INR 382 thousands) as stated in Note 14.01. There are no further amounts payable by the company, therefore the question of creating provision does not arise.

B. No provision made for disputed income tax liability for various years wherever department has preferred an appeal before the Honorable Tribunal, Honorable High Court and Honorable Supreme Court. The question of quantification of liability thereon, does not arise, for the reason that the cases were allowed in favor of the Company, by the lower appellate authorities.

C. The Company, during the FY 2019-20 had received show-cause notice from Registrar of Companies, Karnataka (ROC) with regard to non compliance of appointing Company Secretary i.e violation of section 383A of the Companies Act, 1956 and section 203 of the Companies Act, 2013. The management of the Company has filed an application for seeking composition of offence and office of Regional Director has compounded the offence and ordered the company to pay Penalty and accordingly the company has discharged the liability of penalties under Companies Act, 2013. The show cause notice as aforesaid also refers to certain other matters, including proposal of action for unpaid matured deposits with interest thereon. The Company has made the representation before the Registrar of Companies Karnataka to drop the proposals since in the opinion of the Company, either there are no non compliance or the Company has taken sufficient steps to comply with the observations.

28.11 The Management of the Company is of the opinion that the directors of the Company are not disqualified u/s 164(2) of Companies Act 2013, [in spite of the fact that the Company has stopped repaying matured debentures/debts/deposits and interest thereon as detailed in Note no. 14.01], for the reason that the Company has fully settled undisputed and unclaimed debentures and undisputed and unclaimed subordinated debts along with interest upto maturity by transferring it to the Investor Education and Protection Fund on 29th March 2022. Accordingly, there are no new failures to repay liabilities after the commencement of Companies Act 2013 as contemplated under Section 164(2)(b) of the Companies Act 2013 and therefore the directors of the Company are not disqualified as on 31st March 2025.

28.12 Impairment of Assets**Non financial Assets including Property, Plant and Equipment & Investment Property**

The management of the company is of the opinion that carrying value of assets does not exceed its recoverable value. Further the Company does not have any information whether internal or external, that indicate that impairment loss may have occurred. Considering all these aspects, the company has not impaired any of the non financial assets. This note is to be read along with Note 8.07 to Financial Statements.

Financial Assets**Investments:**

The management of the company is of the opinion that Financial Assets held as Equity Instruments and Preference Shares have not been impaired. The details of amount invested in equity instruments and preference shares are disclosed vide Note no. 5 to Financial statements.

Trade Receivables:

The company has already provided for impairment loss in full towards these Financial assets as per the RBI Prudential norms. The Company is of the opinion that the amount so impaired is appropriate as on the date of the Balance Sheet and accordingly there is no requirement to consider any further impairment towards these financial assets. Trade receivables are impaired under Life Time Expected Credit Loss Method and the details are given vide note. Note 3 and 28.03 to the Financial statements.

Loans:

As per RBI prudential norms company has already provided in full towards loans. Therefore the question of framing further policy in this connection does not arise. Loans are impaired under Life Time Expected Credit Loss Method and the details are given vide note. Note 4 and 28.03 to the Financial statements.

Other Financial Assets:

Other financial assets (other than covered above) consists mainly of Cash & Bank balances and deposits with consumer courts. The Company does not have any information whether internal or external, that indicate that impairment loss may have occurred. Accordingly the company has not impaired any of those financial assets.

