

Kiran Vyapar Ltd  
Credit Risk Stress Test - on Capital Adequacy  
Example - (Data as per 31st March 2024)

|  |             | Normal situation |           | Stress situation |           | Rs.Lacs   |
|--|-------------|------------------|-----------|------------------|-----------|-----------|
| On Balance items   | Risk weight | Exposure         | RWA       | Extent of down-  | Exposure  | RWA       |
|  |             |                  |           | grade (%)        |           |           |
| Cash & Cash equivalent   | -           | 818.01           | -         | -                | 818.01    | -         |
| Investment in Group Cos (adjusted for CRAR Calculation)          | -           | 10,618.28        | -         | -                | 10,618.28 | -         |
| Investment in External Cos (adjusted for CRAR Calculation)       | 100         | 57,774.95        | 57,774.95 | 100              | 57,774.95 | 57,774.95 |
| Loans & Advances in Group Cos (adjusted for CRAR Calculation)    | -           | 7,565.00         | -         | -                | 7,565.00  | -         |
| Loans & Advances in External Cos (adjusted for CRAR Calculation) | 100         | 3,674.73         | 3,674.73  | 100              | 3,674.73  | 3,674.73  |
| Fixed Assets   | 100         | 42.56            | 42.56     | 100              | 42.56     | 42.56     |
| Advance Tax Paid   | -           | 346.30           | -         | -                | 346.30    | -         |
| Others   | 100         | 696.85           | 696.85    | 100              | 696.85    | 696.85    |
|  | (A)         | 81,536.68        | 62,189.09 |                  | 81,536.68 | 62,189.09 |
| Off Balance items  |             |                  |           |                  |           |           |
| Partly Paid up shares-Commitment due in Venture Capital Fund     | 100         | 6,471.66         | 6,471.66  | 100              | 6,471.66  | 6,471.66  |
| Other Contingent Liability-Income Tax                            | 50          | 2,149.03         | 1,074.52  | 100              | 2,149.03  | 2,149.03  |
|  | (B)         | 8,620.69         | 7,546.18  |                  | 8,620.69  | 8,620.69  |
| Total Risk Weighted Asset (A+B)                                  |             |                  | 69,735.27 |                  |           | 70,809.78 |
| Tier I-Capital Fund (Net Owned Fund )                            |             |                  | 56,160.27 |                  |           | 56,160.27 |
| Tier II-Capital Fund   |             |                  | 91.20     |                  |           | 91.20     |
| Total-Capital Fund   |             |                  | 56,251.47 |                  |           | 56,251.47 |
| CRAR   |             |                  | 80.66%    |                  |           | 79.44%    |



**Kiran Vyapar Ltd**

**Credit Risk Stress Test - on Profitability**

Example A: The regulatory provisioning requirement under a stress situation is assumed as 1% for all Standard; 25% for Sub-standard and 100% for all Doubtful categories.

| Rs. in Lacs  |                  |                          |               |                                  |               |
|--|------------------|--------------------------|---------------|----------------------------------|---------------|
| Asset Classification   | Exposure         | Normal situation         |               | Stress situation                 |               |
|  |                  | Rate of Provisioning (%) | Provision     | Revised rate of provisioning (%) | Provision     |
| Standard Assets  | 11,261.64        | 0.40                     | 45.05         | 1.00                             | 112.62        |
| Sub-Standard Assets  | 1.06             | 10.00                    | 0.11          | 25.00                            | 0.27          |
| Doubtful & Loss Assets   | 68.24            | 100.00                   | 68.24         | 100.00                           | 68.24         |
| <b>Total</b>   | <b>11,330.94</b> |                          | <b>113.39</b> |                                  | <b>181.12</b> |
| <b>Details</b>   |                  |                          |               |                                  |               |
|  |                  | Normal situation         |               | Stress situation                 |               |
| Annual Profit (Provisional Total Comprehensive Income for the year ended 31st March of Financial Year 2023-24) |                  |                          | 15,003.82     |                                  |               |
| Additional Provisions  |                  |                          |               |                                  | 67.73         |
| Revised Annual Profit under Stress Situation   |                  |                          |               |                                  | 14,936.09     |
| Impact on profits (%)  |                  |                          |               |                                  | -0.45%        |
| ROA  |                  |                          | 132.41%       |                                  | 131.82%       |
| Total-Capital Fund   | 56,251.47        |                          |               | 56,183.74                        |               |
| RWA  | 69,735.27        |                          |               | 69,667.54                        |               |
| CRAR   | 80.66            |                          |               | 80.65                            |               |



