LAXMI INDIA FINANCE PRIVATE LIMITED
(Formerly known as Laxmi India Finleasecap Private Limited)

ANNUAL REPORT
FINANCIAL YEAR- 2023-2024

(Sapne Dekho, Bade Dekho, Hamare Saath Unhe Pura Hote Dekho)

CORPORATE INFORMATION AS ON MARCH 31, 2024

BOARD OF DIRECTORS

MR. DEEPAK BAID	DIN: 03373264	MANAGING DIRECTOR
MRS. ANEESHA BAID	DIN:07117678	WHOLE TIMEDIRECTOR
MRS. PREM DEVI BAID	DIN:00774922	WHOLE TIMEDIRECTOR
MR. SURENDRA MEHTA	DIN:00298751	INDEPENDENT DIRECTOR
MR. KISHORE KUMAR SANSI*	DIN:07183950	INDEPENDENT DIRECTOR
MR. ANIL BALKRISHNA PATWARDHAN	DIN:09441268	INDEPENDENT DIRECTOR
MR. YADUVENDRA MATHUR *	DIN: 00307650	INDEPENDENT DIRECTOR

**** Mr. Kishore Kumar Sansi resigned from his position as Independent Director effective May 06, 2024. Additionally, Mr. Yaduvendra Mathur is no longer associated with the company due to his passing on May 04, 2024***

KEY MANAGERIAL PERSONNEL

MR. PIYUSH SOMANI (Upto 01.03.2024)	CHIEF FINANCIAL OFFICER
MR.GOPAL KRISHAN SAIN (w.e.f 01.03.2024)	CHIEF FINANCIAL OFFICER
MR. GAJENDRA SINGH SHEKHAWAT (Upto 21.10.2023)	COMPANY SECRETARY& COMPLIANCE OFFICER
MR. SOURABH MISHRA (w.e.f 05.12.2023)	COMPANY SECRETARY& COMPLIANCE OFFICER

AUDITORS

STATUTORY AUDITORS

M/S A. BAFNA & CO.
CHARTERED ACCOUNTANTS
K-2, Raj Apartments, KeshavPath, Near
Ahinsa Circle, C-Scheme, Jaipur-302001,
Rajasthan
Tel. No.: 0141-2372572, 2375212, 2373873
E-Mail-vivekguptafca@gmail.com

INTERNAL AUDITOR

MR. AMIT SAINI
CHARTERED ACCOUNTANT

SECRETARIAL AUDITORS

M/S V. M. & ASSOCIATES
COMPANY SECRETARIES
403, Royal World, Sansar Chandra Road Jaipur,
Rajasthan 302001Tel. - 0141-4075010;
E-Mail: cs.vmanda@gmail.com

REGISTERED OFFICE

2, DFL, Gopinath Marg, MI Road, Jaipur – 302001
Website: www.lifc.co.in
E-mail ID: cs@lifc.in
Phone: +91-141-4031166

BANKS & FINANCIAL INSTITUTIONS

NBFC:
AK Capital Finance Limited
Bajaj Finance Limited
Capital India Finance Limited
Cholamandalam Investment and Finance Company Limited
Electronica Finance Limited
Hinduja Leyland Finance Limited
IKF Finance Limited
Maanaveeya Development & Finance Private Limited

Mas Financial Services Limited
Manappuram Finance
Muthoot Capital Services Limited
Nabkisan Finance Limited
Nabsamruddhi Finance Limited
Northern Arc Capital Limited
Shriram Transport Finance Company Limited
Vivriti Capital Private Limited
Tata Capital Financial Services Limited
Sundaram Finance Limited

Private Bank and Small Finance Bank:
Bandhan Bank Limited
Dhanlaxmi Bank Limited
Federal Bank Ltd
IDFC First Bank Limited
Kotak Mahindra Bank Limited
CSB Bank Limited
State Bank of Mauritius (SBM Bank)
DCB Bank
AU Small Finance Bank
ESAF Small Finance Bank
Suryoday Small Finance Bank
Utkarsh Small Finance Bank
Capital Small Finance Bank

Public Sector Bank:
State Bank of India
Indian Overseas Bank
UCO Bank
Indian Bank
Union Bank
Canara Bank
IDBI Bank Limited

Financial Institutions:
Small Industries Development Bank of India
STCI Finance Limited

DEBENTURE TRUSTEE	IDBI TRUSTEESHIP SERVICES LIMITED Asian Building. Ground Floor, 17, R. Kaman Marg, Ballard Estate, Mumbai-40000 Maharashtra E-mail ID: csvishy@idbitrustee.com
REGISTRAR & SECURITIES TRANSFER AGENT	CDSL VENTURES LIMITED I-202 Deck Level, Tower No. 4 2nd Floor, Above Belapur Railway Station BelapurNavi Mumbai-400614, Maharashtra Website- https://www.cvlindia.com/.com Phone No. 022-61216931
CORPORATE IDENTIFICATION NUMBER	U65929RJ1996PTC073074

BOARD'S REPORT

To,
The Members,
Laxmi India Finance Private Limited
(Formerly Known as Laxmi India Finleasecap Private Limited)

Your Board of Directors **("Board")** are pleased to present the 27th (Twenty Seventh) Board Report of the business and operations of Laxmi India Finance Private Limited **("the Company** or **Laxmi India** or **LIFPL")** covering the business and key operational highlights of your Company together with the Audited Financial Statements and Independent Auditor's Report for the financial year ended March 31, 2024.

1. FINANCIAL SUMMARY AND HIGHLIGHTS/STATE OF COMPANY'S AFFAIR

The Company's financial performance for the Financial Year ended **March 31, 2024** and corresponding figures of FY ended **March 31, 2023** are summarized in the following table:

(Amount in Lakhs except per share data)

PARTICULARS	Year ended 31st March, 2024	Year ended 31st March, 2023
Total Revenue	17,622.23	12,949.86
Total Expenditure (**excluding Finance Cost & Depreciation)**	6,075.42	4,461.86
Profit Before Finance Cost & Depreciation	**11,546.81**	**8,488.00**
Less: Finance Cost	8,454.70	6,388.08
Less: Depreciation	158.35	111.42
Profit Before Tax	**2,933.76**	**1,988.50**
Total Tax Expenses (Current & Deferred)	702.02	449.34
Profit After Taxation	**2,231.74**	**1,539.16**
Other Comprehensive Income (Net of Tax)	15.23	5.76
Total Comprehensive Income for the period	**2,246.97**	**1,544.92**
APPROPRIATION :-		
Dividend on Equity Shares	-	-
Dividend on Preference Shares	-	-
Tax on Dividend	-	-
Transfer to General Reserve	-	-
Transfer to Statutory Reserve Fund	449.39	308.98
EPS:-		
Basic	12.11	9.67
Diluted	11.24	9.67

KEY INDICATORS

- Gross income for the year increased by 36.08% to Rs. 17,622.23 Lakhs as compared to Rs. 12,949.86 Lakhs in 2022-23.
- Profit before tax for the year is Rs. 2,933.76Lakhs as compared to Rs. 1,988.50 Lakhs in 2022-23, showing a significant growth of 47.53%.
- Profit after tax for the year is Rs. 2,231.74 Lakhs as compared to Rs. 1,539.16 Lakhs in 2022-23, showing a significant growth of 44.99%.

2. CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of business of the Company.

3. DIVIDEND

For expansion of business and for general corporate requirement, the Board of Directors of your Company has decided that it would be prudent, not to recommend any dividend for the year under review.

4. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiary, associate or joint ventures Companies within the meaning of section 2(87) and 2(6) of the Companies Act, 2013, so the requirement of disclosure as per Rule 8(1) of the Companies (Accounts) Rules 2014 is not applicable on the Company.

5. TRANSFER TO RESERVES

Since, the Company is a Non- Banking Financial Company registered with Reserve Bank of India (RBI), therefore, as per requirement of section 45-IC of the RBI Act, 1934, every Non-Banking Financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

Therefore, the Company has transferred **Rs.449.39Lakhs** in the statutory reserves fund i.e aggregating to 20 % of its net profit for the Financial Year 2023-24 Further, your Board of Directors does not propose to transfer any amount to general reserves of the Company.

6. OPERATIONAL HIGHLIGHTS

a. Disbursement

The Company offers a wide range of MSME Loans (Loan Against Property-backed up with registered mortgage of property), Auto Loans (Used car loans, Commercial Vehicle Loans, Tractor Loan and Two Wheeler Loans), Business Loans (MSME) and Personal Loans. Disbursement in Financial Year 2023-24 aggregated to **Rs. 52,500 Lakhs** as compared to **Rs. 34,330.69 Lakhs** in Financial Year 2022-23.

b. Assets Under Management (AUM)

During the period under review, the AUM of the Company stood at **Rs. 96,100 Lakhs** as on March 31, 2024 against **Rs. 68,677 Lakhs** as on March 31, 2023.

c. Performance review

Laxmi India is emerging as the leading Financing Solutions provider and a one-step for customer providing a suite of financing and leasing solutions across varied assets. Laxmi India aspires to scale up the business through strategic initiatives and leveraging a strong foothold in the Commercial Finance Business. The Commercial Finance Business is committed to being a complete financial solutions partner to its customers, through high quality service and innovative products, which provide value to its customers.

Going forward, Laxmi India plans to grow its MSME business as well as a continued focus on Commercial Vehicle, Light Commercial Vehicle and Two Wheeler Loans. Additionally, it continues to focus on high NIM (Net Interest Margin) products, increase customer acquisition, especially through expanding its customer Durables Loans business, balancing its product mix, ramping up fee based income, optimizing operating costs and improving collection efficiency for further enhancing its profitability. Laxmi India also plans to leverage analytics capabilities to explore opportunities in the market and offer unique products and solutions to new as well as existing customers. There are plans to automate several processes to ensure Quick Turnaround.

While fulfilling our mission of Financial Inclusion, your Company has also built a deep knowledge of customers with micro-data points ranging from income, payment behaviors, socio-economic status and other indirect data. The Company is successfully mining this data by building a powerful analytics models extended through digital platforms for customer acquisition, collections, NPA management, customer engagement, forecasting business trend, etc.

During the year, your Company further expanded its geographical presence by reaching out to untapped villages and increased its footprints by opening new branches and making it more accessible to its customers.

The Company's total income grew by **36.08% to Rs. 17,622.23 Lakhs from Rs. 12,949.86 Lakhs during the reporting period.** Judicious pricing decisions coupled with alterations in the product mix designed to provide the optimum risk benefit led to increase in yields during Financial Year 2023-24.

d. Other Material Events

During the year, all the listed Non-Convertible Debentures (NCDs) of the company were delisted.

7. RESOURCE MIX

- **Borrowings**

The Company has diversified funding sources from Public Sector Banks, Private Sector Banks, and Financial Institutions etc. Funds were raised in line with Company's Resource Planning Policy through Term Loans. The details of funds raised during the year are as below:

S. No.	Borrowings / Security Type	Credit Rating	Amount Raised (In Lakhs)
1.	Term Loan from Banks and Financial Institutions (including overdraft)	A-(Stable) (Acuite)	41,530.00
2.	Assignment	Unrated	5,769.75

No Interest payment or principle repayment of the Term Loans was due and unpaid as on March 31, 2024. The assets of the company which are available by way of security are sufficient to discharge the claims of the banks and debenture holders as and when they become due.

- **Securitization/Assignment**

During the year, your company had assigned a loan portfolio having a total principal amount of **Rs. 6,411 Lakhs** under Direct Assignment route. In previous year, the company had assigned a loan portfolio having a total principal amount of **Rs. 5,317 Lakhs** under Direct Assignment route.

- **Debt to Equity ratio (Leverage ratio)**

As on March 31, 2024, the debt to equity ratio of the Company stood at **3.87 times** against March 31, 2023, which stood **4.10 times**. The leverage ratio of an applicable NBFC (except NBFC-MFI and NBFC-IFCs) shall not be more than 7 at any point of time and our leverage ratio is under better position.

- **Non-Convertible Debentures**

As of March 31, 2024, the Company has only one unlisted Non-Convertible Debenture, which is held with Edge Credit Opportunities Fund I.

8. CREDIT RATING

The Company's financial discipline and prudence is reflected in the credit ratings ascribed by rating agencies. Below table depicts the credit ratings of the Company as on March 31, 2024.

Particulars	Name of credit Rating Agency	Date of Rating Agencies	Rating valid upto	Rating
Long term Bank facilities	Acuité Ratings & Research Limited	13-02-2024	08-03-2025	A-
Non-Convertible Debentures	Acuité Ratings & Research Limited	13-02-2024	24-11-2024	A-

During the year, several significant changes occurred concerning the Company's Non-Convertible Debentures (NCDs):

- The NCD with ISIN: INE06WU07015 held with Bank of Baroda was paid off and delisted on July 14, 2023.

- The unlisted NCD with ISIN: INE06WU07049 held with A K Capital Finance Limited was redeemed on June 30, 2023.
- The NCD with ISIN: INE06WU07023 held with Punjab National Bank was paid off and delisted on April 21, 2023.

Consequently, the credit ratings assigned to these NCDs were withdrawn.

9. CAPITAL ADEQUACY

Consequent upon the allotment of Equity Shares issued on a right issue basis to existing shareholders, the paid up share capital of the Company has increased from **Rs. 1,831.72 Lakhs to Rs. 1,986.27 Lakhs** as on March 31, 2024 due to conversion of partly paid up shares into fully paid up shares.

During the Board meeting held on February 10, 2024, the Company initiated the first call of Rs. 23/- per share (Rs. 2.5/- towards face value and Rs. 20.5/- towards Securities Premium) on 38,63,862 partly paid equity shares with a face value of Rs. 10/- (Rupees Ten only) totaling Rs. 8,88,68,826/- (Rupees Eight Crore Eighty-Eight Lakhs Sixty-Eight Thousand Eight Hundred and Twenty-Six only). This call was directed to all eligible equity shareholders holding partly paid shares. The Company received the entire amount from the first call on the 38,63,862 partly paid-up shares.

Additionally, during the Board meeting held on March 27, 2024, the Company accepted a voluntary payment of Rs. 46/- (Rupees Forty-Six only) per share comprising of face value of Rs. 1.5/- (Rupees One Fifty Paisa Only) per share and premium of Rs. 44.5/- (Rupees Forty-Four and Fifty Paisa Only) per share amounting to Rs. 17,77,37,652/- (Rupees Seventeen crore seventy-seven lakh thirty-seven thousand six hundred and fifty-two only). This payment was made on 38,63,862 partly paid-up shares, including 30,43,479 shares from Mr. Deepak Baid and 8,20,383 shares from Ms. Aneesha Baid, thereby converting them into fully paid-up shares.

As a result of increased net worth, your Company was able to enhance the Capital to Risk Weighted Assets (CRAR) to **21.88%**as on March 31, 2024 well above the minimum requirement of 15.00% CRAR prescribed by the Reserve Bank of India. Out of the above, Tier I capital adequacy ratio stood at **21.01%** and Tier II capital adequacy ratio stood at **0.87%** respectively.

10. SOCIAL & RELATIONSHIP CAPITAL (HUMAN RESOURCES)

The Company recognized people as its most valuable assets and it has built an open, transparent and meritocratic culture to nurture this asset. Laxmi India's mission of creating a high performance culture has been further strengthened through areas such as building a capability model (identification of critical competences) nurturing talent through interventions such as coaching, competency based training programs and cross-functional projects.

Your Company has a work environment that inspires people to do their best and encourages an ecosystem of teamwork, continuous learning and work life balance. Your Company believes that people perform to the best of their capability in organization to which they feel truly associated. Your Company focuses on widening organizational capabilities and improving organizational effectiveness by having a competent and engaged workforce. Our people are our partners in progress and employee empowerment has been critical in driving our organizational growth to the next level.

The Company had **1144** employees on the rolls of the company as on March 31, 2024 as compared to **906** as on March 31, 2023.

11. NETWORK EXPANSION (BRANCHES)

The Company is experiencing rapid growth and is continuously expanding its business in the states of Rajasthan, Gujarat, Madhya Pradesh, and Chhattisgarh. During the financial year, the Company opened new branches as follows: **1 branch in Rajasthan, 10 branches in Madhya Pradesh, 3 branches in Gujarat, and 4 branches in Chhattisgarh**. As of the close of the financial year ending March 2024, the Company operates a total of **135 branches** across these four states. Additionally, during the period under review, the Company closed 2 branches in Rajasthan. The details of branches are as mentioned below:

State	Branches
Rajasthan	89
Gujarat	18
Madhya Pradesh	24

Chhattisgarh	04
Total	**135**

Apart from above branches, we are having one office in Delhi for administrative purpose.

12. TECHNOLOGY INITIATIVES

The Indian financial market sector is increasingly becoming strategically focused and technologically advanced to meet consumer expectations and defend market share against a growing number of competitors. There is a strong emphasis on digitizing core business processes, reassessing organizational structures, and enhancing internal talent to prepare for the future. This transformation reflects the growing ambition to become a 'digital institution.'

The management of our Company recognizes this trend and has been actively investing in technological upgrades. We are fine-tuning our systems and processes to ensure alignment with advanced technology platforms. With a future-oriented approach and a commitment to serving both internal and external customers, we have set a goal to become a technology-driven company.

Laxmi India is keen to adopt new technologies, whether in accounting software for better reporting or in reducing Turnaround Time (TAT) by transitioning to a Tab-based Loan Origination System (LOS). The Company employs more than 10 digital techniques to achieve optimized results at minimal cost, enhancing portfolio quality and reducing overall TAT.As a part of seeing more functions towards technology, we are experimenting with technologies such as more mobile-based applications and some of the initiatives taken are as follows:

- **Synoriq Software**: Synoriq will be our go-to platform for LOS and LMS.
- **Microsoft Dynamic 360**: Microsoft Dynamics 360 will streamline our accounting processes.
- **LaxmiMitra (Referral Application)**: Referral application for lead generation is done at least cost with real-time tracking of file processing. LaxmiMitra is available on Google Play Store for Android-based platform users.
- **Syno Collect**: This application gives a real-time Collection receipt by a mobile-operated thermal printer to the customer. Collection executives have to put the loan account number into the application, and the application fetches the data of the respective customers and generates a print.
- **Auto-Inspekt**: Vehicle Valuation in less than 2 hours with real-time valuation and least manual intervention with higher accuracy.
- **LOS Application**: We are live with LOS, which is based upon mobile and can help in reducing TAT and moving towards the next level of Digitalization. **The LOS Application will be upgraded before June, with additional features integrated into the E-Sign module, KYC verification, BRE, and Risk Module RCO.**
- **Addetto**: Geo-Tagging, Mobile-based attendance application software with real-time access to Pay slip, Reimbursement of expenses, and download form 16 A.
- **Auto Dialer**: Customers get the auto reminder call for every EMI's and the same is sent through Text message by this application.
- **IT Portal & Asset Tracking Application**: The company has developed a real-time basis assets tracking application with the details of all fixed assets of the company in a more systematic and easy way.
- **CRM**: In the previous year, we have built a Customer Relationship Management software for the incorporation of better and smooth functioning of post-disbursement services or queries raised by either the customer or staff of the company. Complaints like functions of legal actions, foreclosure, release of property papers, pendency in the document, etc. can be solved through the app.

13. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no significant material changes and commitments affecting the financial position of the Company that have occurred between the end of financial year to which the Financial Statements relate and the date of this Report.

14. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL(S)

a) Board of Directors (Board)

During the financial year under review, following changes took place in composition of the Board of the Company: -

S.NO.	Name of Director	Capacity	Nature of Change	Effective Date
1.	Mr. Kishore Kumar Sansi (DIN: 07183950)	Non-Executive Independent Director	Reappointment	September 28, 2023
2.	Mr. Deepak Baid (DIN: 03373264)	Managing Director	Reappointment	September 28, 2023

After the closure of the financial year, following changes took place:

S.NO.	Name of Director	Capacity	Nature of Change	Effective Date
1.	Mr. Kishore Kumar Sansi (DIN: 07183950)	Non-Executive Independent Director	Cessation due to Resignation	May 06,2024
2.	Mr. Yaduvendra Mathur (DIN: 00307650)	Non-Executive Independent Director	Cessation due to death	May 04,2024

As on March 31, 2024, the Company's Board comprises seven (7) Directors viz. four (4) Non- Executive Independent Directors and three (3) Executive Directors out of which two (2) are Whole Time Directors and one (1) is Managing Director.

Sl. No.	Name of the Directors	Director Since	DIN	Designation	No. of other Directorship	Number of equity shares held in the NBFC	Remuneration		
							Salary and other Compensation	Sitting Fee	Commission
1.	Mr. Deepak Baid	04.02.2011	03373264	Managing Director	2	3,798,827	2,87,50,000	-	
2.	Mrs. Aneesha Baid	31.12.2016	07117678	Whole Time Director	NIL	1,157,451	1,79,68,750	-	
3.	Mrs. Prem Devi Baid	04/02/2011	00774922	Whole Time Director	3	706,535	1,43,75,000	-	
4.	Mr. Surendra Mehta	31.12.2016	00298751	Independent Director	1	NIL		6,00,000	
5.	Mr. Kishore Kumar Sansi	28.09.2018	07183950	Independent Director	8	NIL		3,60,000	

6.	Mr. Anil Balkrishna Patwardhan	23.12.2021	09441268	Independent Director	NIL	NIL		6,30,000	
7.	Mr. Yaduvendra Mathur	06.05.2022	00307650	Independent Director	5	NIL		4,60,000	

All the Directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable RBI Directions and that they are not disqualified from being appointed and continuing as directors in terms of Section 164 of the Companies Act, 2013, read with the applicable rules.

b) Key Managerial Personnel

During the financial year under review, following changes took place in Key Managerial Personnel of the Company-

- Mr. Gajendra Singh Shekhawat resigned from the post of Company Secretary & Compliance Officer which was effective from October 21, 2023.
- Pursuant to the recommendation of Nomination & Remuneration Committee (NRC), the Board in its meeting held on December 05, 2023 has approved the appointment of Mr. Sourabh Mishra as Company Secretary & Compliance Officer of the Company.
- Mr. Piyush Somani resigned from the post of Chief Financial Officer and effective date of resignation was March 01, 2024.
- Pursuant to the recommendation of Nomination & Remuneration Committee (NRC), the Board in its meeting held on March 27, 2024 appointed Mr. Gopal Krishan Sain as Chief Financial Officer of the Company and the effective date of appointment was March 01, 2024.

Pursuant to the provisions of Section 203 of the Act read with the rules made there under, the following are the Key Managerial Personnel of the Company as on March 31, 2024:

Sl. No.	Name of the Director/KMP	DIN/PAN	Designation
1	Mr. Deepak Baid	03373264	Managing Director
2	Mr. Gopal Krishan Sain	BBTPS9390G	Chief Financial Officer
3	Mr. Sourabh Mishra	BLBPM3797B	Company Secretary& Compliance Officer
4	Mrs. Aneesha Baid	07117678	Whole Time Director
5	Mrs. Prem Devi Baid	00774922	Whole Time Director

c) Declaration by an Independent Director(s)

In accordance with the provisions of section 149(7) read with rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, all Independent Directors have submitted the necessary declaration of independence, confirming that they meet the criteria of independence as laid down in section 149(6) of Companies Act, 2013. Further, the Independent Directors have affirmed that they have complied with the Code applicable for Independent Directors as stipulated under Schedule IV of the Companies Act, 2013 and have registered their name in the data bank of Independent Directors, paid the relevant fees and have also passed the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs (IICA).

Further, there has been no change in the circumstances affecting their status as Independent Directors of the Company. In the opinion of the Board all the Independent Directors are persons of integrity and has relevant experience and expertise for being an Independent Directors of the Company.

d) Separate Meeting of Independent Directors

In compliance with Schedule IV of the Companies Act, 2013 a separate meeting of Independent Directors was held on **Monday, March 18, 2024** for FY 2023-24, with all Independent Directors in attendance. This meeting took place without the presence of Non-Independent Directors and members of the management. At this meeting, the Independent Directors inter-alia evaluated the performance of the Non-Independent Directors & the Board as a whole and the performance of the Chairperson of the Company taking into account the views of Executive Directors and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The evaluation was carried on broad parameters such as Board Composition & quality, Board meetings and procedures, Knowledge and Skills, Strategy formulation and execution, Personal Attributes and such other relevant factors. The Independent directors expressed their satisfaction towards the performance of the Board and the Non-Independent Directors of the Company.

e) Selection Process

In pursuance to the “Fit and Proper” policy adopted by the Company as per the Reserve Bank of India’s (RBI) Master Directions for NBFCs, the Company obtained the ‘Fit and Proper’ declarations from all the Directors for their respective appointment/re-appointment. The selection and appointment of Directors of the Company is done in accordance with the relevant provisions of the Companies Act, 2013, the relevant rules made thereunder, and the master directions/guidelines issued by the RBI.

f) A statement regarding opinion of the Board with regard to integrity, expertise, familiarization programme and experience (including the proficiency) of the independent directors re-appointed during the year

Mr. Kishore Kumar Sansi (DIN: 07183950) was appointed as an independent director by passing Ordinary Resolution in the 21st AGM held on September 28, 2018. Further pursuant to the recommendation of Nomination & Remuneration Committee (NRC), the Board in its meeting held on August 12, 2023 has approved the reappointment of Mr. Kishore Kumar Sansi (DIN: 07183950) as Independent Director for second consecutive term of 5 years from September 28, 2023 to September 27, 2028 and reappointment was further approved by shareholders at AGM held on September 19, 2023.The Board was in the opinion that he is having rich experience in the field of banking and will add value to the organization because of his expertise and experience in the same field of business. He possesses all the requisite qualities to be an Independent Director of the Company.

15. NUMBER OF THE MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met 5 (Five) times during the year under review. Adequate notice was given to all the Directors to schedule the Board Meetings, agenda and detailed notes to agenda were sent at least seven days in advance other than those held on shorter notice 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. Frequency and quorum of these meetings and the intervening gap between any two meetings were in conformity with the provisions of the Act and Secretarial Standards issued by The Institute of Company Secretaries of India. Moreover, due to business exigencies or keeping in mind the urgency of matter, resolutions were passed by way of circulation. The Board of Directors actively participated in the meetings and contributed valuable inputs on the matters brought before them from time to time.

During the Financial Year 2023-24, the Company held 5 (Five) Board Meetings of the Board of Directors as per Section 173 of Companies Act, 2013, which is summarized below:

S. No.	Day, Date of Meeting	Board Strength	No. of Directors Present
1.	Saturday, May 06, 2023	7	7
2.	Saturday, August 12, 2023	7	6
3.	Tuesday, December 05, 2023	7	7
4.	Saturday, February 10, 2024	7	6
5.	Wednesday , March 27, 2024	7	5

PRESENCE/ATTENDANCE OF DIRECTORS IN THE MEETINGS

S. No.	Name of Director	Board Meeting			Attended AGM held on 19.09.2023
		No of Meeting entitled to attend	No of Meeting attended	%	
1.	Mr. Deepak Baid (DIN:03373264)	5	5	100	YES
2.	Mrs. Aneesha Baid (DIN: 07117678)	5	4	80	YES
3.	Mrs. Prem Devi Baid (DIN: 00774922)	5	2	40	YES
4.	Mr. Surendra Mehta (DIN:00298751)	5	5	100	YES
5.	Mr. Kishore Kumar Sansi (DIN:07183950)	5	5	100	NO
6.	Mr. Anil Balkrishna Patwardhan (DIN:09441268)	5	5	100	NO
7.	Mr. Yaduvendra Mathur (DIN: 00307650)	5	5	100	NO

BOARD COMMITTEES

The Board of Directors of the Company, functions either as full Board, or through various Committees constituted to oversee specific areas of business operations and Corporate Governance. Each Committee of the Board is guided by its terms of reference, which defines the composition, scope and powers of the Committee. The Committees meet at regular intervals, focus on their assigned areas and make informed decisions within the authority delegated to them.

The Board places significant reliance on its committees by delegating responsibilities to assist it in carrying out its function under its supervision and stewardship. It therefore remains crucial that effective linkages are in place between the committees and the Board as a whole.

1. Audit Committee

The Audit Committee comprises of well qualified Directors. The composition of the Audit Committee is in accordance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and provisions of section 177 of Companies Act, 2013 read with the rules made thereunder. During the financial year under review, the Audit Committee of the Company comprised of 3 (three)members, majority of whom are independent directors in accordance with Section 177 of the Companies Act,2013 read with rules thereto. The Committee is chaired by Mr. Anil Balkrishna Patwardhan and Mr. Deepak Baid and Mr. Surendra Mehta are its members. The members of the Committee are financially literate and learned, experienced and well known in their respective fields. The Chief Financial Officer, Internal Auditor, Statutory Auditors and Secretarial Auditors also attend the meetings of the Audit Committee in the capacity of invitees.

Composition and Attendance

During the year under review, 4 (Four) Audit Committee Meetings were convened and were held on Friday, May 05, 2023, Friday, August 11, 2023, Monday, December 04, 2023, Friday, February 09, 2024. The required quorum was present for all the Audit Committee meetings and the gap between two meetings did not exceed a period of 120 days. The Composition and attendance details of the members of the Audit Committee are given below:

Name of Members	Designation in the company	Member of Committee since	Position held	No. of Meetings which Committee Member was entitled to attend		No. of shares held in NBFC
				Held	Attended	
*Mr. Surendra Mehta	Non-Executive Independent Director	23.12.2021	Member	4	4	NIL
*Mr. Anil Balkrishna Patwardhan	Non-Executive Independent Director	23.12.2021	Chairman	4	4	NIL
Mr. Deepak Baid	Managing Director	23.12.2021	Member	4	4	36,48,002

* During the year, the committee was reconstituted in the Board Meeting held on August 12, 2023, in which Mr. Anil Balkrishna Patwardhan was appointed as Chairman of Audit Committee and Mr. Surendra Mehta was re-designated as member of the Committee.

The scope and functions of the Committee are as follows:

1) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2) review and monitor the auditor's independence and performance, and effectiveness of audit process;
3) examination of the financial statement and the auditors' report thereon;
4) approval or any subsequent modification of transactions of the company with related parties;
5) scrutiny of inter-corporate loans and investments;
6) valuation of undertakings or assets of the company, wherever it is necessary;
7) evaluation of internal financial controls and risk management systems;
8) monitoring the end use of funds raised through public offers and related matters.
9) Information System Audit of the internal systems and processes conducted at least once in two years to assess operational risks faced by the NBFCs.

10) any other responsibility as may be assigned, empowered or allowed or as may be assigned from time to time under the Circulars issued by NHB/RBI and Companies Act, 2013 and Rules made thereunder, including any amendment thereto for the time being in force.

During the year, the Board has duly approved and accepted all the recommendations of the committee.

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of well-qualified Directors. The composition of the Nomination and Remuneration Committee is in accordance with the RBI guidelines for NBFCs and the Companies Act, 2013 read with the rules made thereunder. The Board of the Company constituted a Nomination and Remuneration Committee (the "NRC") in accordance with the provisions of the Section 178 of the Companies Act, 2013 and the RBI guidelines as applicable on Non-Banking Finance Companies (NBFCs).

Composition and Attendance

During the year under review 4 (Four) NRC meetings were convened and held on Friday, May 05, 2023, Friday, August 11,2023, Monday, December 04,2023 and on Wednesday, March 27, 2024. The Composition and attendance details of the members of the NRC are given below:

Name of Members	Designation in the Company	Member of the Committee since	Position held	No. of Meetings which Committee Member was entitled to attend		No. of shares held in NBFC
				Held	Attended	
Mr. Surendra Mehta	Non-Executive Independent Director	23.12.2021	Chairman	4	4	NIL
*Mr. Anil Balkrishna Patwardhan	Non-Executive Independent Director	23.12.2021	Member	2	2	NIL
Mr. Yaduvendra Mathur	Non-Executive Independent Director	06.05.2022	Member	4	4	NIL
*Mr. Kishore Kumar Sansi	Non-Executive Independent Director	12.08.2023	Member	2	2	NIL

* During the year, the committee was reconstituted in the Board Meeting held on August 12, 2023, in which Mr. Kishore Kumar Sansi, Independent Director of the Company was appointed as member of the Committee and Mr. Anil Balkrishna Patwardhan ceases to be the member of the Committee.

The scope and functions of the Committee are as follows:

1) shall identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal
2) shall specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance
3) shall formulate the criteria for determining qualifications, positive attributes and independence of a director
4) shall recommend to the board a policy, relating to the remuneration for the directors, KMP and other employees
5) shall ensure 'fit and proper' status of proposed/ existing directors.
6) any other responsibility as may be assigned empowered or allowed or as may be assigned from time to time under the Circulars issued by NHB/RBI and Companies Act, 2013 and Rules made thereunder, including any amendment thereto for the time being in force.
7) To assist the Board in fulfilling responsibilities.
8) To retain, motivate and promote talent and to ensure their sustainability and create competitive advantage.
9) To implement and monitor policies and processes regarding principles of corporate governance.
10) To provide to Key Managerial Personnel and Senior Management, reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

prescribed CSR expenditure and details of the amount spent by the Company on CSR activities during the year under review, have been included in Annual report on CSR attached as **Annexure-I** to this report.

Composition and Attendance

During the financial year 2023-24, 01 (One) meeting of CSR Committee was held on Friday, May 05, 2023. The Composition and attendance details of the members of the CSR Committee are given below:

Name of Members	Designation in the Company	Member of the Committee since	Position held	No. of Meetings which Committee Member was entitled to attend		No. of shares held in NBFC
				Held	Attended	
Mr. Deepak Baid	Managing Director	04.06.2018	Chairman	1	1	36,48,002
Mrs. Aneesha Baid	Whole Time Director	04.06.2018	Member	1	1	11,57,451
Mr. Surendra Mehta	Independent Director	04.06.2018	Member	1	1	NIL

The terms of reference of the CSR Committee are as follows:

- Formulate and recommend to the Board, a CSR policy, which shall indicate the activities to be undertaken by the Company as per Companies Act, 2013 and rules made thereunder;
- Review and recommend the amount of expenditure to be incurred on CSR activities;
- Institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken the Company from time to time;
- Monitor the CSR policy of the Company from time to time; and
- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy of the Company.
- Recommend to the Board, an amount available for setting off the excess amount spent against CSR Obligations of the financial year(s) following the year of excess spend
- Perform such other duties and functions as the Board may require the Committee to undertake to promote the CSR activities of the Company or as may be required under applicable laws

4. Asset Liability Management Committee (ALCO)

The Company has constituted this committee in accordance with the ALM framework as issued by the Reserve Bank of India ("RBI") vide Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and amendments thereon and Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies vide notification DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019. The Asset Liability Management Committee reviews assets and liabilities position of the company and gives direction to the finance teams in managing the same. Under Schedule III of the Companies Act, 2013, the classification of assets and liabilities into current and non-current is based on their contracted maturities. The classification of assets and liabilities by the company into various maturity buckets reflects adjustments for prepayments and renewals in accordance with the guidelines issued by the Reserve Bank of India.

Composition and Attendance:

The Asset Liability Management Committee met 4 (four) times during the year on Friday, May 05, 2023, Monday, August 07, 2023, Wednesday, December 06, 2023, and Wednesday, February 07, 2024 to discharge its functions. The Composition and attendance details of the members of the Asset Liability Management Committee are given below:

Name of Members	Designation in the Company	Member of the Committee since	Position held	No. of Meetings which Committee Member was entitled to attend		No. of shares held in NBFC
				Held	Attended	
Mr. Deepak Baid	Managing Director	19.05.2019	Chairman	4	4	36,48,002

Mrs. AneeshaBaid	Whole Time Director	19.05.2019	Member	4	4	11,57,451
Mr. Surendra Mehta	Independent Director	19.05.2019	Member	4	4	NIL

The scope and functions of the Committee are as follows:

1) Understanding business requirement and devising appropriate pricing strategy
2) Management of profitability by maintaining relevant Net interest margin (NIM);
3) Ensuring Liquidity through maturity matching;
4) Ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the Company;
5) Management of balance sheet in accordance with internal policies and applicable regulatory requirements
6) Ensure the efficient implementation of balance sheet management policies as directed by ALCO;
7) Review reports on liquidity, market risk and capital management;

5. Risk Management Committee

The Company has constituted its Risk Management Committee in accordance with Risk Management framework as issued by Reserve Bank of India ("RBI") vide Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and amendments thereon. The object of Risk Management Committee is to frame, implement and monitor the risk management plans for the Company including identification therein for elements of risks if any, which may threaten the existence of the Company and such other functions. The Board of Directors on the recommendation of the Risk Management Committee approved Risk Management Policy for the company in accordance with provisions of the Act. Risk Management policy of the company is hereby attached as **Annexure V.**

Composition and attendance:

The Risk Management committee met 4 (four)times during the financial year 2023-24 on Friday, May 05, 2023, Monday, August 07, 2023, Monday, December 04, 2023, Friday, February 09, 2024 to discharge its functions. The Composition and attendance details of the members of the Risk Management Committee are given below:

Name of Members	Designation in the Company	Member of the Committee since	Position held	No. of Meetings which Committee Member was entitled to attend		No. of shares held in NBFC
				Held	Attended	
Mr. Deepak Baid	Managing Director	19.05.2019	Member	4	4	36,48,002
*Mrs. Aneesha Baid	Whole Time Director	19.05.2019	Member	2	2	11,57,451
*Mr. Anil Balkrishna Patwardhan	Independent Director	12.08.2023	Member	2	2	NIL
Mr. Surendra Mehta	Independent Director	19.05.2019	Member	4	4	NIL
*Mr. Kishore Kumar Sansi	Independent Director	12.08.2023	Chairman and Member	2	2	NIL

*Mr. Anil Balkrishna Patwardhan was appointed as member of the committee from 12.08.2023 and Mr. Kishore Kumar Sansi was appointed as Member and Chairman of the committee from 12.08.2023, Mrs. Aneesha Baid ceases to be the members of the committee from 12.08.2023.