28.13 Further Disclosure as required under Ind AS 7 (Statement of Cash Flows) with regard to financing activities (Rs. In thousands)**Current Year:**

Particulars			Opening balance as on 1st April, 2024	Cashflows	Non cash Transaction (Settlement portion as detailed in Note 17.01)	Closing balance as on 31st March, 2025
Unpaid matured deposits			-	-	-	-
Unpaid matured debentures			-	-	-	-
Unpaid subordinated liabilities			-	-	-	-
Proceeds from borrowings			15,643	(6,169)	-	9,474
Total Cash outflow (net) on account of financing activities			15,643	(6,169)	-	9,474

Previous Year:

Particulars			Opening balance as on 1st April, 2023	Cashflows	Non cash Transaction (Settlement portion as detailed in Note 17.01)	Closing balance as on 31st March, 2024
Unpaid matured deposits			-	-	-	-
Unpaid matured debentures			-	-	-	-
Unpaid subordinated liabilities			-	-	-	-
Proceeds from borrowings			12,804	2,839	-	15,643
Total Cash outflow (net) on account of financing activities			12,804	2,839	-	15,643

28.14 The Company has not verified the Property, Plant and Equipment under lease falling under the head "Leased Machineries and Equipment" & "Leased Vehicles and Furniture", considering the fact that the present value of such assets are not material and also considering the cost involved in the aforesaid verification.

28.15 The Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025, subject to the Note 28.14 of financial statement.

28.16 The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2025 and March 31, 2024 except the following:

Item in the Balance Sheet	Description of the property	Gross Carrying Value (Gross Block)	Whether title deed holder is promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipment	Land & Building	INR 2,060.90 thousands	No	28th September, 1995	Pending for registration due to the death of the owner of the property. Necessary formalities are pending with the heirs.

28.17 The Company has not granted loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties.

28.18 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

28.19 The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2025 and March 31, 2024.

- 28.20 Undisclosed Income**
There are no transactions not recorded in the books of accounts.
- 28.21** The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2025 and March 31, 2024.
- 28.22** The Company does not have not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956
- 28.23 Analytical Ratio**
We draw attention to Note 28.01 and Note 14.01. The Company has been incurring substantial losses over the last few years and major portion of its funds are blocked in non-performing assets. The present activity of the Company is restricted to recovery of dues and settling its liabilities. Accordingly,
i. Capital to risk weighted assets ratio (CRAR)
ii. Tier I CRAR
iii. Tier II CRAR are negative and therefore restricted to zero.
Further, the Company has fully repaid public deposits during the year and therefore computing the Liquidity Coverage Ratio is not applicable to the Company.
- 28.24** All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2025 and March 31, 2024. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.
- 28.25** a. The management hereby state that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
• directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
• provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
• directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
• provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries
- 28.26** During the year 2024-25, the Company has earned profit on account of 'sale of unquoted equity shares' and 'recovery of bad debts' as detailed in 'exceptional items' Note no 5.04 and 27 respectively and accordingly, the result of the Company for the aforesaid period is positive. Therefore, this should not be taken as indicator of Company's performance during forthcoming periods. The Company would have incurred loss for the aforesaid periods if the incomes as aforesaid were not earned.
- 28.27** The Ministry of Corporate Affairs (MCA) has issued a notification (Companies (Accounts) Amendment Rules 2021) which is effective from April 01, 2023, states that every company which uses accounting software for maintaining its books of account shall use only the accounting software where there is feature of recording audit trail of each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made and ensuring that audit trail can not be disabled. The Company uses MAGIC software for maintaining books of account, which does not have a feature of recording audit trail (edit log) facility.

28.28 The nature of pending litigations has been disclosed in Note 28.10. However the impact on the financial position of the Company is not ascertainable for the present, for the reasons as mentioned therein

28.29 The Company does not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.

As per our report of even date
For **M/s Sriramulu Naidu & Co**
Chartered Accountants
Firm Registration No. : 008975S

Sd/-
CA Sriramulu Naidu
Partner
Membership No. : 018244
UDIN:25018244BMGETZ6698
Manipal
30-May-25