Example B: The downgrade from Standard to NPA (sub standard) is assumed to be 10% and the provisioning requirements under stress situation are assumed as 25% for Sub-Standard Assets & other as per example A above:

| Asset Classification   | Normal situation |                          |           | Stress situation |                                  |           |
|------------------------|------------------|--------------------------|-----------|------------------|----------------------------------|-----------|
|                        | Exposure         | Rate of Provisioning (%) | Provision | Exposure         | Revised rate of provisioning (%) | Provision |
| Standard Assets        | 11,261.64        | 0.40                     | 45.05     | 10,135.48        | 1.00                             | 101.35    |
| Sub-Standard Assets    | 1.06             | 10.00                    | 0.11      | 1,127.22         | 25.00                            | 281.81    |
| Doubtful & Loss Assets | 68.24            | 100.00                   | 68.24     | 68.24            | 100.00                           | 68.24     |
| Total                  | 11,330.94        |                          | 113.39    | 11,330.94        |                                  | 451.40    |

| Details  |           | Normal situation | Stress situation |
|--|-----------|------------------|------------------|
| Annual Profit (Provisional Total Comprehensive Income for the year ended 31st March of Financial Year 2023-24) |           | 15,003.82        |                  |
| Additional Provisions  |           |                  | 338.01           |
| Revised Annual Profit under Stress Situation   |           |                  | 14,665.81        |
| Impact on profits (%)  |           |                  | -2.25%           |
| ROA  |           | 132.41%          | 129.43%          |
| Total-Capital Fund   | 56,251.47 |                  | 55,913.46        |
| RWA  | 69,735.27 |                  | 69,397.26        |
| CRAR   | 80.66     |                  | 80.57            |



Kiran Vyapar Ltd

Interest Rate Risk Stress Test

(in Lacs)

The following illustrations indicate a few methods of application of stress tests to assess the impact of interest rate risk from the earnings perspective.

| Time buckets   | 1-7 days  | 8-14 days | 15-30/31 days | > 1 to 3 Months | > 3 to 6 Months | > 6 mths to 1 year | > 1 to 3 yrs | > 3 to 5 yrs | > 5 yrs | TOTAL       |
|--|-----------|-----------|---------------|-----------------|-----------------|--------------------|--------------|--------------|---------|-------------|
| Rate sensitive assets (RSA) – Value  | 10,658.00 | -         | 155.27        | 150.00          | 150.00          | 148.27             | -            | -            | 0.10    | 11,261.64   |
| Rate sensitive liabilities (RSL) – Value   | 6,905.00  | -         | -             | -               | -               | -                  | -            | -            | -       | 6,905.00    |
| Gap (RSA-RSL)  | 3,753.00  | -         | 155.27        | 150.00          | 150.00          | 148.27             | -            | -            | 0.10    | 4,356.64    |
| Annual Profit (Provisional Total Comprehensive Income for the year ended 31st March of Financial Year 2023-24) |           |           |               |                 |                 |                    |              |              |         | = 15,003.82 |
| Scenario A : When interest rates increase by 1% across all time buckets both for assets and liabilities        |           |           |               |                 |                 |                    |              |              |         |             |
| Time buckets   | 1-7 days  | 8-14 days | 15-30/31 days | > 1 to 3 Months | > 3 to 6 Months | > 6 mths to 1 year | > 1 to 3 yrs | > 3 to 5 yrs | > 5 yrs | TOTAL       |
| Rate sensitive assets (RSA) – Value  | 10,658.00 | -         | 155.27        | 150.00          | 150.00          | 148.27             | -            | -            | 0.10    | 11,261.64   |
| Rate sensitive liabilities (RSL) – Value   | 6,905.00  | -         | -             | -               | -               | -                  | -            | -            | -       | 6,905.00    |
| Gap (RSA-RSL)  | 3,753.00  | -         | 155.27        | 150.00          | 150.00          | 148.27             | -            | -            | 0.10    | 4,356.64    |
| Interest On RSA  | 106.58    | -         | 1.55          | 1.50            | 1.50            | 1.48               | -            | -            | 0.00    | 112.62      |
| Interest On RSL  | (69.05)   | -         | -             | -               | -               | -                  | -            | -            | -       | (69.05)     |
| Impact on NII  | 37.53     | -         | 1.55          | 1.50            | 1.50            | 1.48               | -            | -            | 0.00    | 43.57       |
| Impact on profit   |           |           |               |                 |                 |                    |              |              |         | 0.29%       |
| Scenario B : When interest rates decrease by 1% across all time buckets both for assets and liabilities        |           |           |               |                 |                 |                    |              |              |         |             |
| Time buckets   | 1-7 days  | 8-14 days | 15-30/31 days | > 1 to 3 Months | > 3 to 6 Months | > 6 mths to 1 year | > 1 to 3 yrs | > 3 to 5 yrs | > 5 yrs | TOTAL       |
| Rate sensitive assets (RSA) – Value  | 10,658.00 | -         | 155.27        | 150.00          | 150.00          | 148.27             | -            | -            | 0.10    | 11,261.64   |
| Rate sensitive liabilities (RSL) – Value   | 6,905.00  | -         | -             | -               | -               | -                  | -            | -            | -       | 6,905.00    |