The scope and functions of the Committee are as follows:
1) Recommend to the Board, implement and maintain a sound system of risk oversight, management and internal control which identifies, assesses, manages and monitors risk and allows investors and other stakeholders to be informed of material changes to the company's risk profile;
2) Assessment of the Company's risk profile and key areas of risk in particular;
3) Recommendation to the Board and adopting risk assessment and rating procedures;
4) Examining and determining the sufficiency of the Company's internal process for reporting on and managing key risk areas;
5) Assessing and recommending to the Board acceptable level of risk;

6. IT Strategy Committee

The Company has constituted this committee in accordance with the Master Directions - Information Technology Framework for the NBFC Sector, 2017issued by Reserve Bank of India (RBI). These directions aim at enhancing safety, security, efficiency in its processes relating to IT Governance, Information and Cyber Security, IT Operations, Business Continuity planning and other processes that are integral to the overall corporate governance. The company has ensured due adherence to the requirements of this framework in letter and spirit.

Composition and attendance:

The IT Strategy committee met 4 (four) times during the financial year 2023-24 on Friday, May 05, 2023,Monday, August 07, 2023 , Wednesday, December 06, 2023 and Wednesday, February 07, 2024 to discharge its functions. The Composition and attendance details of the members of the IT Strategy committee are given below:

Name of Members	Designation in the Company	Member of the Committee since	Position held	No. of Meetings which Committee Member was entitled to attend		No. of shares held in the NBFC
				Held	Attended	
Mr. Surendra Mehta	Non-Executive-Independent Director	31.08.2021	Member	4	4	NIL
Mr. Sunil Kumar Verma	Chief Information Officer (CIO)	31.08.2021	Member	4	4	NIL
Mr. Yaduvendra Mathur*	Non-Executive-Independent Director	12.08.2023	Member and Chairman	2	2	NIL
Mr. Hemant Singh Chouhan	Chief Technical Officer (CTO)	06.08.2022	Member	4	4	NIL
Mr. Hari Singh Yadav*	IT Member	12.08.2023	Member	2	2	NIL
Mr. Ramjilal Kumawat*	Assistant Manager Admin and IT	31.08.2021	Member	2	2	NIL

*During the year, the committee was reconstituted in the Board Meeting held on August 12, 2023, in which Mr. Yaduvendra Mathur was appointed as member and chairman of the committee and Mr. Hari Singh Yadav was appointed as a member of the Committee and Mr. Ramjilal Kumawat ceases to be member of the committee.

Terms of reference

The terms of reference of the IT Strategy Committee *inter-alia* include the following:

- Approving IT strategy and policy documents;
- Ensuring that the management has put an effective strategic planning process in place;
- Ratifying that the business strategy is indeed aligned with IT strategy;
- Ensuring that the IT organizational structure complements the business model and its direction;
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- Ensuring proper balance of IT investments for sustaining bank’s growth;

- Becoming aware about exposure towards IT risks and controls. And evaluating effectiveness of management's monitoring of IT risks;
- Assessing Senior Management's performance in implementing IT strategies;
- Issuing high-level policy guidance (e.g. related to risk, funding, or sourcing tasks);
- Confirming whether IT or business architecture is to be designed, so as to derive the maximum business value from IT;
- Overseeing the aggregate funding of IT at a bank-level, and ascertaining if the management has resources to ensure the proper management of IT risks;
- Reviewing IT performance measurement and contribution of IT to businesses (i.e., delivering the promised value).

7. Business Operation Committee

Business Operation Committee is a Board delegated committee that deals with matters which require fast decision making and oversees the day to day business and operational affairs of the Company. The Committee monitors resource mobilization and ensures efficient and timely decisions on the matters relating to financial activities of the Company. The decisions taken at the meetings of **Business Operation Committee** are within the power conferred by the Board to the committee. Such decisions are further noted at a duly convened Board meeting.

Composition and attendance:

The Business Operation Committee met 35 (Thirty Five) times and meetings were held on April 03, 2023, April 27, 2023, May 15, 2023, May 22, 2023, May 31, 2023, June 21, 2023, June 24, 2023, June 26, 2023, June 29, 2023, July 11, 2023, July 29, 2023, August 23, 2023, September 08, 2023, September 21, 2023, September 25, 2023, September 28, 2023, October 20, 2023, October 23,2023, November 03, 2023, November 06, 2023, November 16, 2023, November 29, 2023, December 04, 2023, December 18, 2023, December 29, 2023, January 02, 2024, January 27, 2024, January 29, 2024, February 21, 2024, March 01, 2024, March 07, 2024, March 15, 2024 ,March 27,2024 , March 28, 2024 and March 29, 2024. The Composition and attendance details of the members of the Business Operation Committee are given below:

Name of Members	Designation in the Company	Member of the Committee since	Position held	No. of Meetings which Committee Member was entitled to attend		No. of shares held in NBFC
				Held	Attended	
Mr. Deepak Baid	Managing Director	08.06.2020	Chairman	35	35	36,48,002
Mrs. Aneesha Baid	Whole Time Director	08.06.2020	Member	35	35	11,57,451
Mrs. Prem Devi Baid	Whole Time Director	08.06.2020	Member	35	35	706535

The scope and functions of the Committee are as follows:

a.to enter into, make, sign and do all such contracts, agreements, receipts, payments, selling, assignment of its receivables/ book debts, transfer, conveyance, mortgages, insurance, settle insurance claims, instruments and things as may in his opinion be, for the business of the company necessary or convenient or expedient for carrying on the business of the company and for such purpose to affix seal of the company if so required in accordance with the Articles of the company.

b. to demand, receive, accept, exercise or utilize any claim, thing, privilege, license or any object of which the company is entitled and to make and give receipts, release and other discharges for moneys payable to the company, and for any claims demand of the company.

c.to draw, accept, endorse, negotiate, retire, pay or satisfy any bills of exchange, promissory notes, cheques, drafts, order for payment or delivery or moneys, securities, goods, or effects, bills of lading other negotiable or mercantile instruments or securities which may be deemed necessary or proper in relation to the business of affairs of the company.

d. to avail credit facility or borrow from time to time such sums or money and upon such terms as he may think fit upon the security of any of property of the company or its undertaking in or their assets of the company whether movable or immovable and for such purpose to execute such mortgages, charges, pledges other securities or debentures upon such terms and conditions as he may think proper and authorizing/delegation to such other person for execution of the loan agreement and other documents.

e.to furnish necessary information and documents required by the financial institutions, to negotiate with them and to seek all scheduled events of principal loan instalment, to seek deferment of interest instalment, to seek conversion of interest due in to term loan and to do all such negotiations and deliberations which are felt expedient in the interest of the business of the company.

f. to establish, maintain and promote any agency or branch offices of the company in India or elsewhere and to regulate the same or discontinue the same.

g. to open a banking account with any bank on behalf of the company and to operate on the same and to close the same if necessary, availing of E-Net facility and creation of Fixed deposit account.

h. to allot the securities, subject to provisions of applicable laws and such other conditions, as may be necessary.

i. to invest any money of the company upon such investments or securities, with power to carry the same from time to time as he may think fit.

j. to commence and prosecute and to defend, compound and abandon all actions, proceedings, suits, claims, demands, in relation to the business and property of the company or otherwise in relation to the affairs of the company and for such purposes to sign, verify and present any documents, pleadings or other instruments in writing and to appear on oath or otherwise in relation to the affairs of the company and to appoint any pleader, agent, solicitor or advocate for the said purposes and to obtain legal advice in any matter affecting the company.

k. To decide and take necessary action, decision for the matters falling before any local authority, state governments, central government, judicial or quasi-judicial authorities or any other authorities.

l. such any other authorities as the Board of Directors may delegate from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable;

m. delegate authorities from time to time to the executives / authorised persons / employees / officers of the company to implement the Committee's decisions;

n. delegate the authorities to Chief Financial Officer (CFO), Company Secretary (CS) and other person as authorised by CFO/CS to deal with credit rating agency, appointment of advisors in respect of all matters,

o. to take decision in the matters related to acquisition and dispose of asset of the company i.e. movable and immovable properties and authorising the person on behalf of the company to perform all the acts.

16. STATUTORY AUDITORS AND THEIR REPORT

Pursuant to the provisions of section 139 and 141 of the Companies Act, 2013 read with rules made thereunder M/s. A. Bafna & Co., Chartered Accountants, (FRN: 003660C) were appointed as Statutory Auditors of the Company, vide Ordinary Resolution passed in the Annual General Meeting held on 14thAugust, 2019 for a continuous period of 5 years till the conclusion of Annual General Meeting to be held in the year 2024 and accordingly M/s A Bafna & Company , Statutory Auditors will complete their tenure as Statutory Auditors in the ensuring Annual General Meeting of Company

Therefore on the recommendation of Audit Committee the Board of Directors at its meeting held on June 07, 2024 had approved the appointment of M/s S.C. Bapna and Associates (Firm's Registration Number: 115649W)as Statutory Auditors of the Company to hold office for a period of 3 (three) consecutive years from the conclusion of ensuing 27th AGM till the conclusion of 30th AGM to be held in the calendar year 2027 subject to the firm satisfying the eligibility norms each year at a remuneration as may be mutually agreed by the Board of Directors and Statutory Auditors from time to time. The aforesaid appointment of Statutory Auditors is subject to the approval of Members at the ensuing 27th AGM of the Company.

M/s S.C. Bapna and Associates (Firm's Registration Number: 115649W),Chartered Accountants, have confirmed that they are not disqualified to be appointed as Statutory Auditors of the Company and have confirmed their eligibility in terms of Section 139 and 141 of the Companies Act, 2013 .

There are no qualifications or adverse remarks in the Auditors' Report on the Financial Statements for the Financial Year 2023-24 which require any clarification/explanation. It only highlighted an observation regarding the non-maintenance of the audit trail for the period ending March 31, 2024. In response, management stated that the company implemented new software on April 1, 2024, which they assert generates an audit trail compliant with the Companies Act 2013. The Notes on financial statements are self-explanatory, and need no further explanation.

17. SECRETARIAL AUDITORS & SECRETARIAL AUDIT REPORT

In compliance with the provisions of Section 204 (1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had re-appointed M/s V.M. & Associates, Practicing Company Secretaries (FRN: P1984RJ039200) to undertake the Secretarial Audit of the Company for the Financial Year 2023-24 in their Board meeting held on May 06, 2023.

The Secretarial Audit Report in form MR-3 is annexed herewith which forms part of this report and marked as **Annexure - III**. There is no qualification or adverse remark in the report. It only highlighted an observation regarding the non-maintenance of the audit trail for the period ending March 31, 2024. In response, management stated that the company implemented new software on April 1, 2024, which they assert generates an audit trail compliant with the Companies Act 2013.

Further, the Board has approved in their meeting held on May 04, 2024 the re-appointment of M/s V.M. & Associates, Practicing Company Secretaries (FRN: P1984RJ039200) as Secretarial Auditors of the Company to carry out secretarial audit for the Financial Year 2024-25.

18. REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors has reported, any instances of fraud committed against the Company by its officers or employees, under Section 143 (12) of the Companies Act, 2013.

19. INTERNAL AUDITOR & INTERNAL AUDIT REPORT

As a part of its efforts to evaluate the effectiveness of the internal control systems, pursuant to the provisions of Section 138 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, Mr. Amit Saini, Chartered Accountant, was re-appointed as an Internal Auditor of the Company by the Board of Directors at its meeting held on May 06, 2023 to conduct internal audit for the Financial Year 2023-24 of various functions and activities of the Company, as per the scope, functioning, periodicity and methodology mutually decided by the Board and the Internal Auditor. There were no qualifications or adverse remarks in the Internal Auditors' Report which require any clarification/explanation.

Further, the Board has approved in their meeting held on May 04, 2024 the re-appointment of Mr. Amit Saini, Chartered Accountant, as Internal Auditor of the Company to carry out Internal Audit for the Financial Year 2024-25.

20. COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of section 148 of the Companies Act, 2013 are not applicable in respect of the business activities carried out by the company and hence as such accounts and records are not so made and maintained.

21. CAPITAL STRUCTURE

During the financial year 2023-24, following changes took place in the share capital structure of the company:

a) Authorised share capital

During the Financial Year 2023-24 company has increased its Authorized Share Capital from Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores) Equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 30,00,00,000 /- (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores) equity shares of Rs. 10/- (Rupees Ten only)

b) Issued, Subscribed and Paid -Up share capital

During the Financial Year 2023-24:

The Company has made first call of Rs. 23/- (Rs. 2.5/- towards face value and Rs. 20.5/- towards premium) aggregating to Rs. 8,88,68,826/- (Rupees Eight Crore Eighty-Eight Lakh Sixty-Eight Thousand Eight Hundred Twenty-Six) on 38,63,862 (Thirty Eight lakh Sixty Three Thousand Eight Hundred and Sixty-Two) partly paid up equity shares pursuant to section 179(3)(a) and 49 of the Act in the Board Meeting held on 10th February, 2024 and has received the full of first call and according paid up share capital increased from Rs. 18,31,72,432/- (Rupees Eighteen Crore Thirty-One Lakh Seventy-Two Thousand Four Hundred Thirty-Two) to Rs. 19,28,32,087/- (Rupees Nineteen Crore Twenty-Eight Lakh Thirty-Two Thousand Eighty-Seven). The Company has accepted voluntary payment of amount remaining unpaid on 38,63,862 (Thirty Eight lakh Sixty Three Thousand Eight Hundred and Sixty Two) partly paid up equity shares pursuant to section 50 of the Act and thereby making the said shares fully paid up in the Board Meeting held on 27th March, 2024 and according the paid up share capital increased from Rs. 19,28,32,087/- (Rupees Nineteen Crore Twenty-Eight Lakh Thirty-Two Thousand Eighty-Seven) to Rs. 19,86,27,880/- (Rupees Nineteen Crore Eighty-Six Lakh Twenty-Seven Thousand Eight Hundred Eighty).

After the aforementioned changes in the capital structure the Authorized, Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2024 stood at:

- **Authorised share capital:** Rs. 30, 00, 00,000/-(Rupees Thirty Crores only)
- **Issued Share Capital:** Rs. 19,86,27,880/- (Rupees Nineteen Crore Eighty-Six Lakh Twenty-Seven Thousand Eight Hundred Eighty).
- **Subscribed Share Capital:** Rs. 19,86,27,880/- (Rupees Nineteen Crore Eighty-Six Lakh Twenty-Seven Thousand Eight Hundred Eighty).
- **Paid up share capital:** Rs. 19,86,27,880/- (Rupees Nineteen Crore Eighty-Six Lakh Twenty-Seven Thousand Eight Hundred Eighty).

As on March 31, 2024, all issued Equity shares were held in dematerialized mode. Neither of the shares of the Company are in physical mode.

22. PARTICULARS OF EMPLOYEES

During the year under review, the disclosure required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is annexed here with as **Annexure-IV**.

23. ANNUAL RETURN

As per the requirement of Section 92(3) read with section 134(3) (a) of the Companies Act 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the copy of draft annual return of the Company for the Financial Year ended on March 31, 2024 in the prescribed Form MGT-7 is available on the Company's website at https://lifc.co.in/annual-returns/.

24. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company continuously strives to conserve energy, adopt environment friendly practices and employ technology for more efficient operations. The particulars relating to the energy conservation and technology absorption, as required under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given below:

(A) Conservation of Energy:

(i) The steps taken or impact on conservation of energy: The operations of your Company are being financial services related which are not energy intensive. However, adequate measures have been initiated across all branches of the company to reduce energy consumption further.

(ii) The steps taken by the Company for utilizing alternate sources of energy: The Company is exploring alternative source of energy, as and when the necessity arises.

(iii) The capital investment on energy conservation equipment: In view of the nature of the activities carried on by the Company, there is no capital investment on energy conservation equipment.

(B) Technology absorption:

(i) The efforts made towards technology absorption: The Minimum technology required for the business has been absorbed.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable.

(a) The details of technology imported: Not Applicable
(b) The year of import: Not Applicable
(c) Whether the technology been fully absorbed: Not Applicable
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable.

(iv) The expenditure incurred on Research and Development: NIL

(C) Foreign exchange earnings and outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows: NIL

25. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual through various intentions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has complied with provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013("POSH Act"), amended as on date. The company has framed a Policy on Prevention of Sexual Harassment at Workplace in accordance with POSH Act which offers comprehensive protection to all Employees (permanent, contractual, temporary, trainees) are covered under this policy.

Following is the summary of sexual harassment complaints received and disposed off by the Company during the year under review:

No. of Complaints at the beginning of the year	**Nil**
No. of Complaints Received during the year	**Nil**
No. of Complaints disposed off during the year	**Nil**
No. of Complaints at the end of the year	**Nil**

Further the Internal Complaints Committee met 2 (two) times during the financial year 2023-24 on Saturday, May 27, 2023 and Friday, March 08, 2024. The composition and attendance details of the Internal Complaints Committee are given below:

Name of Members	**Designation in the Company**	**Position held**	**No. of shares held in the NBFC**	**No. of Committee Meeting held and attended by Member**	
				Held	**Attended**
Mrs. Prem Devi Baid (DIN: 00774922)	Whole Time Director	Presiding Officer	7,06,535	2	2
Mrs. Aneesha Baid (DIN: 07117678)	Whole Time Director	Internal Member	11,57,451	2	1
Ms. Jyoti Kanwar	Employee	Internal Member	NIL	2	1
Ms. Anuradha Dubey	Employee	Internal Member	NIL	2	2
Mrs. Purnima Golechha	External Member	External Member	NIL	2	2

26. RISK MANAGEMENT

Risks are events situation or circumstances, which may lead to negative consequences on the Company's business. Risk Management is a structured approach to manage uncertainty. A formal approach to risk management is being adopted by the company and key risks will now be managed within a unitary framework.

Periodic assessment to indemnify the risks areas are carried out and management is briefed on the risks in advance to enable the Company to control risk through a properly defined plan. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk Management with the following objects.

- Provide an overview of the principles of risk management.
- Explain approach adopted by the Company for risk management.
- Define the organisational structure for effective risk management.
- Develop a risk culture that encourages all employees to identity risks and to respond to them with effective actions.
- Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets.

The details of the Risk Management Framework and issues related thereto have been explained in the Management Discussion and Analysis Report forming part of this Annual Report as **Annexure-V.**

27. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

Your Company has established the Vigil Mechanism as per section 177(9) of the Companies Act, 2013 to encourage employees to report suspected legal violations, fraudulent or irregular conduct of an employee or business associate of the Company. Such incidents, if not reported would breach trust and endanger the Company's reputation. Through this mechanism, the Company provides a channel to the employees and Directors to report to the management about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or legal or regulatory requirements incorrect or misrepresentation of any financial statements and reports, etc.