Sd/-
T. Narayan M Pai
Managing Director
DIN: 00101633

Sd/-
Srikara Mallya
Chief Finance Officer

Manipal
30-May-25

Sd/-
Vinoda Sherigar
Director
DIN: 07224755

Sd/-
Hari Shankar Shukla
Company Secretary
M. No. : A67963

Manipal
30-May-25

Schedule to the
Balance Sheet of a Non-Banking Financial Company
(as required in terms of Paragraph 9BB of
Non Banking Financial Companies Prudential Norms(Reserve Bank) Directions, 1998
Manipal Finance Corporationn Ltd, Manipal
As on 31st March, 2025

(Rs in lakhs)

Particulars			
	<u>Liabilities side:</u>	Amount outstanding	Amount Overdue
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid		
	(a) Debentures: Secured	0	0
	: Unsecured	0	0
	(other than falling within the meaning of public deposits)		
	(b) Deferred Credits	0	0
	(c) Term Loans	0	0
	(d) Inter-corporate loans and borrowing	0	0
	(e) Commercial Paper		
	(f) Public Deposits	0	0
	(g) Other Loans (subordinated debts, working capital loans)	0	0
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
	(a) In the form of Unsecured debentures	0	0
	(b) In the form of partly secured debentures I. E. debentures where there is a shortfall in the value of security	0	0
	(c) Other public deposits	0	0
	<u>Assets side:</u>	Amount outstanding (before provisions)	
(3)	Break up of Loans and Advances including bills receivables (other than those included in (4) below):		
	(a) Secured		0
	(b) Unsecured (including debtors)		2,036
(4)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease		0
	(b) Operating lease		0
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		19
	(b) Repossessed Assets		0
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed		0
	(b) Loans other than (a) above		0
(5)	<u>Break-up of Investments:</u>		
	<u>Current Investments:(Stock in trade considered)</u>		
	1. <u>Quoted:</u>		
	(i) Shares: (a) Equity (Rs 1000)		0
	(b) Preference		0
	(ii) Debentures and Bonds		0
	(iii) Units of mutual Bonds - ICICI Prudential Plan		0
	(iv) Government Securities		0
	(v) Others (please specify)		0

2. <u>Unquoted (Stock in trade considered)</u>			
(i) Shares: (a) Equity			0
(b) Preference			0
(ii) Debentures and Bonds			0
(iii) Units of mutual Bonds			0
(iv) Government Securities			0
(v) Others (please specify)			0
<u>Long Term Investments:</u>			
1. <u>Quoted:</u>			
(i) Shares: (a) Equity			0
(b) Preference			0
(ii) Debentures and Bonds			0
(iii) Units of mutual Bonds			0
(iv) Government Securities			0
(v) Others (please specify)			0
2. <u>Unquoted:</u>			
(i) Shares: (a) Equity			0
(b) Preference			0
(ii) Debentures and Bonds			0
(iii) Units of mutual Bonds			0
(iv) Government Securities			0
(v) Others (please specify) - IDBI BONDS			0
Interest accrued on Investments			0
Fixed deposit with Nationalised Banks			0

(6) Borrower group-wise classification of all leased assets, stock on hire and loans and advances:				
Category	Amount net of provisions			
	Secured	Unsecured	Total	
	1. Related Parties			
	(a) Subsidiaries	0	0	0
	(b) Companies in the same group	0	0	0
	(c) Other related parties	0	0	0
	2. Other than related parties (*)	0	0	0
	Total	0	0	0

(7) securities (both quoted and unquoted):			
Category	Market Value/ Break up or fair value of NAV	Book Value (net of provision)	
1. Related Parties			
(a) Subsidiaries	0		0
(b) Companies in the same group	0		0
(c) Other related parties	0		0
2. Other than related parties	0		1
Total	0		1

(8) Other Information			
Particulars			Amount
(I) Gross Non - Performing Assets		NIL	0
(a) Related Parties		NIL	0
(b) Other than related parties		NIL	(2, 116)
(ii) Net Non - Performing Assets		NIL	0
(a) Related Parties		NIL	0
(b) Other than related parties		NIL	0
(iii) Assets acquired in satisfaction of debt		NIL	