|                  |          |   |        |        |        |        |   |   |        |          |
|------------------|----------|---|--------|--------|--------|--------|---|---|--------|----------|
| Gap (RSA-RSL)    | 3,753.00 | - | 155.27 | 150.00 | 150.00 | 148.27 | - | - | 0.10   | 4,356.64 |
| Interest On RSA  | (106.58) | - | (1.55) | (1.50) | (1.50) | (1.48) | - | - | (0.00) | (112.62) |
| Interest On RSL  | 69.05    | - | -      | -      | -      | -      | - | - | -      | 69.05    |
| Impact on NII    | (37.53)  | - | (1.55) | (1.50) | (1.50) | (1.48) | - | - | (0.00) | (43.57)  |
| Impact on profit |          |   |        |        |        |        |   |   |        | -0.29%   |

Scenario C : When interest rates increase by 1% for time buckets up to one year and decrease by 1% for time buckets beyond one year both for assets and liabilities

| Time buckets                             | 1-7 days  | 8-14 days | 15-30/31 days | > 1 to 3 Months | > 3 to 6 Months | > 6 mths to 1 year | > 1 to 3 yrs | > 3 to 5 yrs | > 5 yrs | TOTAL     |
|--|-----------|-----------|---------------|-----------------|-----------------|--------------------|--------------|--------------|---------|-----------|
| Rate sensitive assets (RSA) – Value      | 10,658.00 | -         | 155.27        | 150.00          | 150.00          | 148.27             | -            | -            | 0.10    | 11,261.64 |
| Rate sensitive liabilities (RSL) – Value | 6,905.00  | -         | -             | -               | -               | -                  | -            | -            | -       | 6,905.00  |
| Gap (RSA-RSL)                            | 3,753.00  | -         | 155.27        | 150.00          | 150.00          | 148.27             | -            | -            | 0.10    | 4,356.64  |
| Interest On RSA                          | 106.58    | -         | 1.55          | 1.50            | 1.50            | 1.48               | -            | -            | (0.00)  | 112.61    |
| Interest On RSL                          | (69.05)   | -         | -             | -               | -               | -                  | -            | -            | -       | (69.05)   |
| Impact on NII                            | 37.53     | -         | 1.55          | 1.50            | 1.50            | 1.48               | -            | -            | -0.00   | 43.56     |
| Impact on profit                         |           |           |               |                 |                 |                    |              |              |         | 0.29%     |

Remarks: Where all assets and liabilities are linked to floating interest rates, any change in the interest rates would normally impact the interest rates pertaining to those assets and liabilities which are due for maturity/ re-pricing within the time horizon over which the stress is envisaged. Interest rate risk is a type of systematic risk that particularly affects fixed rate debt instruments like bonds and debentures. The value of the fixed-rate debt instruments generally decline due to rise in interest rates and vice versa. The rationale is that a bond is a promise of a future stream of payments; an investor will offer less for a bond that pays-out at a rate lower than the rates offered in the current market. A rising interest rate scenario also affects the Company's interest expenditure on borrowed funds. The Company monitors the interest rate scenarios on a regular basis and accordingly takes investments decisions as whether to invest in fixed rate debt instruments, shares and securities at a particular point of time. Further, the Company's borrowings are short-term in nature and carry a fixed rate of interest and the company is in a position to pass on the rise in interest rates to its borrowers.