The Company has a Vigil Mechanism/Whistle Blower Policy ("Policy") to deal with instances of fraud and mismanagement, if any. This Policy ensures that strict confidentiality is maintained whilst dealing with concerns and that no discrimination will be meted out to any person for a genuinely raised concern. Whistle Blower Policy & Vigil Mechanism as approved by Board is hosted on the website of the Company at https://www.lifc.co.in/wp-content/uploads/2023/06/Whistle-Blower-Policy-Vigil-Mechanism.pdf.

During the year, no whistle blower event was reported and mechanism is functioning well and no personnel has been denied access to the Chairman of Audit Committee.

28. DEPOSITS FROM PUBLIC

Being a non-deposit taking Non-Banking Financial Company, your Company has not accepted any deposit from public within the meaning of the provisions of the Master Direction -Non-Banking Financial Companies Acceptance of Public Deposit (Reserve Bank) Directions, 2016 and provisions of the Companies Act, 2013 and shall not accept any deposit from the public without obtaining prior approval of the RBI. Therefore, disclosure required in terms of deposit accepted under chapter V of the Companies Act, 2013 is not applicable.

Following is the detail of the outstanding amount of loan received from Directors and relative of Directors from whom money is borrowed and at the time of giving the money, a declaration in writing to the effect that the amount is not being given out of funds acquired by him, by borrowing or accepting loans or deposits from others and the Company, was given by the Director.

(Amount in Lakhs)

Loan Outstanding at the beginning of the year 01.04.2023	NIL
Loan Outstanding at the end of the year 31.03.2024	NIL

29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

Pursuant to the clarification dated February 13, 2015 issued by Ministry of Corporate Affairs and Section 186(11) of the Companies Act, 2013 read with rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, loans made, guarantees given or securities provided or acquisition of securities by a Non-Banking Financial Company in the ordinary course of its business are exempted from disclosure in the Annual Report. Further the details regarding loans and guarantees given or investments made by the Company during the year under review, are more particularly described in **Note no. - 4 & 5** to the Audited Financial Statements of the Company.

30. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions entered into by the Company during the financial year 2023-24 were on Arm's length basis and were in the ordinary course of business.

Particulars of contracts or arrangements with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013 are disclosed in Form No. AOC-2 and the same forms part of this report as **Annexure-II.** All the related party transactions as required under Ind-AS-24 are reported in the **Note no- 43** to Audited financial statements of the Company.

The company has adopted a Policy on dealing with Related Party Transactions for the purpose of identification, monitoring and approving of such transactions and the same can be accessed on website of the Company through Web link https://www.lifc.co.in/wp-content/uploads/2023/06/Related-Party-Transaction-Policy.pdf and also forming integral part of the Annual Report as **Annexure- II A.**

31. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In compliance of the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has duly constituted a Corporate Social Responsibility (CSR) Committee which defines the scope of the CSR Projects of the Company and its implementation as per Board approved CSR policy.

The Company is having CSR policy which sets out the objective, areas, activities and the manner in which the expenditure on CSR obligation would be carried out by the company and the same is available on the website of the company https://www.lifc.co.in/wp-content/uploads/2023/06/Corporate-Social-Responsibility-Policy.pdf

The brief outline of the CSR Policy, including overview of the programs undertaken by the Company, the composition of the CSR Committee, average net profits of the Company for the past three financial years, prescribed CSR expenditure and details of the amount spent by the Company on CSR activities during the year under review, have been included in Annual report on CSR attached as **Annexure-I** to this report.

Further, in accordance with the rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY 2023-24.

32. RBI GUIDELINES

The Company is registered with Reserve Bank of India (RBI) as a Base Layer Non-Banking Financial Company. The Company has complied with and continues to comply with all applicable laws, rules, circulars and regulations, including the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (“RBI Master Directions”), as amended from time to time. In accordance with Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated October 22, 2021 and guidelines notified thereunder, the Company falls under the category of Base Layer (‘NBFC-BL’) based on which the Company shall endeavor to make full disclosure in accordance with the requirements as issued by RBI.As a Prudent practice, your Company makes accelerated provisioning than that required by RBI for NBFCs in form of Impairment Loss Allowances under ECL Framework.

During the year under review, a fraud was committed by one of the company's customers. This incident was reported to the RBI through the FMR-1 return, in accordance with the Master Circular on Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016, dated September 29, 2016, and the circular dated June 6, 2022, reference no: DOS.CO.FMG.No.S96/23.04.001/2022-23. Details of fraud committed are as follows:

Particulars	Details
Name of the Perpetrator	Ashish Kumar
Name of the activity of the Perpetrator	Fraud KYC & Remove HPN
Nature of Fraud	Cheating and Forgery
Amount involved	Rs. 6, 85,000
Date of occurrence	21/02/2024
Date of detection	23/03/2024
Date of reporting to RBI	31/03/2024
Extent of loss to NBFC	Rs. 6, 85,000

33. NOTICES RECEIVED/PENALTY IMPOSED

During the period under review there were penalties imposed on the company by BSE Limited which are as follows:

S. No	Penalty for the Quarter	Applicable Regulation	Amount of Fine (including GST)	Status/Reason of Fine
1	September 30, 2021	Reg-52(1)	5,25,100	Penalty paid and penalty was imposed due to delay. Submission of Financials as per regulation 52 (1).
2	September 30, 2021	Reg-52(4)	1,05,020	Penalty paid and penalty was imposed due to delay. Submission of report under Regulation 52(4)

3	September 30, 2021	Reg-54(2)	1,05,020	Penalty paid and penalty was imposed due to delay. Submission of report under Regulation 54(2)

34. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY AND ITS FUTURE OPERATIONS

During the period under review there were no significant material orders passed by the Regulators/ Courts/ Tribunals which would impact the going concern status of the Company and its future operations.

35. STATEMENT OF DEVIATION(S) OR VARIATION(S)

During the period under review there were no deviations and variations in the business of the company.

36. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls with reference to Financial Statements. Internal control systems comprising of policies and procedures, are designed to ensure sound management of your Company's operations, safekeeping of its assets, optimal utilization of resources, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, reliability of its financial information and compliance. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations.

37. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, shall be transferred to the Investor Education and Protection Fund ("IEPF").

The provision of Section 125 (2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid in the previous years.

38. GENERAL MEETINGS

During the financial year 2023-24, Annual General Meeting was held on Tuesday, September 19, 2023 and two (2) Extra Ordinary General Meetings were held on Thursday, June 01, 2023 and Thursday, February 15, 2024.

S.NO.	Type of Meeting	Place	Date	Resolutions Passed
1.	Annual General Meeting	Jaipur	19.09.2023	1. Special Resolution was passed for Approval of Laxmi India Finance Private Limited Employee Stock Option Scheme - 2023. 2. Special Resolution was passed for re-appointment of Mr. Kishore Kumar Sansi (DIN: 07183950) as an Independent Director of the company for a second term of five consecutive years.
2.	Extra Ordinary General Meeting	Jaipur	01.06.2023	1. Special Resolution was passed to authorize borrowings by way of issuance of non-convertible debentures on private placement basis. 2. Special Resolution was passed to approve alteration in Articles of Association of the company pursuant to amendment in Regulation 23 of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and Companies Act, 2013.
3.	Extra Ordinary General	Jaipur	15.02.2024	1. Ordinary resolution was passed to approve

	Meeting			the increase in Authorised Share Capital of the company and consequent alteration of the Capital clause contained in the Memorandum of Association.

39. STATEMENT ON COMPLIANCE OF SECRETARIAL STANDARDS

Your Directors state that they have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively and the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied with by your Company.

40. FIT AND PROPER CRITERIA

Pursuant to the Fit and Proper Policy adopted by the Company, under the Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2016 issued by the RBI, the Company has received the requisite declarations and undertakings from all the Directors of the Company which have been taken on record by the Nomination and Remuneration Committee in their meeting held on May 05, 2023.

All the Directors of the Company have confirmed that they satisfy the "fit and proper" criteria as prescribed in Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and that they are not disqualified from being appointed/continuing as Directors in terms of Section 164 of the Act.

41. 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

During the financial year under review, the Company has neither made any applications nor any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) therefore, it is not applicable on the company.

42. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis, in accordance with the applicable provisions of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 which forms an integral part of this Annual Report as **Annexure-VI.** The report discusses in detail the overall industry situation, economic developments, sector wise performance, outlook, risks & concerns, material developments and state of Company's affairs.

43. LAXMI INDIA FINANCE PRIVATE LIMITED EMPLOYEE STOCK OPTION SCHEME -2023

The Company approved Laxmi India Finance Private Limited Employees Stock Option Scheme - 2023 with options exercisable into not more than 10,45,000 (Ten Lakh Forty Five Thousand) equity shares of the Company in Annual General Meeting held on 19th September, 2023. However, as of the current date, no options have been granted under this Scheme.

44. OTHER DISCLOSURES

Other disclosures with respect to Board's Report as required under the Companies Act, 2013 and the Rules notified thereunder are either **NIL** or **NOT APPLICABLE.**

45. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to inform that the audited financial statements for the financial year ended March 31, 2024, are in conformity with the requirements of Clause (c) of Sub-section (3) of Section 134 of the Companies Act, 2013 ("Act") and hereby confirm 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 or 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;
e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
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.

46. AMENDMENT IN MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

- **MEMORANDUM OF ASSOCIATION**

During the financial year under review, the company has made amendments to following clauses of Memorandum of Association of the company in its Annual General Meeting held on February 15, 2024:

❖Clause V which pertains to Share Capital Clause was altered by substituting the existing Clause V by the following new clause V:

"V. The Authorised Share Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores only) consisting of 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupee Ten) each with the right, privileges and conditions attached thereto as are provided by the regulation of the company for the time being, with the power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential or special rights or privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company. The rights of the preference shall be determined at the time of issue thereof."

- **ARTICLES OF ASSOCIATION**

During the financial year under review, the company has made amendments to following clauses of Articles of Association of Company in its Extra Ordinary General Meeting held on June 01, 2023.

❖ The following new sub clause (iii) of clause 64 will be added in the Articles of Association after sub clause (ii) of clause 64 as under:

"(iii) The Board of Directors shall be required to appoint the person nominated by the debenture trustee(s) in terms of clause (e) of sub regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a director on its Board of Directors."

48. COMPLAINTS RECEIVED FROM CUSTOMERS

S.NO.	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	Number of complaints resolved during the year	Number of complaints pending at the end of the year
1.	Ground - 1 Credit Information Companies reports related	**0**	64	54	10
2.	Ground - 2 Staff behaviour	**0**	2	1	1
3.	Ground - 3 Loan Documents/NOC Required	**0**	10	10	0
4.	Ground - 4	**0**	0	0	0
5.	Ground – 5	**0**	0	0	0
6.	Others	**0**	47	43	4
	Total	**0**	123	108	15

49. ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the contribution made by employees at all levels, towards the continued growth and prosperity of your Company. Your Director also wishes to place on record their appreciation to business constituents, banks and other financial institutions and shareholders, of the Company for their continued support.

For and on behalf of Board of Directors
Laxmi India Finance Private Limited
(Formerly Known as Laxmi India Finleasecap Private Limited)

	Sd/-	**Sd/-**
Date: June 07, 2024	**Deepak Baid**	**Aneesha Baid**
Place: Jaipur	Managing Director	Whole Time Director
Reg. Office: 2, DFL, GopinathMarg, MI Road, Jaipur – 302001, Rajasthan	DIN:03373264	DIN: 07117678

CIN: U65929RJ1996PTC073074
Email: info@lifc.in Website: www.lifc.co

ANNEXURE-I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 ("Act") and Annexure II of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company

The Company has adopted a Board approved Corporate Social Responsibility ("CSR") Policy, in accordance with the provisions of section 135 of the Companies Act, 2013("Act") read with the Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII of the Act. Corporate social responsibility is deeply rooted in Laxmi India business philosophy. The Company has a sense of responsibility towards making use of its existing resources and knowledge to not only make profits but also to solve social and environmental issues. The Company commits itself to contribute to the society, discharging its corporate social responsibilities through initiatives that have positive impact on society, especially the community in the neighborhood of its operations by improving the quality of life of the people, promoting inclusive growth and environmental sustainability.

As an integral part of the Company's commitment to good corporate citizenship, the Company believes in actively assisting in improvement of the quality of life of people in the communities. The Company desire to make enduring contributions to social development as a valued and trusted member of society by enriching people's life and making social contributions. Company tries to ensure economic growth with ecological and social responsibility.

Below is a table outlining the key highlights of the CSR Projects undertaken by the company during the financial year 2023-24:

S. No.	Areas/Subjects under Schedule VII	CSR Projects undertaken by the company during the FY 2023-24
1.	Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects;	• Contributed to the construction of classrooms and toilet blocks, renovations, and provision of equipment such as Smart Boards and benches at Round Table India Trust. • Contributed to the Solar Panel Project at Mahapragya International School. • Supported the distribution of mid-day meals, books, and sweaters to children through the Gurukul Educational Society. • Assisted in the distribution of stationery items at Jain Mahila Mandal. • Provided tables and chairs to Government Senior Secondary School, Gudha Sahaypura, Th. Mojamabad. • Repaired the school roof to ensure a conducive learning environment at Rajkiya Uch Madhyamik Vidyalaya Sursingpura.
2.	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;	• Contributed to the distribution of raw food materials and donations to elderly individuals through the Mother Teresa Foundation.
3.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;	• Contributed medicines for the welfare of dogs at Go Nirvana Foundation. • Contributed medicines for the welfare of cows at Mansapurna Gaushala. • Supported animal welfare initiatives at Jeev Kalyan Parishad.

2. Composition of CSR committee

The Board of Directors has constituted a CSR Committee in accordance with the requirements of Section 135(1) of the Act read with rules made thereunder. The Composition and attendance of the Committee members at the CSR Committee meeting held during the Financial Year 2023-24 are as follows:

S. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Deepak Baid	Chairman/ Managing Director	1	1
2.	Mrs. Aneesha Baid	Committee Member/ Whole Time Director	1	1
3.	Mr. Surendra Mehta	Committee Member/ Independent Director	1	1

3. Web- link(s) where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

(a) Composition of CSR Committee: https://www.lifc.co.in/wp-content/uploads/2023/08/Composition-of-Board-and-Committees.pdf

(b) CSR Policy: https://www.lifc.co.in/wp-content/uploads/2023/06/Corporate-Social-Responsibility-Policy.pdf

(c) CSR projects: https://lifc.co.in/gallery/

4. Executive summary along with web link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 if applicable: Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: Rs. 19.15 Lakhs

(b)Two percent of average net profit of the Company as per sub-section (5) of section 135: Rs. 38.30 Lakhs

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

(d) Amount required to be set-off for the financial year, if any: Rs. 2.14 Lakhs

(e) Total CSR obligation for the financial year [(b) +(c)-(d)]: Rs. 36.16 Lakhs

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Rs 36.16 Lakhs

(b) Amount spent in administrative overheads: Nil

(c) Amount spent on impact assessment, if applicable: Not applicable

(d) Total amount spent for the financial year (6a+6b+6c): Rs. 36.16 Lakhs

(e) CSR amount spent or unspent for the Financial Year: NIL

Total amount spent for the Financial year (Amount in Lakhs)	Amount Unspent (Rs. in lakhs)				
	Total amount transferred to Unspent CSR Account as per sub- section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
36.16	**Not Applicable**		**Not Applicable**		

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

Sl. No.	Particular	Amount (in lakhs)
(1)	(2)	(3)

(i)	Two percent of average net profit of the Company as per sub-section 5 of Section 135 (amount after considering a setoff of Rs. 2.14 Lakhs)	36.16
(ii)	Total amount spent for the financial year	36.16
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	-

8. Details of unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl. No	**Preceding Financial Year(s)**	**Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)**	**Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)**	**Amount Spent in the Financial Year (in Rs)**	**Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any**		**Amount remaining to be spent in succeeding Financial Years (in Rs)**	**Deficiency, if any**
					Amount (in Rs)	**Date of Transfer**		
1			0		-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable

For and on behalf of the Board of Directors
For Laxmi India Finance Private Limited
(Formerly Known as Laxmi India Finleasecap Private Limited)

Sd/-
Deepak Baid
Managing Director and Chairman of CSR Committee
DIN:03373264

Sd/-
Aneesha Baid
Whole Time Director and Member of CSR Committee
DIN: 07117678

Date: June 07, 2024
Place: Jaipur

Registered Office: 2, DFL, Gopinath Marg, MI Road, Jaipur – 302001, Rajasthan
CIN: U65929RJ1996PTC073074
Email: info@lifc.in **Website:** www.lifc.co.in

<u>ANNEXURE-II</u>

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 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: Nil

a) Name(s) of the related party and nature of relationship
b) Nature of contracts/arrangements/transactions
c) Duration of the contracts/arrangements/transactions
d) Salient terms of the contracts or arrangements or transactions including the value, if any
e) Justification for entering into such contracts or arrangements or transactions
f) Date of approval by the Board
g) Amount paid as advances, if any:
h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 of Companies Act, 2013.

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

Sr. No.	Name(s) of the related party	Nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts /arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid As advances (if any)
1.	Mr. Deepak Baid,	Managing Director	Rent paid	11 Months	As per Rent Agreement executed between the company and Mr. Deepak Baid	May 06, 2023	-
2.	Mrs. Prem Devi Baid,	Whole Time Director	Rent paid	11 Months	As per Rent Agreement executed between the company and Mrs. Aneesha Baid	May 06, 2023	-
3.	Mrs. Aneesha Baid	Whole Time Director	Rent paid	11 Months	As per Rent Agreement executed between the company and Mrs. Prem Devi Baid	May 06, 2023	-

For and on behalf of Board of Directors
Laxmi India Finance Private Limited
(Formerly Known as Laxmi India Finleasecap Private Limited)

Sd/-	Sd/-
Deepak Baid	**Aneesha Baid**
Managing Director	Whole Time Director
DIN:03373264	DIN: 07117678

Date: June 07, 2024
Place: Jaipur
Reg. Office: 2, DFL, GopinathMarg, MI Road, Jaipur – 302001, Rajasthan
CIN: U65929RJ1996PTC073074
Email: info@lifc.in Website: www.lifc.co

ANNEXURE-IIA

RELATED PARTY POLICY

1. BACKGROUND

Laxmi India Finance Private Limited (Formerly known as Laxmi India Finleasecap Private Limited) (hereinafter referred as "the Company" or "LIFPL") "a Non-Banking Financial Company ('NBFC') holding a valid Certificate of Registration ("CoR") with Reserve Bank of India ('RBI') vide registration no. B-10.00318 dated March 31, 2023 classified as NBFC - Investment and Credit Company (NBFC-ICC) under NBFCs-Base Layer (NBFCs-BL) as per Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, with more than 20 years of experience in asset finance business.

It is focused on offering financing of MSME, Loan against property, Vehicle Loan, Loan for Vehicle Insurance, Personal and Business Loan.

The Board of Directors of the Company has adopted the Related Party Transaction Policy ("Policy") in compliance with the Companies Act, 2013, and pursuant to the Reserve Bank of India circular no. DNBR.PD.008/03.10.119/2016-17 read with circular DOR.CRE.REC. No.25/03.10.001/2022-23 dated April 19, 2022.

The Policy controls transactions with the Related Parties keeping in view of the potential or actual conflicts of interest and can raise concerns upon the transaction entered into by the Company with the Related Parties, and whether such transactions are consistent with the Company's and its shareholders interest, and in compliance with the laws applicable to the Company. Such transactions shall be considered appropriate only if they are in the best interests of the Company and its shareholders.

2. DEFINITIONS

"Act" shall mean Companies Act, 2013 and the Rules framed thereunder including amendments, re-enactments, modifications, notifications, circulars and orders from time to time.

"Arm's Length Basis" shall mean the transaction entered into between two Related Parties as if they were unrelated to avoid any conflict of interest, and the term 'arm's length' shall be construed accordingly.

"Audit Committee" or "Committee" means the Audit Committee of the Company as constituted by the Board.

"Board of Directors" or "Board" shall means Board of Directors of the Company.

"Company" shall mean Laxmi India Finance Private Limited (Formerly known as Laxmi India Finleasecap Private Limited)

"Key Managerial Personnel" (KMP) means:

a. Chief Executive Officer or Managing Director or the manager;
b. Company Secretary;
c. the Whole Time Director;
d. Chief Financial Officer;
e. Such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
f. Such other officer as may be prescribed, from time to time

"Material RPT" means any contract/ arrangement with a related party as defined under Section 188(1) of the Act, which is equal to or exceeds the limits mentioned under Rule 15(3) of the Companies (Meetings of the Board and its powers) Rules, 2014 as per the last audited financial statements of the Company.

"Relative" shall mean the term as defined under relevant applicable section of the Companies Act, 2013 read with the Companies (Specification of definitions details) Rules, 2014.

"Related Party" shall mean a Related Party shall have the same meaning as defined under Section 2(76) of the Act and the Rules made thereunder and the applicable Accounting Standards.

As per Section 2(76) of the Act, Related Party with reference to a company means:

(i) a director or his relative;

(*ii*) a key managerial personnel or his relative;

(*iii*) a firm, in which a director, manager or his relative is a partner;

(*iv*) a private company in which a director or manager or his relative is a member or director;

(*v*) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;

(*vi*) anybody corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;

(*vii*) any person on whose advice, directions or instructions a director or manager is accustomed to act:
Provided that nothing in sub-clauses (*vi*) and (*vii*) shall apply to the advice, directions or instructions given in a professional capacity;

(*viii*) anybody corporate which is—

a) a holding, subsidiary or an associate company of such company;
b) a subsidiary of a holding company to which it is also a subsidiary; or
c) an investing company or the venture of the company;";

Provided that nothing in sub-clauses (*viii*) shall apply to the transaction as mentioned under section 188 (1) (a to g);

(*ix*) such other person as may be prescribed;

Note: The above clause (viii) shall not be applicable for the transaction mentioned in clause (a) to (g) of sub-section (1) of Section 188 of the Act – vide Notification dated June 5, 2015 issued by Ministry of Corporate Affairs

"Ordinary course of Business" means a transaction which is: -

i. Carried out in the normal course of business as envisaged in the Memorandum of Association of the Company as amended from time to time;

ii. Activities carried out in promoting and or in furtherance of the company's business objective;

iii. Historical practice with a pattern of frequency; or

iv. Common commercial practice; or

v. Meets any other parameters/criteria as decided by Board/Audit Committee

"Related Party Transaction" or ("RPT") shall means any transaction or contract or arrangement with Related Party as defined under Section 188 of the Act and the Rules made thereunder and the Accounting Standards.

3. APPLICABILITY

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions. Transactions covered by this policy include any contract or arrangement with a Related Party with respect to transactions defined hereunder as "Related Party Transaction".

4. SCOPE AND PURPOSE

This policy is intended to ensure the proper approval and reporting of transactions as applicable, between the Company and any of its Related Party in the best interest of the Company and its Stakeholders. Provisions of this policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws. This Policy shall supplement the Company's other policies in force that may be applicable to or involve transactions with related persons. Further, the Board may amend this policy from time to time as may be required. The Audit Committee of Directors ("Audit Committee"), shall review, approve and ratify Related Party Transactions based on this Policy in terms of the requirements under the above provisions.

5. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

Each Director and Key Managerial Personnel is responsible for providing notice to the company secretary of any potential or proposed Related Party Transaction involving him/her or his or her relative, including any additional information about the transaction that the Board/Audit Committee may request, for being placed before the Audit Committee and the Board. It is hereby clarified that such notice by the relevant Director or Key Managerial Personnel shall be sent prior to such Related Party Transaction being approved to the Audit Committee so as to assist the Audit Committee in determining to grant approval for the said Related Party Transaction. The Board shall record the disclosure of interest and the Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy. In the event a Director or Key Managerial Personnel, as the case may be, fails to provide prior notice as required in this Clause 5, the Related Party Transaction shall be Rescinded/Terminated by the Company.

6. APPROVAL OF RELATED PARTY TRANSACTION

(A) Audit Committee Approval

Related Party Transactions shall be approved by the Audit Committee, as may be required in terms of the provisions of the Companies Act, 2013. To review a related party transaction which requires approval of the Audit Committee, the Audit Committee will be provided with all relevant material information to assist it in deciding whether or not to approve the transaction.

The Related Party List shall be updated whenever necessary and shall be reviewed at least once a year.

The Audit Committee may grant omnibus approval for related party transactions which are repetitive in nature subject to the following conditions:

a. The Audit Committee shall satisfy itself on the need for omnibus approval and whether such approval is in the interest of the Company;

b. Omnibus approval shall be valid for a period not exceeding 1 (One) financial year and shall require fresh approval after the expiry of such financial year;

c. The omnibus approval shall contain the name of the related party(ies), nature and duration of the transaction, maximum amount of transaction that can be entered into, the indicative base price or current contracted price and the formula for variation in the price, if any, and such other conditions, as the Audit Committee may deem fit;

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may make omnibus approval for such transactions subject to their value not exceeding INR 1 crore per transaction.

d. Omnibus approval shall not be made for transactions in respect of –

i. Selling or disposing of the undertaking of the Company;
ii. Transactions which are not in the interest of the Company.
iii. Such other transactions specified under the applicable laws from time to time.
iv. Transactions which are not in the ordinary course of business or not at arm's length
v. Transactions which are not repetitive or unforeseen in nature.
vi. Inter-corporate loans given / taken by the Company to / from related parties and purchase / sale of investments from / to related parties.
vii. Transactions in respect of sale or disposal of the undertaking of the Company.
viii. Any other transaction as may be specified by the Audit Committee.

e. The Audit Committee shall, at least on quarterly basis, review the details of the related party transactions entered into by the Company pursuant to each of the omnibus approval.

In an unforeseen event where a RPT needs to be entered due to business exigencies between two Audit

Committee meetings, the Audit Committee may approve such RPT by passing a resolution by circulation, after satisfying itself that such transaction is in the interest of the Company. Such transaction shall be ratified within three month(s) from the date of entering into such transaction.

Audit Committee shall ensure all the relevant disclosures as per section 177 and Section 188 of Companies Act, 2013 of while considering any related party for approval or ratification.

(B)Approval of Board of Directors and Shareholder

Except in respect of transactions entered into by the Company in its ordinary course of business (other than transactions which are not on an arm's length basis), the Company shall not enter into any contract or arrangement with its Related Parties with respect to the matters specified in Section 188(1) of the Act, without the following prior approvals:

(i) Approval of the Board of Directors given by way of a resolution at a meeting of the Board and subject to such conditions as may be prescribed by the Board; and

(ii) Approval of the shareholders of the Company by ordinary resolution in case the contract or arrangement falls within the criteria specified as per Section 188(1) read with the Companies (Meetings of Board and its Powers) Rules, 2014.

All RPT specified in the Companies Act, 2013 which are not in Ordinary Course of Business of the Company or not at Arm's Length Basis and exceed the thresholds laid down in the Companies Act, 2013 and Companies (Meeting of Board and its Power) Rules, 2014, as amended from time to time, shall be placed before the shareholders for its approval. Notwithstanding, the RPTs which cross the thresholds as defined herein shall be entered by the Company only with the prior approval of shareholders of the Company, as per Section 188 of the Act. However, Shareholders approval shall not be required for Material RPTs entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with that of the Company and placed before the shareholders at the general meeting for approval. Subject to the provisions of the applicable laws, the Audit Committee or the Board of Directors or the Shareholders of the Company, as the case may be, shall have the power to ratify, revise or terminate the RPT, which are not in accordance with this Policy or as per the provisions of the applicable laws.

(C) Deemed Approval

The transactions or arrangements which are specifically dealt under the separate provisions of the Law and executed under separate approvals/procedures from relevant committee shall be deemed to be approved for the purpose of this Policy. Such transactions are enumerated below:
i. Appointment and payment of remuneration, including any variations thereto, to Key Managerial Personnel pursuant to the Nomination and Remuneration Committee approval;
ii. Payment of remuneration, fees, commission, etc. to directors pursuant to approval of the Nomination and Remuneration Committee;
iii. Any benefits, interest arising to Related Party solely from the ownership of Company shares at par with other holders, for example, dividends, right issues, stock split or bonus shares approved by the Nomination and Remuneration Committee or any other Board Composed Committee.
iv. Contribution with respect to Corporate Social Responsibility to eligible entity pursuant to approval of Board or the Corporate Social Responsibility Committee.

(D) Related Party Transactions Not Approved Under This Policy

In case of any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the Company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorised by any other director, the director concerned shall indemnify the Company against any loss incurred by it.

In case of any contract or arrangement entered into by a director or any other employee, without obtaining the consent of the Board or approval by the Shareholder in the General Meeting under Section 188(1) of the Act and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

7. REPORTING OF RELATED PARTY TRANSACTIONS

The Company shall abide by the following when granting loans and advances to senior officers:

i. Loans and advances sanctioned to senior officers of the Company shall be reported to the Board.
ii. No senior officer or any Committee comprising, inter alia, a senior officer as member, shall, while exercising powers of sanction of any credit facility, sanction any credit facility to a relative of that senior officer. Such a facility shall be sanctioned by the next higher sanctioning authority under the delegation of powers.

Every contract or arrangement, which is required to be approved by the Audit Committee/Board/Shareholders under this Policy, shall be reported in the Board's report, as per the requirement under the Relevant Law.

Further, the Company shall disclose in Annual Financial Statements, aggregate amount of such sanctioned loans and advances.

8. DISCLOSURE

Appropriate disclosures as required by the Act and Reserve Bank of India will be made in the Financial Statements and the Board's Report of the Company. This Policy shall be disclosed on the website of the Company.

9. REVIEW OF POLICY

This Policy shall be reviewed by the Audit Committee ("Committee") as and when any changes are to be made in the Policy. Any changes or modification in the Policy as recommended by the Committee shall be presented to the Board for their approval.

If at any point a conflict of interpretation / information between the policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/ directions issued by relevant authorities ("Regulatory Provisions") arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions.

ANNEXURE-III

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Laxmi India Finance Private Limited
(Formerly known as Laxmi India Finleasecap Private Limited)
2 DFL, Gopinath Marg, MI Road,
Jaipur– 302001 (Rajasthan)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Laxmi India Finance Private Limited (Formerly known as Laxmi India Finleasecap Private Limited)** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided 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, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2024 ('**Audit Period**') 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 the Company for the Financial Year ended on March 31, 2024 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) 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 **(Not applicable to the Company during the Audit Period)**;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    (c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
    (d) 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;
    (e) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the Audit Period)**;
    (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**
    (g) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during the Audit Period);**
    (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the Audit Period);**
    (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);** and

(vi) As confirmed, following other laws are specifically applicable to the Company for which the Management has confirmed that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively:

(a) The Reserve Bank of India Act, 1934;
(b) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (**repealed w.e.f. October 19, 2023)**;
(c) Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 **notified on October 19, 2023 (effective from October 19, 2023)**;
(d) Scale Based Regulation(SBR): A Revised Regulatory Framework for NBFCs and guidelines notified thereunder;
(e) Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016;
(f) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;
(g) Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016 **(repealed w.e.f. February 27, 2024**;
(h) Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024 **notified on February 27, 2024 (effective from February 27, 2024);**
(i) Master Direction - Information Technology Framework for the NBFC Sector;
(j) Master Direction – Reserve Bank of India (Securitization of Standard Assets) Directions, 2021;
(k) Master Direction – Know your Customer (KYC) Direction, 2016; and
(l) Master Direction-Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 2016

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India;
ii. The Listing Agreement entered into by the Company with BSE Limited.

During the Audit Period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above ***except non-maintenance of Audit Trail (Edit Log) in core Business & Accounting software (Jaguar) of the company throughout the year.***

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 other than those held on shorter notice. Further, independent directors were present at Board Meetings which were called at shorter notice to transact business which were considered urgent by the management in compliance of Section 173(3) of the Act. 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 while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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 during the Audit Period the company has:-

(i) Duly passed the resolution pursuant to Section 42 and 71 of the Act for approving the issue of Non–Convertible Debentures for an amount not exceeding Rs. 100,00,00,000/- (Rupees One Hundred Crores Only) on a private placement basis in one or more tranches in Extra Ordinary General Meeting held on 1st June, 2023;

(ii) Increased the Authorized Share Capital of the Company from Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores) Equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 30,00,00,000 /- (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores) equity shares of Rs. 10/- (Rupees Ten only) and consequently altered the Capital Clause contained in the Memorandum of Association of Company in Extra Ordinary General Meeting held on 15th February, 2024;

(iii) Approved Laxmi India Finance Private Limited Employees Stock Option Scheme - 2023 with options exercisable into not more than 10,45,000 (Ten Lakh Forty Five Thousand) equity shares of the Company in Annual General Meeting held on 19th September, 2023;

(iv) Altered the Articles of Association ("AOA") of the Company in Extra Ordinary General Meeting held on 1st June, 2023 by inserting following new sub clause (iii) after sub clause (ii) of clause 64 of the AOA;

(iii) The Board of Directors shall be required to appoint the person nominated by the debenture trustee(s) in terms of clause (e) of sub regulation (1) of Regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a director on its Board of Directors;

(v) Approved making of first call on 38,63,862 (Thirty Eight lakh Sixty Three Thousand Eight Hundred and Sixty-Two) partly paid up equity shares pursuant to section 179(3)(a) and 49 of the Act in the Board Meeting held on 10th February, 2024;

(vi) Accepted voluntary payment of amount remaining unpaid on 38,63,862 (Thirty Eight lakh Sixty Three Thousand Eight Hundred and Sixty Two) partly paid up equity shares pursuant to section 50 of the Act and thereby making the said shares fully paid up in the Board Meeting held on 27th March, 2024;

(vii) Redeemed 2,000 (Two Thousand) Unlisted Non-Convertible Debentures of the Company having face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each on 30th June, 2023 pursuant to maturity;

(viii) Redeemed all 50 (Fifty) outstanding Listed Non-Convertible Debentures of the Company on 14th July, 2023 pursuant to maturity and subsequently got delisted from the Wholesale Debt Market Segment of BSE Limited;

(ix) Redeemed all 100 (One Hundred) outstanding Listed Non-Convertible Debentures of the Company on 21st April, 2023 pursuant to maturity and subsequently got delisted from the Wholesale Debt Market Segment of BSE Limited;

(x) Paid fine of Rs. 7,35,140 (Rupees Seven Lakh Thirty-Five Thousand One Hundred and Forty only) to BSE Limited for delay in submission of:

a) Financial results under Regulation 52(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015("SEBI LODR") for quarter ended 30th September, 2021.
b) Disclosure of line items along with Financial results under Regulation 52(4) of SEBI LODR for quarter ended 30th September, 2021.
c) Disclosure w.r.t the extent and nature of security created and maintained with respect to secured listed Non-Convertible debt securities under Regulation 54(2) of SEBI LODR for quarter ended 30th September, 2021.

The status of payment of fine as detailed above was reported to the Board of Directors of Company in their Board Meeting held on 27th March, 2024.

Place: Jaipur
Date: 4th May, 2024
UDIN: A046577F000308443

For V. M. & Associates
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 5447 / 2024

CS Kamla Choudhary
Partner
Membership No.: ACS 46577
C P No.: 26628

Note: 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.

Annexure A

To,
The Members,
Laxmi India Finance Private Limited
(Formerly known as Laxmi India Finleasecap Private Limited)
2 DFL, Gopinath Marg, MI Road,
Jaipur– 30 001 (Rajasthan)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. 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. Wherever 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.

Place: Jaipur
Date: 4th May, 2024
UDIN: A046577F000308443

For V. M. & Associates
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 5447 / 2024

CS Kamla Choudhary
Partner
Membership No.: ACS 46577
C P No.: 26628

ANNEXURE-IV

**STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISION OF SECTION 197 OF THE COMPANIES ACT, 2013,
[READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]
AND FORMING PART OF THE REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED MARCH 31, 2024:**

A. **Statement showing particulars of Top Ten employees in terms of remuneration drawn in the Financial Year 2023-24:**

S. No.	Name of Employee	Designation	Nature of Employment	Age	Last Employment	Designation of Last Employment	Date of Commencement of Employment	Qualification	Experience	Remuneration Gross (Rs.)	% of Shareholding in the Company	Nature of Duties
1	Deepak Baid	Managing Director	Full time Employment	43	Deepak Finance & Leasing Co	Founder & Promoter	04-02-2011	B. Com.	25 years	2,87,50,000	19.13 %	Managing Whole Operation of the company
2	Aneesha Baid	Whole Time Director	Full time Employment	43	Deepak Finance & Leasing Co	Director	31-12-2016	B. Com	11 years	1,79,68,750	5.83 %	Managing Strategic Decision Making
3	Prem Devi Baid	Whole Time Director	Full time Employment	74	Deepak Finance & Leasing Co	Director	04-02-2011	B. Com	17 years	1,43,75,000.00	3.56 %	Managing CSR, HR & Training Activities
4	Kuldeep Singh Sikarwar	Chief Business Officer	Full time Employment	42	Hinduja Housing Finance Ltd	Regional Head-Sales	04-May-20	MBA	15 years	54,11,247	-	Heading the Whole business, operation & Legal- technical
5	Piyush Somani	Chief Treasury Officer	Full time Employment	38	Ess Kay Fincorp Ltd	Sr Manager - Finance	01-Mar-19	CA	12 years	44,17,804	-	Heading the Finance & Treasury
6	Uday Singh Nirwan	National Head-Collections & Legal	Full time Employment	42	HDB Financials	Regional Collection Manager	22-Mar-21	B. Com	12 Years	26,31,298	-	Heading the Collection & Legal Department
7	GopalKrishanSain	Chief Financial officer	Full time Employment	39	PoojaFinlease Ltd.	AVP Accounts	21-02-2022	CA	8 years	31,71,291.00	-	Heading the Accounts Department
8	RohitMathur	National Credit Manager	Full time Employment	35	Jumbo Finvest Ltd	Regional Credit Manager	26-Sep-22	C.A.	11 years	28,64,719	-	Heading the Credit Department
9	AmitSaini	Assistant Vice President-Audit	Full time Employment	34	Aavas Financiers Ltd	Audit Manager	10-Jun-21	C.A.	8 years	24,28,138		Heading the Audit Department
10	Nitant Verma	Zonal Sales Head	Full time Employment	45	HDB Financials	Regional Sales Head	03-09-2022	B. Com	18 years	36,20,733	-	Heading the business of Gujarat & MP

B. Statement showing particulars of employees who were in employment throughout the Financial Year and are in receipt of remuneration of not less than Rs. 1,02,00,000/- Per Annum in aggregate.