|  |                  |                                      |
|--|------------------|--------------------------------------|
| Kiran Vyapar Ltd   |                  |                                      |
| Equity Price Risk Stress Test  |                  | (in Lacs)                            |
| <p>Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in equity instruments, bonds, mutual funds etc. The Company is exposed to price risk arising mainly from investments carried at fair value through FVTPL or FVOCI which are valued using quoted prices in active markets (level 1 investments). A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:-</p> |                  |                                      |
| Particulars  |                  | Carrying value as at 31st March 2024 |
| Investments carried at FVTPL or FVOCI valued using quoted prices in active market (i.e Quoted Equity & MF)   |                  | 30,199.07                            |
| Analysis on total comprehensive income upon fluctuation of market prices   |                  | Impact on total comprehensive income |
| Increase by 10%  |                  | 3,019.91                             |
| Decrease by 10%  |                  | (3,019.91)                           |
| Details  | Normal situation | Stress situation                     |
| Annual Profit (Provisional Total Comprehensive Income for the year ended 31st March of Financial Year 2023-24)   | 15,003.82        |                                      |
| Impact of negative fluctuation of market prices  |                  | 3,019.91                             |
| Revised Annual Profit under Stress Situation   |                  | 11,983.91                            |
| Impact on profits (%)  |                  | -20.13%                              |
| Total-Capital Fund   | 56,251.47        | 53,231.56                            |
| RWA  | 69,735.27        | 66,715.36                            |
| CRAR   | 80.66            | 79.79                                |



Kiran Vyapar Ltd  
Liquidity Risk Stress Test

(in Lacs)

|   | 1-7 days         | 8-14 days        | 15-30/31 days    | > 1 to 3 Months  | > 3 to 6 Months  | > 6 mths to 1 year | > 1 to 3 yrs     | > 3 to 5 yrs     | > 5 yrs            | TOTAL              |
|---|------------------|------------------|------------------|------------------|------------------|--------------------|------------------|------------------|--------------------|--------------------|
| <b>Normal</b>                               |                  |                  |                  |                  |                  |                    |                  |                  |                    |                    |
| <b>Assets/Inflows:-</b>                     |                  |                  |                  |                  |                  |                    |                  |                  |                    |                    |
| Cash & Cash Equivalent                      | 818.01           | -                | -                | -                | -                | -                  | -                | -                | -                  | 818.01             |
| Investment in Listed Equity                 | 20,386.38        | -                | -                | -                | -                | -                  | -                | -                | 2,872.34           | 23,258.72          |
| Investment in Mutual Fund                   | 6,940.35         | -                | -                | -                | -                | -                  | -                | -                | -                  | 6,940.35           |
| Investment in Others                        | 2,665.00         | -                | 584.76           | -                | -                | -                  | -                | -                | 39,721.26          | 42,971.02          |
| Investment in Venture Capital Fund          | -                | -                | -                | -                | -                | -                  | -                | -                | 32,782.44          | 32,782.44          |
| Advances Through Regular Payment Schedule   | -                | -                | 155.27           | 150.00           | 150.00           | 148.27             | -                | -                | -                  | 603.54             |
| Advances Through Bullet Payment             | 10,658.00        | -                | -                | -                | -                | -                  | -                | -                | 0.10               | 10,658.10          |
| Other Assets                                | 696.88           | -                | -                | -                | -                | -                  | -                | 1.06             | 110.80             | 808.74             |
| <b>Total Assets</b>                         | <b>42,164.62</b> | <b>-</b>         | <b>740.03</b>    | <b>150.00</b>    | <b>150.00</b>    | <b>148.27</b>      | <b>-</b>         | <b>1.06</b>      | <b>75,486.94</b>   | <b>1,18,840.92</b> |
| Loans from Related Parties (including ICDs) | 6,905.00         | -                | -                | -                | -                | -                  | -                | -                | -                  | 6,905.00           |
| Other Liabilities                           | 110.12           | -                | -                | -                | -                | -                  | -                | -                | 1,11,825.80        | 1,11,935.92        |
| <b>Total Liability</b>                      | <b>7,015.12</b>  | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>           | <b>-</b>         | <b>-</b>         | <b>1,11,825.80</b> | <b>1,18,840.92</b> |
| Gap   | 35,149.50        | -                | 740.03           | 150.00           | 150.00           | 148.27             | -                | 1.06             | (36,338.86)        | -                  |
| <b>Cumulative Gap</b>                       | <b>35,149.50</b> | <b>35,149.50</b> | <b>35,889.53</b> | <b>36,039.53</b> | <b>36,189.53</b> | <b>36,337.80</b>   | <b>36,337.80</b> | <b>36,338.86</b> | <b>-</b>           | <b>-</b>           |
| <b>Stress</b>                               |                  |                  |                  |                  |                  |                    |                  |                  |                    |                    |
| <b>Assets/Inflows:-</b>                     |                  |                  |                  |                  |                  |                    |                  |                  |                    |                    |
| Cash & Cash Equivalent                      | 818.01           | -                | -                | -                | -                | -                  | -                | -                | -                  | 818.01             |
| Investment in Listed Equity                 | 20,386.38        | -                | -                | -                | -                | -                  | -                | -                | 2,872.34           | 23,258.72          |
| Investment in Mutual Fund                   | 6,940.35         | -                | -                | -                | -                | -                  | -                | -                | -                  | 6,940.35           |
| Investment in Others                        | 2,665.00         | -                | 584.76           | -                | -                | -                  | -                | -                | 39,721.26          | 42,971.02          |
| Investment in Venture Capital Fund          | -                | -                | -                | -                | -                | -                  | -                | -                | 32,782.44          | 32,782.44          |
| Advances Through Regular Payment Schedule   | -                | -                | 77.64            | 75.00            | 302.64           | 148.27             | -                | -                | -                  | 603.54             |
| Advances Through Bullet Payment             | 5,329.00         | -                | -                | -                | 5,329.00         | -                  | -                | -                | 0.10               | 10,658.10          |
| Other Assets                                | 696.88           | -                | -                | -                | -                | -                  | -                | 1.06             | 110.80             | 808.74             |