S. No.	Name of Employee	Designation	Nature of Employment	Age	Last Employment	Designation of Last Employment	Date of Commencement of Employment	Qualification	Experience	Remuneration Gross (Rs.)	% of Shareholding in the Company	Nature of Duties
1	Deepak Baid	Managing Director	Full time Employment	43	Deepak Finance & Leasing Co	Founder & Promoter	04-02-2011	B. Com.	25 years	2,87,50,000	19.13 %	Managing Whole Operation of the company
2	Aneesha Baid	Whole Time Director	Full time Employment	43	Deepak Finance & Leasing Co	Director	31-12-2016	B. Com	11 years	1,79,68,750	5.83 %	Managing Strategic Decision Making
3	Prem Devi Baid	Whole Time Director	Full time Employment	74	Deepak Finance & Leasing Co	Director	04-02-2011	B. Com	17 years	1,43,75,000.00	3.56 %	Managing CSR, HR & Training Activities

C. Statement showing particulars of employees who were in employment for a part of the financial year, are in receipt of remuneration of not less than Rs. 8, 50,000/- Per Month.

S. No.	Name of Employee	Designation	Nature of Employment	Age	Last Employment	Designation of Last Employment	Date of Commencement of Employment	Qualification	Experience	Remuneration Gross (Rs.)	% of Shareholding in the Company	Nature of Duties
1.	Not Applicable											

NOTE:

1. During the year there are no such employee who were employed throughout the year or part thereof and was in receipt of remuneration in the year in excess of that drawn by Managing Director and Whole Time Director and holds by himself, or along with his spouse and dependent children not less than two percent of the equity shares of the Company.
2. The employment of above employees is governed by the policies of the Company, which are applicable to all employees of the Company.
3. The percentage of equity shares of the Company held by the above employees: **28.52%**
4. The nature of employment in all the above cases is contractual: NA
5. All the above employees are not relative of any Director. Shri Deepak Baid (Self), Smt. Prem Devi Baid (Mother) and Smt. Aneesha Baid (Wife) are relatives.
6. Name of Directors who are relative: Shri Deepak Baid (Self), Smt. Prem Devi Baid (Mother) and Smt. Aneesha Baid (Wife) are relatives.

ANNEXURE- V

Risk Management Policy

1. BACKGROUND & LEGAL FRAMEWORK

The Board of Directors ("Board") of Laxmi India Finleasecap Private Limited (hereinafter referred as "the Company" or "LIFC" or "Laxmi India") has adopted the Risk Management Policy, which encompasses practices relating to identification, assessment, monitoring and mitigation of various risks to the business. Risk Management Policy of the Company seeks to minimize unfavorable impact on the business objectives and develop stakeholder value. Risk Management is a key aspect of the "Corporate Governance Principles and Code of Conduct" which aims to improvise the governance practices across the Company's activities. Risk Management Policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

The Company is prone to inherent business risks. This document is intended to formalise a risk management policy, the objective of which shall be identification, evaluation, monitoring and minimisation of identifiable risks.

2. OBJECTIVE & PURPOSE OF POLICY

The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

This Policy has been framed in accordance with the Risk Management framework as issued by Reserve Bank of India ("RBI") vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 ("RBI Circular") and amendments thereon.

The purpose of this policy is to address unanticipated and unintended losses to the human resources & financial assets of the Company without unnecessarily limiting the activities that advance its mission and goals. LIFC has introduced effective risk management systems that address the issues relating to various risks. The effective management of risk is vital to the continued growth of the Company.

The specific objectives of the Risk Management Policy are:

1. To ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.

2. To establish a framework for the company's risk management process and to ensure its implementation.

3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.

4. To assure business growth with financial stability.

3. RESPONSIBILITIES

The Risk Management Policy of the Company falls under the authority of the Board of Directors. The formulation, revision and administration of the Policy is assigned to the Risk Management Committee which will advise the Board to take strategic decisions.

3.1 Board of Directors

The Board of Directors has the ultimate responsibility for the implementation of and ensuring adherence to this policy. The Board will at least annually, formally review this policy.

3.2 Risk Management Committee (RMC)

3.2.1 Constitution

The Risk Management Committee shall constitute of 4 (four) members with majority to be members of the Board of Directors with at least 1 independent director and Chief Executive Officer (CEO)/ Managing Director. The constitution of the Committee can be modified by the Board in accordance with the applicable laws and guidelines.

3.2.2 Meetings
a) Quorum
Minimum 2 (two) or 1/3rd (one-third) Members whichever is higher shall constitute the quorum.

b) Periodicity of Meeting

The Company Secretary of the Company shall be responsible for convening the meetings of the Committee and may arrange to convene the Meetings of RMC as and when needed depending upon the necessity in consultation with MD/CEO and CFO. RMC may convene a meeting once in a quarter for review and taking corrective action, if required. However, Minimum 2 meetings shall be held during the financial year.

c). Recording of Minutes

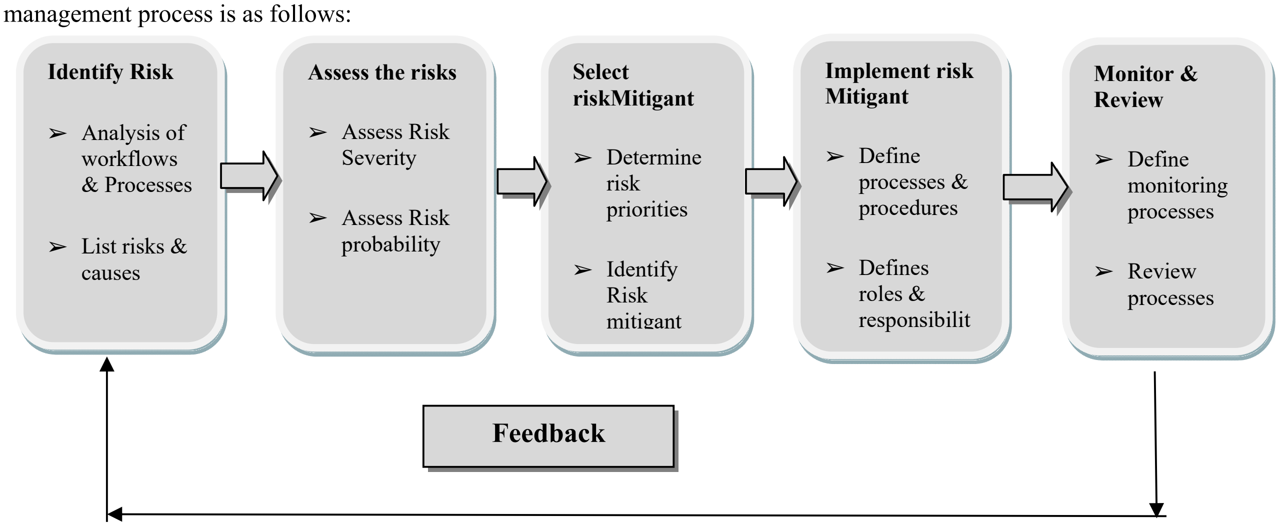
Minutes of the meeting shall be prepared and preserved in the Minutes Book and the same shall be approved as per the Secretarial Standard-1

3.2. Scope & Role and Responsibilities
i. To formulate a detailed risk management policy which shall include:

a. a framework for identification of internal and external risks specifically faced by the entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
b. measures for risk mitigation including systems and processes for internal control ofidentified risks.
c. business continuity plan.

ii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
iii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
iv. To periodically review the risk management policy, at least annually, including by considering the changing industry dynamics and evolving complexity;
v. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
vi. The committee will coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).
vii. The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary

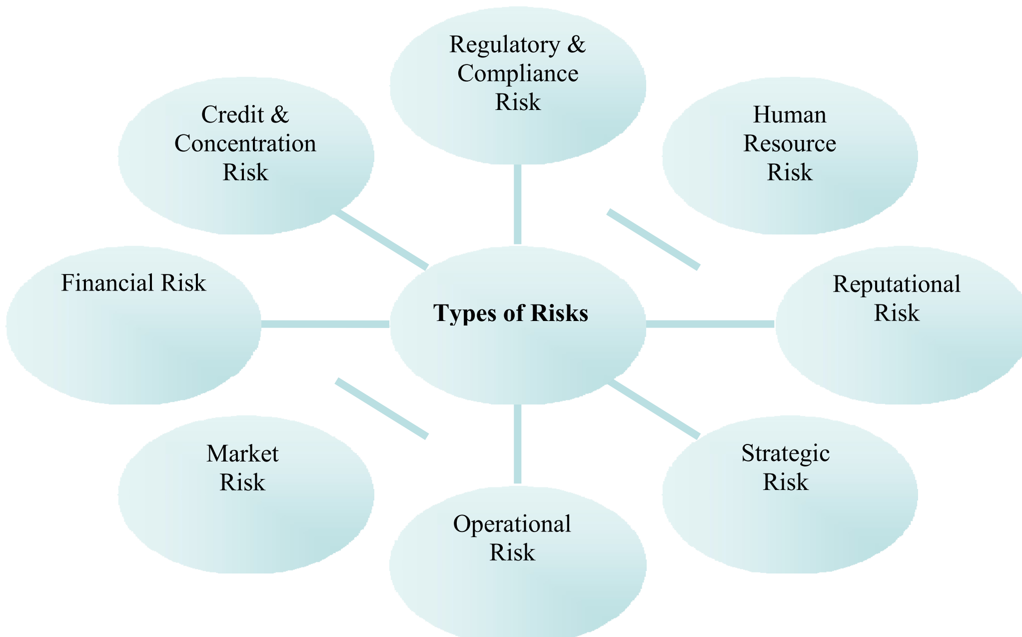
4. RISK MANAGEMENT PROCESS
Risk management process is systematic application of management policies, procedures and practices to the tasks of identifying, analysing, assessing, treating and monitoring risk. The main elements of the risk management process is as follows:



5. CATEGORIES OF RISK & THEIR IDENTIFICATION

Following risks are associated with the Company:

The following broad categories of risks have been identified in our risk management framework along with possible mitigation factors:



5.1 Strategic Risk

Risk: It is the risk to earnings and capital arising from lack of responsiveness to changes in the business environment and/or adverse business decisions, besides adoption of wrong strategies andchoices.

Mitigation: The management is proactive in its approach towards changes in economic/business environment as the business strategies are regularly discussed with the senior officials of the organization so that adequate steps can be taken. Also, important strategic matters are referred to the Board, consisting of members with diversified experience in the respective fields, for intense deliberations, so as to derive the benefit of collective wisdom.

5.2. Operational Risk

Risk: Risks inherent to business operations including those relating to client acquisition, service delivery to clients, business support activities, information security, human resource and business activity disruptions internal processes. It includes legal risk but excludes strategic and reputational risk. Legal risk includes, but is not limited to, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements. In order to mitigate this, internal control and internal audit systems are used as the primary means.

Mitigation:

i. Risk Education: Risk education for familiarizing the complex operations at all levels of employees. To ensure the same, the Company should put in place Training and Development Policy for the employees and the HR department of the Company shall conduct regular induction and refreshers training in pursuance to the same.

ii. Document Storage and Retrieval: The Company recognizes the need for proper storage of documents as also their retrieval for audit and statutory requirements.

iii. Whistle Blower/Fraud Prevention Policy- The Company encourages all its employees to report any non-compliance of stated company processes or policies without fear as we have a clearly stated "no-retaliation" policy. The Company shall have a formal policy that details the manner in which such issues are handled – background investigation, holding a hearing by a committee, and ensuring that action as per the committee's recommendations is carried out. All issues reported shall be categorized for nature and severity:

- Financial or Non-Financial
- Major or Minor
- Procedural Lapse or Gross Violation
- Breach in Process or Disciplinary Issue

iv. Internal Audits: Internal Audit at Branch Offices and at the Corporate/Regional Offices are carried out by Internal Auditor on quarterly basis as appointed by the Board. The scope of this Internal Audit covers all key functions including HR, Operations, Credit, Finance and Accounts. The scope of these audits are reviewed periodically and modified to keep pace with a dynamic business environment. All significant audit observations of Internal Audits and follow-up actions are presented to the Audit Committee.

v. Technology Infrastructure: Technological innovation in general and information technology (IT) applications in particular, have major effect in NBFC sector. To protect the Company against operational risk, IT Services must be delivered on a consistent and timely basis in accordance with high customer expectations for constant and rapid availability and potentially high transaction demand. To mitigate this risk, the Company should keep IT policy updated. Further, the Company should have a Business Continuity Plan, which should be reviewed on yearly basis by the Board.

vi.Outsourcing Policy: The Company has established an Outsourcing policy in accordance with RBI guidelines wherein a detailed check is done for all the outside vendors before any work is outsourced.

vii. Assets Insurance: The Company should sufficiently insure its assets to protect itself from future unforeseeable events as a part of its operational risk management.

5.3 Market Risk

Risk: Risks emanating out of the choices we make on markets, resources and delivery model that can potentially impact our long-term competitive advantage. Risks relating to inherent characteristics of our industry including competitive structure, technological landscape, extent of linkage to economic environment and regulatorystructure.

Mitigation: Management regularly reviews its business model including the areas it wants to operate. The management carries out regular competitive analysis of its peers in the industry so as to remain in competition and change its markets if required.

5.4 Financial Risk

5.4.1 Interest Rate Risk

Risk: Interest rate risk is the risk where changes in market interest rates might adversely affect an NBFC's financial condition. The immediate impact of changes in interest rates is on the Company's earnings (i.e. reported profits) by changing its Net Interest Income (NII). The Company manages this risk on NII by pricing its loan products to customers at a rate which covers interest rate risk. The risk from the earnings perspective can be measured as changes in the Net Interest Income (NII) or Net Interest Margin (NIM). Measurement of such risk is done at the time of deciding rates to be offered to customers. Once interest rate risk is measured, lending rates are finalized. Given the interest rate fluctuation, the Company has adopted a prudent & conservative risk mitigation strategy to minimize interest risk.

Risk Measurement and Management

Gap management

The interest rate gap is a common form of interest rate sensitivity measurement. GAP is equal to rate sensitive assets (RSA) minus rate sensitive liabilities (RSL). A rate sensitive asset/liability is one whose yield/cost varies with base rate fluctuations. With the GAP methodology the Company's assets and liabilities will be organized into repricing "buckets" using book values. The analysis will allow the Company to determine the effect in the Company's income due to a change in interest rates. A positive GAP exists when there is more RSA than RSL, and a negative GAP exists when there is more RSL than RSA.

The Company will strive to achieve a balance between reducing risk to earnings from adverse movements in interest rates, and enhancing net interest income through correct anticipation of the direction and extent on interest rate changes.

Liquidity Risk Tolerance Limit in Different Time Buckets is tabulated as under:

Time Bucket	**Liquidity Risk Tolerance Limit Cumulative Mismatch**
1 day to 7 days	10%
8 days to 14days	10%
15 days to 30/31 days (One Month)	20%
Over One Month and up to 2 Months	25%
Over 2 Months and up to 3 Months	30%
Over 3 Months and up to 6 Months	30%
Over 6 Months and up to 1 Year	35%
Over 1 Year and up to 3 Years	40%
Over 3 Years and up to 5 Years	50%
Over 5 Years	60%

5.4.2 Liquidity Risk

Risk: Measuring and managing liquidity needs are vital for effective operations of an NBFC. The importance of liquidity transcends individual institutions, as liquidity shortfall in one institution can have repercussions on the entire system. Board/ALM Committee should measure not only the liquidity positions of company on an ongoing basis but also examine how liquidity requirements are likely to evolve under different assumptions. Experience shows that assets commonly considered as liquid, like government securities and other money market instruments, could also become illiquid when the market and players are unidirectional. Therefore, liquidity has to be tracked through maturity or cash flow mismatches. For measuring and managing net funding requirements, the use of a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates is adopted as a standard tool.

i. Maturity Mismatch: Liquidity Risk arises largely due to maturity mismatch associated with assets and liabilities of the company. Liquidity risk stems from the inability of the company to fund increase in assets, manage unplanned changes in funding sources and meet financial commitments whenrequired.

ii. External Source of funds: Due to the high reliance on external sources of funds, LIFC is exposed to various funding and liquidity risks comprising:

iii. Funding Concentration Risk—Concentration of a single source of funds exposes the Company to an inability to raise funds in a planned and timely manner and resort to high cost emergency sources of funds. Further, concentration of funding sources can also result in a skewed maturity profile of liabilities and resultant Asset-Liability mismatch.

iv. Asset-Liability Mismatch—A skewed asset-liability profile can lead to severe liquidity shortfall and result in significantly higher costs of funds; especially so during times of crises.

v. Market Perception Risk—Due to inherent industry characteristics, the Company is exposed to perception risks, which can lead to decline in ability of a lender to increase exposure to the Microfinance sector and result lack of adequate and timely inflow of funds.

vi. Leverage Risk— a high degree of leverage can severely impact the liquidity profile of the company and lead to default in meeting its liabilities.