|   |           |           |           |           |                                |           |           |           |             |             |
|---|-----------|-----------|-----------|-----------|--------------------------------|-----------|-----------|-----------|-------------|-------------|
|   |           |           |           |           |                                |           |           |           |             | -           |
| Total Assets  | 36,835.62 | -         | 662.40    | 75.00     | 5,631.64                       | 148.27    | -         | 1.06      | 75,486.94   | 1,18,840.92 |
| Loans from Related Parties (including ICDs)   | 6,905.00  | -         | -         | -         | -                              | -         | -         | -         | -           | 6,905.00    |
| Other Liabilities   | 110.12    | -         | -         | -         | -                              | -         | -         | -         | 1,11,825.80 | 1,11,935.92 |
| Total Liability   | 7,015.12  | -         | -         | -         | -                              | -         | -         | -         | 1,11,825.80 | 1,18,840.92 |
| Gap   | 29,820.50 | -         | 662.40    | 75.00     | 5,631.64                       | 148.27    | -         | 1.06      | -36,338.86  | -           |
| Cumulative Gap  | 29,820.50 | 29,820.50 | 30,482.90 | 30,557.90 | 36,189.53                      | 36,337.80 | 36,337.80 | 36,338.86 | -           | -           |
| <b>Assumptions :-</b>   |           |           |           |           |                                |           |           |           |             |             |
| 1. The stress scenario is expected to last three months   |           |           |           |           |                                |           |           |           |             |             |
| 2. Advances Through Regular Payment Schedule:- 50% of Repayment scheduled to receive within 3 months delayed and received in 3 to 6 Months bucket |           |           |           |           |                                |           |           |           |             |             |
| 3. Advances Through Bullet Payment:- 50% of Repayment scheduled to receive within 3 months delayed and received in 3 to 6 Months bucket           |           |           |           |           |                                |           |           |           |             |             |
| <b>Impact of stress on liquidity</b>  |           |           |           |           |                                |           |           |           |             |             |
| Since, there is no cumulative mismatch of liability over assets, there is no stress on liquidity  |           |           |           |           | Loss on delayed receivable     |           | -         |           |             |             |
|   |           |           |           |           | Loss on sale of assets, if any |           | -         |           |             |             |
|   |           |           |           |           | Total cost                     |           | -         |           |             |             |
|   |           |           |           |           |                                |           |           |           |             |             |

Remarks :-The Company maintains a well-diversified portfolio of investments in shares and securities which are saleable at any given point of time. A dedicated team of market experts are monitoring the markets on a continuous basis, which advises the management for timely purchase or sale of securities. The Company is currently having a mix of both short-term and long-term investments. The management ensures to manage it's cash flows and asset liability patterns to ensure that the financial obligations are satisfied in timely manner.