Mitigation: The key liquidity management policies being followed at the company include:

i. Regular ALM Meetings: This is done to identify any short term liquidity gaps and thereby take immediate corrective actions to bridge the same.

ii. Lender Exposure Updates: The exposure profile to the lenders is regularly updated to ensure that skewness does not creep in in respect of the sources of external funds.

iii. Floating Rates: The Company currently borrows majority of its loans on a floating basis as against the entire lending on a fixed rate basis. This minimizes the impact of any adverse impact in the event of a credit shock in the banking system and any continuing effects of the same on overall interest rates in the economy and on the Company.

iv. Defined Leverage Levels: LIFC targets a leverage of maximum 4x in light of the business model and adequately safeguard itself against the impact of adverse market conditions. It also affords LIFC reasonable time to tie-up timely equity infusion.

v. Capital Adequacy: LIFC targets to maintain healthy levels of capital adequacy - historically, in excess of 20%. The Company maintains a strong capital position with the capital ratios well above the thresholds defined by the regulatory authorities through continuous and timely capital infusion.

vi. Structured Liquidity Statement: ALCO will be reviewing the Structured Liquidity management (SLM) Statement on an ongoing basis and should ensure that mismatch in the different time bucket remain within the tolerance limit as stated herein and in the Asset Liability Management Policy.

vii. Dynamic Liquidity Statement: In order to enable the Company to monitor its short-term liquidity on a dynamic basis over a time horizon spanning from 1-90 days, companies may estimate their short-term liquidity profiles on the basis of business projections and other commitments. The Company shall prepare Short-term Dynamic Liquidity as prescribed in the Asset Liability Management Policy.

viii. Liquidity Ratios: The Company shall ensure the compliance of the ratios effecting the liquidity as prescribed in the Asset Liability Management Policy

5.5 Reputational risk

5.5.1 Risk: Reputational risk is related to adverse perception of the image or the company, on the part of customers, counterparties, shareholders, investors and regulators. It refers to the potential adverse effects, which can arise from the company's reputation getting tarnished due to factors such as unethical practices, regulatory actions, customer dissatisfaction and complaints leading to negative publicity. Presence in a regulated and socially sensitive industry can result in significant impact on Company's reputation and brand equity as perceived by multiple entities like the RBI, Central/State/Local authorities, banking industry and the customers. The risk can emanate from:

i. Non-Compliance with Regulations
ii. Customer Dissatisfaction
iii. Misrepresentation of facts and figures in public

Mitigation: Considering the business model the following aspects have been put in place to reduce vulnerability related to reputational risk:

i. Compliance with Fair Practices Code: All employees are trained and instructed to follow fair practices as per RBI prescribed guidelines in all their dealings with the customers.
ii. Grievance Redressal Mechanism (GRM): The Company has a defined GRM in place and the same is communicated to all customers at the time of sanction of loan. This is also available on the website of the Company.
iii. Delinquency Management: The Company does not resort to any coercive recovery practices and all recoveries are made in accordance with the Recovery policy and Fair Practice Code of the Company.
iv. Stringent Selection Criteria: Vendors, employees and other associates of the Company are selected after confirming to the stringent criteria's prescribed by the management.
v. Reference Check: The management carries out a reference check for all the vendors from the market before having them on Board so as to ensure utmost integrity while carrying out their duties.
vi. Legal Obligations: All employees, vendors and associates are required to sign legal contracts wherein specific clauses related to non-disclosure are entered so as to ensure the Company from any reputational risks.

6. Credit and Concentration Risk

1.1 Credit Risk

Risk: Any lending activity by the Company is exposed to credit risk arising from repayment default by borrowers and other counter parties. Despite best efforts, there can be no assurance that repayment default will not occur and, in such circumstances, may have an effect on its results of operations. The Company and its subsidiaries may not be able to realize the full value of its collateral or be delayed in realizing such value, due to, among other things, legal proceedings by defaulting borrowers and/ or security providers, and stagnation or reduction in market value of collateral. A failure to recover the expected value of collateral security could expose the Company to a potential loss. Any such losses could adversely affect the Company's financial condition and results of operations.

Mitigation: A strong credit risk management process helps in containing the portfolio quality of the company. Key elements of the credit risk management include a structured and standardized credit approval process supported by a strong system, effective training programs, legal and technical due diligence, monitoring and robust credit risk management strategy at a senior management level.

The Credit Risk Management Department (CRMD) is empowered to formulate clear policies on standards on the following issues:

- Presentation of credit proposals.
- Prudential limits on large credit exposures.
- Assets concentration
- Standard for loan collateral.
- Portfolio Management.
- Loan review mechanism
- Risk concentration.

- Pricing of loans.
- To monitor quality of loan portfolio.
- In Identify problems and correct deficiencies.
- Develop MIS and undertake loan review of large accounts.

CRMD is also required to monitor compliance of the risk parameters and prudential limits set up in the credit policy of the company.

In order to achieve the above goals, CRMD is empowered as under:-

Prudential Limits: To monitor the stipulated benchmark of current ratio, debt equity, DSCR and profitability ratios. The CRMD is empowered to elaborate the conditions subject to which the deviations are permitted.

Exposure Norms: To monitor the exposure norms as stipulated in the credit policy of the Company segment wise, industry wise and borrower wise.

1.2 Portfolio Concentration Risk

Risk: Portfolio Concentration Risk is the risk to the company due to a very high credit exposure to a particular business segment, industry, geography, location, etc. though in the context of micro finance, it pertains predominantly to geographical concentration.

Mitigation: LIFC intends to maintain a diversified exposure in advances across various sectors and geographies but to mitigate the risks that could arise due to political or other factors within a particular state. The Company has steadily diversified into various sectors and geographies and consequently the portfolio has become diversified. The Company has also started lending for consumer durables, personal loans and consumption loans. As a part of credit appraisal process, before establishing any new relationship, various factors are taken including credit history, project size, other borrowings, etc. are considered.

7. Regulatory and Compliance Risk

Risk: The Company is exposed to risk attached to various statutes and regulations. The company is mitigating the risk through regular review of legal compliances carried out through internal as well as external compliance audit. LIFC is present in an industry where the Company has to ensure compliance with regulatory and statutory requirements. Non- Compliance can result in stringent actions and penalties from the Regulator and/or Statutory Authorities and which also poses a risk to Company's reputation. These risks can be:

i. Non-Compliance with RBI Regulations
ii. Non-Compliance with Statutory Regulations
iii. Non-Compliance with covenants laid down by Lenders

Mitigation: Internal Auditor also conducts audit of compliance function on a quarterly basis wherein all regulatory compliances are reviewed in detail.

8. Human Resource Risk

Risk: LIFC's Human Resource adds value to the entire company by ensuring that the right person is assigned to the right job and that they grow and contribute towards organizational excellence. Our growth has been driven by our ability to attract top quality talent and effectively engage them in right jobs. Risk in matters of human resources are sought to be minimized and contained by following a policy of providing equal opportunity to every employee, inculcate in them a sense of belonging and commitment and also effectively train them in spheres other than their own specialization. Employees are encouraged to make suggestions on innovations, cost saving procedures, free exchange of other positive ideas etc. It is believed that a satisfied and committed employee will give of his best and create an atmosphere that cannot be conducive to risk exposure. Employee-compensation is always subjected to fair appraisal systems with the participation of the employee and is consistent with job content, peer comparison and individual performance.

Mitigation: Various programs and initiatives are carried out by the HR to retain talent and motivate them on a regular basis.

6. STRESS TESTING

Stress tests are to be considered as an integral part of the overall governance and liquidity risk management culture and to carry out stress tests on a regular basis for a variety of short-term and protracted company specific and market specific stress scenarios (individually and in combination) keeping in view the Company's business, activities and vulnerabilities so that the scenarios incorporate the major funding and market liquidity risks to which the Company is exposed.

7. IMPLEMENTATION

Process owners and functional heads shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Managing Director who shall communicate to the Risk Management Committee.

8. DISCLOSURE IN BOARD'S REPORT

The Board of Directors shall include a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

9. EXCEPTION TO THE POLICY

Exception to policy may be approved by the Risk Management Committee or, in the event the Committee is unable to convene, by the Chairman of the Risk Management Committee.

Exception to the policy granted by the Chairman of the Risk Management Committee shall be submitted to the Risk Management Committee at the next regularly scheduled meeting for approval, which shall further be placed before the Board for their approval Exceptions.

10. POLICY REVIEW

The Policy would ideally be reviewed annually by the Risk Management Committee and thereafter by the Board. However, the policy can be reviewed at short notice depending on the exigencies/extraordinary situations, which may emanate during the course of Company's business.

This Policy shall remain in force till the next revision is carried out and disseminated.

ANNEXURE- VI

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic growth and evolution of the NBFC landscape

The Indian economy was among the fastest-growing in the world before the onset of the COVID-19 pandemic. In the years leading up to the global health crisis, the country's economic indicators posted gradual improvements. The twin deficits, namely current account and fiscal deficits, narrowed, while the growth-inflation mix showed a positive and sustainable trend. Despite the geopolitical tensions worldwide, India's economy is expected to grow by 6.21 per cent in FY24, driven by robust domestic demand and strong growth in the manufacturing and services sectors. As the country progresses, demand for credit is likely to remain strong, especially among Micro, Small and Medium Enterprises (MSMEs) and retail, and is projected to grow by 13.5–14.0 per cent3
.

NBFCs have emerged as the crucial source of finance for a large segment of the population, including SMEs and economically unserved and underserved people. They have managed to cater to the diverse needs of the borrowers in the fastest and most efficient manner, considering their vast geographical scope, understanding of the various financial requirements of the people and extremely fast turnaround times. Nonbank money lenders have played an important role in the financial inclusion process by supporting the growth of millions of MSMEs and independently employing people.

The sector has grown significantly, with a number of players with heterogeneous business models starting operations. The last few years have seen a transformation in the Indian financial services landscape. The increasing penetration of neo-banking, digital authentication, rise of UPI and mobile phone usage as well as mobile internet has resulted in the modularisation of financial services, particularly credit.

Source-https://assets.kpmg.com/

INDUSTRY STRUCTURE ANDDEVELOPMENTS

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for MSMEs, issuing guidelines to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

Source-www.ibef.org

Evolution in NBFC categorisation

NBFCs significantly contribute to India's economic growth, particularly in under-banked areas. Over the past decade, NBFCs have grown significantly in number, size, complexity and interconnectedness within the financial sector. Many entities have grown and become systemically significant, which fueled by a lighter regulatory framework may pose potential systemic risks.

To align the regulatory framework for NBFCs keeping in view their changing risk profile, the RBI issued the 'Scale Based Regulation — A revised regulatory framework for NBFCs' (the Framework') which has been effective from 01 October 2022.

With the increase in net owned funds from INR2 crore to INR10 crore, the Framework has categorised NBFCs into four buckets based on the asset size, business activity and perceived risk.

The lowest layer exhibiting the least risk i.e. based on an asset size of less than INR1,000 Crore, shall be termed as 'NBFC-Base Layer' followed by the 'NBFC-Middle Layer' with an asset size of more than INR 1,000 Crore.

'NBFC-Upper Layer' i.e. the third bucket which poses a sizeable amount of systemic risk shall comprise of NBFCs that are specifically identified by the RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology prescribed in the Framework. The top bucket i.e. 'NBFC-Top Layer' is ideally expected to be empty and shall be populated only if RBI is of the opinion that there is a requirement to move an NBFC from upper layer to top layer keeping in mind the potential systemic risk arising from the specific NBFC.

Based on categorisation, the regulatory framework shall differ with NBFC-Base Layer being least regulated and NBFC-Upper Layer attracting bank-like regulations. The Framework for NBFCs is expected to structurally benefit the sector from the risk management and stakeholders' perspective. However, in the short-term, there could be some effects on business due to rising capital requirements, the introduction of Common Equity Tier-1 requirement of 9 per cent for NBFC-UL and the introduction of the Internal Capital Adequacy Assessment Process.

Along with changes in the categorisation of NBFCs from a regulatory perspective, corresponding changes are also brought into the provisions of Income-tax Act, 1961 (the Act) to provide necessary reliefs.

Source: Confederation of Indian Industry report

Key reasons for growth

- Deep demographic and addressable market understanding: With their operations in the unorganised and underdeveloped segments of the economy, NBFCs have created a niche for themselves by understanding what customers want from them and guaranteeing last-mile delivery of goods and services.

- Tailored product offerings: NBFCs have adapted their product offering to meet the specific characteristics of a customer group and are focused on meeting appropriate needs by carefully analysing this target segment and customising pricing models.

- Wider and effective reach: NBFCs are now reaching out to Tier 2, Tier 3 and Tier 4 markets, distributing the loan across several customer touchpoints. In addition, they are building a connected channel experience that provides an omnichannel, seamless experience of sales and service 24 hours a day, seven days a week.

- Technology advancements and growing fintech ecosystem for improved efficiency and enhanced experience: The use of technology is helping NBFCs customise credit assessment.

- Co-lending: RBI, in November 2020, issued co-lending norms that enable banks and NBFCs to collaborate for priority sector lending (PSL).

- Government and central bank Initiatives: The Government of India also unveiled several initiatives aimed at addressing some of the structural issues stressing the small business lending segment. These include granting licenses to account aggregators, initiating the PradhanMantri Mudra Yojana (PMMY), launching UPI platforms, unveiling platforms such as TReDS, GeM and Open Network for Digital Commerce (ONDC) and implementing GST.

After a moderation in growth post the COVID-19 pandemic, NBFCs are back on track with an expected credit growth of 13–143 per cent during FY24. The industry is expected to continue to witness the emergence of newer NBFCs catering to specific customer segments. The COVID-19 pandemic and consequent acceleration in both adoption of technology and change in consumer habits, as well as increasing availability of data for credit decision-making, has made it possible to build an NBFC lending business without investing large sums to have brick-and-mortar presence on the ground. Overall, between FY23 and FY25, research shows NBFC credit will increase at a CAGR of 13–153 per cent

Source-https://assets.kpmg.com/

Key Milestones and Transformations in the NBFC Sector and Their Potential Implications for 2024

The global economic outlook remains cloudy. The escalating tensions in Middle East due to the Israel – Gaza conflict has made it more worrisome. Despite this, India remains well positioned to grow. The consensus on India's GDP growth for fiscal 2024 remains anchored at around 6%. However, inflation continued to be an area of concern. RBI has also revised its inflation forecast from 5.1% to 5.4% for fiscal 2024. RBI remained focused on withdrawal of accommodation to ensure that inflation progressively aligns with its target, while supporting growth. (Bajaj fin serve half yearly report)

The Non-Banking Financial Company (NBFC) sector in India has undergone remarkable growth, establishing itself as a significant player within the country's financial landscape. As of 2023, the NBFC sector has reached an impressive size of USD 326 billion, underscoring its expanding influence in the financial domain. This growth is primarily attributed to a substantial increase in the demand for specialized financial services, particularly from Micro, Small, and Medium Enterprises (MSMEs), which face challenges in obtaining loans from traditional banks.

Care Edge Rating findings reveal a robust annual growth in gross bank credit offtake, which rose by 15.5% year on year (y-o-y) in February 2023. This surge was observed across all sectors, with Non-Banking Financial Companies (NBFCs) and unsecured personal loans segments particularly driving the momentum. Notably, personal loans experienced accelerated growth, reaching 20.4% y-o-y in February 2023, up from 12.5% in the previous year. This surge was attributed to increased demand for other personal loans, credit cards, housing, and vehicle loans.

Source-https://bfsi.economictimes.indiatimes.com/

Role of technology in the NBFC sector

Technology is increasingly playing a pivotal role in every aspect of NBFC operations. It has become a key enabler for providing superior customer service, effective credit decisioning and disbursement, portfolio monitoring and collections as well as for other mid- and back-office functions.

Source-https://assets.kpmg.com/

Five key themes which are driving technology in the NBFC sector

Emergence of super apps and partnerships: Super apps are increasingly becoming onestop shops to address customer needs from an end-to-end perspective. While super apps are prevalent in the banking industry or e-commerce perspective, NBFCs will have a crucial role in terms of embedding their products and servicing customers through app-enabled journeys. The key to success lies in delivering seamless experiences, instant decision-making and superior customer satisfaction.

Emergence of frictionless enabling platforms/protocols: RBI's frictionless platform for credit enablement and OCEN are game changers in the financial services industry. These platforms will ease integration efforts and provide rich data sources that can be leveraged across the loan lifecycle.

Adoption of digital-first and paperless journeys: NBFCs are pivoting to digital-first and mobile-first journeys to ensure operational ease, better controls and superior customer experience.

Increased adoption of analytics: Analytics has become crucial in the current business context with multiple use cases across the following:

- **Sourcing** — Pre-approved databases to ensure faster sanctions and attractive offers for Customers.
- **Customer lifetime value** — Analytics to maximise customer lifetime value and ensure product suite penetration is optimised as well as partnerships are created to provide comprehensive offerings to customers as well as enable cross-/up-sell with a greater degree of success.

• **Credit decisioning** — Credit decisioning has been revolutionised with financial and nonfinancial data sources, which has increased the accuracy of scorecards.

• **Portfolio monitoring** — Accurate portfolio monitoring and evolved EWS leading to better Collections.

Emergence of GenAI and LLM: GenAI and LLM will be critical for scaling while ensuring a hyper-personalised experience is provided in a cost-effective manner. Emergence of capabilities to interact with customers at a dialect and sub-dialect level is critical for raising awareness as well as for sourcing, servicing and collections.

Source-https://assets.kpmg.com/

There are five key aspects that will be considered to measure the success of this sector in a holistic manner. Key considerations will include the sourcing and nature of business, the operating performance, credit performance, funds management and capital management. Key aspects are outlined below:

- **Ticket size and asset under management**

With the extensive adoption of technology and integration with the fintech ecosystem, disbursements across products have been very strong for NBFCs which is likely to continue in the coming years. Unsecured business loans with ticket size <5 lakh and secured MSME LAP with ticket size between 20–25 lakh will drive growth in the MSME credit space. Vehicle finance is expected to register strong growth along with affordable housing where the average ticket size is between 9 lakh to 12 lakh for NBFCs. Gold loans with average ticket size up to 1.25 lakh have emerged as a popular and alternative route for financing and has seen participation from various fintechs due to the secured nature of the product and same day disbursals. As a result, the AUM for NBFCs is projected to grow by 12–14 per cent until FY25, reaching INR42 trillion.

- **NPAs and provision coverage ratio (PCR)**

The RBI allowed NBFCs time till 30 September 2022 to follow NPA upgradation norms, which clarified that loan accounts classified as NPAs may be upgraded as standard assets only if entire arrears of interest and principal are paid by the borrower. During FY22–23, the asset quality of NBFCs improved, with lower slippages leading to a decrease in the GNPA ratio to its lowest level in five years. PCR increased from 51.5 per cent at the end of March 2020 to 68.9 per cent at the end of March 2023 for NBFCs *(please refer to the attached chart)*. As atthe end of September 2023, the asset quality of the sector showed further improvement as the GNPA and NNPA ratios fell to 4.6 per cent and 1.5 per cent, respectively. This trend is expected to sustain only if the delinquencies and asset quality are maintained within acceptable limits, composition of unsecured loans in NBFC portfolio is in check and collections are optimised with use of technology and analytics.

- **Cost of funds**

NBFCs need to keep a vigilant eye on the cost of raising funds for their operational expenses and lending. During the pandemic period, NBFCs became cautious in lending to preserve the asset quality, which restricted AUM growth. The restricted demand drove AUM growth, especially across higher-yielding segments, which impacted profitability positively. The low-interest environment translated into lower cost of funds, resulting in higher spreads, which further impacted profitability positively. The microfinance segment also witnessed equity infusion from private equity and Alternative Investment Funds (AIFs). This in turn has helped the NBFCs to increase their spreads and decrease their debt levelsin FY23 which is expected toremain consistent for the next ~2 years with a marginal increase in the cost of funds only due to the rate hikes.

- **Liquidity and Asset Liability Management (ALM)**

NBFCs must ensure the resilience of their operations by monitoring several liquidity indicators. These include the liquidity coverage ratio, net stable funds ratio, high-quality liquid assets (HQLA) and expected cash inflows and outflows for the next 30 days. In addition to this, it is crucial to prepare profile and monitor the liquidity at a granular maturity level. This has to be complemented with robust MIS capabilities. The guidelines by RBI on ALM mandates that NBFCs segregate the 1-to-30-day time bucket into granular buckets of 1–7 days, 8–14 days and 15–30 days of cash inflows and outflows. These buckets should be used to estimate their short-term liquidity requirements based on their business projections and other commitments for planning purposes as well as monitor their short-term liquidity risk on a dynamic basis over the next oneday to six months. The guidelines suggest keepingthe negative mismatches in these buckets to a maximum of 10 per cent, 10 per cent and 20 per cent, respectively.

- **Capital adequacy ratio**

NBFCs have consisted reported to be adequately capitalized till FY23, with capital to risk weighted assets ratios (CRARs) well above the regulatory requirement (not less than 15 per cent of aggregate risk-weighted assets, including both on and off-balance sheet items).

RBI kept on releasing further guidelines on capital requirement post circulation of SBR mandate. This initiative translated into improvement in the CRAR of NBFCs-NDSI, barring NBFC-IDF, during FY22–23 on the back of higher Tier 1 capital than a year ago. Overall, CRAR of the sector continued to be at 27.6 per cent comfortably so far and is expected to improve further as the operational and risk profile of the NBFCs optimises further. The regulatory support in exploring funding alternatives and advancement in digital lending may also impact capital adequacy of NBFCs positively in coming years. However, it can only be sustained if NBFCs proactive strive to advance their operation and upgrade to sophisticated practices for risk management before scaling up.

State of Company Affairs:

The company is registered with Reserve Bank of India as a Non-Banking Financial Company ('NBFC') holding a valid Certificate of Registration ("CoR") vide registration no. B-10.00318 dated March 31, 2023 issued pursuant to name change of the company and currently classification as NBFC - Investment and Credit Company (NBFC-ICC) – NBFC-Base Layer (NBFC-BL) as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (the Directions), with more than 20 years of experience in asset finance business.

The Company is engaged in the business of providing financing for income generation activity mainly MSME/SME, Loan against property, commercial vehicles (HCV, LCV, MUV, SUV), Tractors, Two-wheelers, Personal and Business Loan.

The Company has established its leadership in the segment and created a sustainable competitive advantage through a deep understanding of the borrower profile and credit behaviour.

The credit evaluation techniques, relationship-based approach, ever-expanding branch network and strong valuation skills make the Company's business model sustainable, unique and responsive compared to other financiers. Further, the model is as such that is easily scalable at local and national levels throughout India. The Company has also established an excellent track record of training and sustaining recruits and developed a harmonious relationship culture.

OPPORTUNITIES & THREATS

Opportunities

- Growth in the commercial vehicles,
- passenger vehicle and tractors market.
- Penetration into rural markets for financial, commercial vehicles and farm equipment.
- To boost the infrastructure sector, higher budgetary allocation by the Government. This will create a massive demand for Commercial vehicles.
- Digital empowerment

Threats

- Increasing competition from finance companies & banks.
- Ever-rising inflation.
- The rising cost of funds.

RISK MANAGEMENT

The Company is exposed to various environmental risk factors such as pandemic risk, economic risk, interest rate risk, liquidity risk, technology risk, credit risk, etc. However, our risk management framework involves risk identification, risk assessment and risk mitigation planning.

The terms of reference of the Risk Management Committee, which primarily consists of the Board of Directors, include a periodical review of the risk management policy, risk management plan, implementation, evaluation and monitoring.

The Company has taken steps to mitigate the operation risk by using a customer centric approach and up-skilling its human resources. Our expertise in credit appraisal and collections developed over the past helps mitigate credit risk. To reduce operation risk, we continuously monitor our internal processes and systems. We have resorted to long-term funding instruments and securitization to reduce liquidity risk. To mitigate cash management risk, we continue to lay thrust on the use of digitalization. We have a robust cash management service network, and we have started engaging with the customers actively through the Digital mode of collection. We have also collected NACH mandates from a few customers.

FINANCIAL SUMMARY AND HIGHLIGHTS

The Company's performance for the financial year ended March 31, 2024 is summarized as below:

(Amount in Lakhs except per share data)

PARTICULARS	Year ended 31st March, 2024	Year ended 31st March, 2023
Total Revenue	17,622.23	12,949.86
Total Expenditure (**excluding Finance Cost & Depreciation)**	6,075.42	4,461.86
Profit Before Finance Cost & Depreciation	**11,546.81**	**8,488.00**
Less: Finance Cost	8,454.70	6,388.08
Less: Depreciation	158.35	111.42
Profit Before Tax	**2,933.76**	**1,988.50**
Total Tax Expenses (Current & Deferred)	702.02	449.34
Profit After Taxation	**2,231.74**	**1,539.16**
Other Comprehensive Income (Net of Tax)	15.23	5.76
Total Comprehensive Income for the period	**2,246.97**	**1,544.92**
APPROPRIATION :-		
Dividend on Equity Shares	-	-
Dividend on Preference Shares	-	-
Tax on Dividend	-	-
Transfer to General Reserve	-	-
Transfer to Statutory Reserve Fund	449.39	308.98
EPS:-		
Basic	12.11	9.67
Diluted	11.24	9.67

KEY INDICATORS

- Gross income for the year increased by 36.08% to Rs. 17,622.23 Lakhs as compared to Rs. 12,949.86 Lakhs in 2022-23.
- Profit before tax for the year was Rs. 2,933.76 Lakhs as compared to Rs. 1,988.50 Lakhs in 2022-23, showing a significant growth of 47.53%.
- Profit after tax for the year was Rs. 2,231.74 Lakhs as compared to Rs. 1,539.16 Lakhs in 2022-23, showing a significant growth of 44.99%.

OPERATIONAL HIGHLIGHTS

a. Disbursement

The Company offers a wide range of MSME Loans (Loan Against Property-backed up with registered mortgage of property), Auto Loans (Used car loans, Commercial Vehicle Loans, Tractor Loan and Two Wheeler Loans), Business Loans (MSME) and Personal Loans. Disbursement in Financial Year 2023-24 aggregated to **Rs. 52, 500 Lakhs** as compared to **Rs. 34,330.69 Lakhs** in Financial Year 2022-23.

b. Assets Under Management (AUM)

During the period under review, the AUM of the Company stood at **Rs. 96,100 Lakhs** as on March 31, 2024 against **Rs. 68,677 Lakhs** as on March 31, 2023.

c. Performance review

Laxmi India is emerging as the leading Financing Solutions provider and a one-step for customer providing a suite of financing and leasing solutions across varied assets. Laxmi India aspires to scale up the business through strategic initiatives and leveraging a strong foothold in the Commercial Finance Business. The Commercial Finance Business is committed to being a complete financial solutions partner to its customers, through high quality service and innovative products, which provide value to its customers.

Going forward, Laxmi India plans to grow its MSME business as well as a continued focus on Commercial Vehicle, Light Commercial Vehicle and Two Wheeler Loans. Additionally, it continues to focus on high NIM (Net Interest Margin) products, increase customer acquisition, especially through expanding its customer Durables Loans business, balancing its product mix, ramping up fee based income, optimizing operating costs and improving collection efficiency for further enhancing its profitability. Laxmi India also plans to leverage analytics capabilities to explore opportunities in the market and offer unique products and solutions to new as well as existing customers. There are plans to automate several processes to ensure Quick Turnaround.

While fulfilling our mission of Financial Inclusion, your Company has also built a deep knowledge of customers with micro-data points ranging from income, payment behaviors, socio-economic status and other indirect data. The Company is successfully mining this data by building a powerful analytics models extended through digital platforms for customer acquisition, collections, NPA management, customer engagement, forecasting business trend, etc.

During the year, your Company further expanded its geographical presence by reaching out to untapped villages and increased its footprints by opening new branches and making it more accessible to its customers.

The Company's total income grew by **36.08% to Rs. 17,622.23 Lakhs from Rs. 12,949.86 Lakhs during the reporting period.** Judicious pricing decisions coupled with alterations in the product mix designed to provide the optimum risk benefit led to increase in yields during Financial Year 2023-24.

e. Other Material Events

During the year, all the listed Non-Convertible Debentures (NCDs) of the company were delisted.

RESOURCE MIX

- **Borrowings**

The Company has diversified funding sources from Public Sector Banks, Private Sector Banks, and Financial Institutions etc. Funds were raised in line with Company's Resource Planning Policy through Term Loans, Non-Convertible Debentures (NCDs). The details of funds raised during the year are as below:

S. No.	Borrowings / Security Type	Credit Rating	Amount Raised (In Lakhs)
1.	Term Loan from Banks and Financial Institutions (including overdraft)	A- (Stable) (Acuite)	41,530.00
2.	Assignment	Unrated	5,769.75

No Interest payment or principle repayment of the Term Loans and Non-Convertible Debentures was due and unpaid as on March 31, 2024. The assets of the company which are available by way of security are sufficient to discharge the claims of the banks and debenture holders as and when they become due.

- **Securitization/Assignment**

During the year, your company had assigned a loan portfolio having a total principal amount of **Rs. 6,411 Lakhs** under Direct Assignment route. In previous year, the company had assigned a loan portfolio having a total principal amount of **Rs. 5,317 Lakhs** under Direct Assignment route.

- **Debt to Equity ratio (Leverage ratio)**

As on March 31, 2024, the debt to equity ratio of the Company stood at **3.87 times** against March 31, 2023, which stood **4.10 times**. The leverage ratio of an applicable NBFC (except NBFC-MFI and NBFC-IFCs) shall not be more than 7 at any point of time and our leverage ratio is under better position.

- **Non-Convertible Debentures**

As of March 31, 2024, the Company has only one unlisted Non-Convertible Debenture, which is held with Edge Credit Opportunities Fund I.

CREDIT RATING

The Company has received ratings as under:

Particulars	Rating Agencies	Date of Rating Agencies	Rating valid upto	Rating
Bank Loan rating	Acuité Ratings & Research Limited	13-02-2024	08-03-2025	A-
Non-Convertible Debentures	Acuité Ratings & Research Limited	13-02-2024	24-11-2024	A-

During the year, several significant changes occurred concerning the Company's Non-Convertible Debentures (NCDs):

- The NCD with ISIN INE06WU07015 held with Bank of Baroda was paid off and delisted on July 14, 2023.
- The unlisted NCD with ISIN INE06WU07049 held with A K Capital Finance Limited was redeemed on June 30, 2023.
- The NCD with ISIN INE06WU07023 held with Punjab National Bank was paid off and delisted on April 21, 2023.

Consequently, the credit ratings assigned to these NCDs were withdrawn.

CAPITAL ADEQUACY

Consequent upon the allotment of Equity Shares issued on a right issue basis to existing shareholders, the paid up share capital of the Company has increased from **Rs. 1,831.72 Lakhs to Rs. 1986.27 Lakhs** as on March 31, 2024.

As a result of increased net worth, your Company was able to enhance the Capital to Risk Weighted Assets (CRAR) to **21.88%** as on March 31, 2024 well above the minimum requirement of 15.00% CRAR prescribed by the Reserve Bank of India. Out of the above, Tier I capital adequacy ratio stood at **21.01 %** and Tier II capital adequacy ratio stood at **0.87 %** respectively.

SOCIAL & RELATIONSHIP CAPITAL (HUMAN RESOURCES)

The Company recognized people as its most valuable assets and it has built an open, transparent and meritocratic culture to nurture this asset. Laxmi India's mission of creating a high performance culture has been further strengthened through areas such as building a capability model (identification of critical competences) nurturing talent through interventions such as coaching, competency bases training programs and cross functional projects.

Your Company has a work environment that inspires people to do their best and encourages an ecosystem of teamwork, continuous learning and work life balance. Your Company believes that people perform to the best of their capability in organization to which they feel truly associated. Your Company focuses on widening organizational capabilities and improving organizational effectiveness by having a competent and engaged workforce. Our people are our partners in progress and employee empowerment has been critical in driving our organizational growth to the next level.

The Company had **1144** employees on the rolls of the company as on March 31, 2024 as compared to **906** as on March 31, 2023.

NETWORK EXPANSION (BRANCHES)

The Company is experiencing rapid growth and is continuously expanding its business in the states of Rajasthan, Gujarat, Madhya Pradesh, and Chhattisgarh. During the financial year, the Company opened new branches as follows: **1 branch in Rajasthan, 10 branches in Madhya Pradesh, 3 branches in Gujarat, and 4 branches in Chhattisgarh**. As of the close of the financial year ending March 2024, the Company operates a total of **135 branches** across these four states. Additionally, during the period under review, the Company closed 2 branches in Rajasthan. The details of branches are as mentioned below:

State	Branches
Rajasthan	89
Gujarat	18
Madhya Pradesh	24
Chhattisgarh	04
Total	**135**

Apart from above branches, we are having one office in Delhi for administrative purpose.

SWOT Analysis:

Strengths:

 Strong Governance – Board of Directors comprising eminent professionals across broad array of disciplines
 Strong Management team with superior understanding of mid-market segment and a strong network
 Strong internal controls systems and processes
 Backed by marquee investors and promoters
 Quick response time along with strong risk mitigation framework
 Ability to leverage on the capabilities/expertise of various business units of Ambit Group

Weaknesses:
 Concentration risk due to Structured Finance portfolio (although backed by strong asset quality parameters and currently on de-growth mode to improve granularity of the overall loan book)
 Low seasoning of the SME portfolio (although backed by strong asset quality parameters)

Opportunities:

 Well capitalized balance sheet with substantial growth capital
 Strong gearing profile, good asset quality parameters, and a strong credit rating –favorably positioned to tap credit markets

Threats:
 Uncertainty associated with the depth of pandemic led economic crisis which may impact credit quality

Roadmap for the current Financial Year:

While we brace for another year of challenging economic environment, we would adopt a cautious approach towards lending. However, our strong balance sheet and liquidity profile puts us in an advantageous position as compared to many of our peers, enabling us to take meaningful strides in our growth journey.

Going forward, we will continue to focus on the growth of the SME business and add more branches to deepening our footprint across existing states to create a strong sourcing engine. We also aim to up-scale our co-lending and Business Correspondence (BC) arrangement business further with addition of more partners in the current year.

On the liability side, our key focus area for this year will be diversifying our liability mix both through the addition of new lenders as well as explore alternate liability channels such as Direct Assignment (DA) and PTC securitization.

Key risks and controls:

LIFPL is engaged in lending business and is exposed to the following key risks:

1. Credit Risk:

This is the risk associated of recovery of capital from counterparty. The Company has a robust credit risk framework in place which includes sectoral guardrails, strong policy and compliance framework, comprehensive due-diligence and risk assessment process, prudent approval process, robust monitoring process and strong governance to mitigate the risk.

2. Market Risk:
This is the risk associated with adverse market movements. The Company has robust monitoring process to track key market parameters to contain interest rate risk, concentration risk and risk associated with asset liability mismatch through internal risk models which is reviewed by the relevant committee from time to time to take appropriate actions.

3. Operational Risk:
This is the risk associated with inadequate processes and internal controls. The Company has robust processes and strong compliance framework in place to mitigate the same. Our audit and compliance team periodically monitor the adequacy of processes, ensure adherence to the same and strengthen the internal controls.

4. Liquidity Risk:
The Company has adopted a cautious approach towards liquidity management. We maintain adequate liquidity to meet any unforeseen event. In addition, we adhere to strict internal guidelines to appropriately manage Asset Liability Mismatch (ALM) and remain compliant with the regulatory requirements.

5. Compliance Risk
Compliance risk is exposure to legal penalties, financial forfeiture and material loss an organization faces when it fails to act in accordance with industry laws and regulations, internal policies or prescribed best practices.

6. Technology Risk:
Technology is rapidly changing the way financial services entities operate and is a key disruptor for the industry.

Adequacy of internal financial controls

The Company has its own process driven framework for internal financial controls. The Board is of the opinion that the Company has sound internal financial controls commensurate with the nature and size of its business operations; wherein controls are in place and operating effectively and no material weaknesses exist.

The Company has appointed Mr. Amit Saini, to carry out internal audit on a regular basis that includes monitoring and evaluation of the efficacy and adequacy of internal financial controls, accounting procedures and policies and statutory compliances of the Company. The reports of the internal auditors are presented to the Audit Committee/Board which oversees the implementation of any corrective actions required.

Cautionary Statement

This report contains forward-looking statements extracted from reports of Government Authorities/ Bodies, Industry Associations, etc., available in the public domain, which may involve risks and uncertainties including, but not limited to, economic conditions, government policies, dependence on specific businesses, and other factors. Actual results, performances, or achievements could differ from those expressed or implied in such forward looking statements. This report should be rest in conjunction with the financial statement included heron and the notes thereto. The Company does not undertake to update these statements.

For and on behalf of Board of Directors
Laxmi India Finance Private Limited
(Formerly Known as Laxmi India Finleasecap Private Limited)

Date: June 07, 2024	**Sd/-** **Deepak Baid** Managing Director DIN:03373264	**Sd/-** **Aneesha Baid** Whole Time Director DIN: 07117678

Place: Jaipur
Reg. Office: 2, DFL, GopinathMarg, MI Road, Jaipur – 302001, Rajasthan
CIN: U65929RJ1996PTC073074
Email: info@lifc.in Website: www.lifc.co

A. Bafna & Co.

Chartered Accountants

K-2 Keshav Path,
Near Ahinsa Circle,
C-Scheme, Jaipur - 302001
Tel: (0141) - 2372572, 2375212

INDEPENDENT ADDITIONAL AUDITOR'S REPORT

To
The Board of Directors of
Laxmi India Finance Private Limited
(Formerly known as Laxmi India Finleaseeap Private Limited)

Report on the Financial Statements

In addition to the report made under section 143 of the Companies Act, 2013 ('the Act') on the financial statements of **Laxmi India Finance Private Limited (Formerly known as Laxmi Iudia Finleasecap Private Limited)** ('the Company') for the year ended March 31, 2024 and as required by Master Direction on Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 vide Master Direction DNBS. PPD.03/66.15.001/2016-17 dated September 29, 2016 (the 'Direction'), we report as follows on the matters specified in paragraph 3 and 4 of the said Directions to the extent applicable to Systemically Important Non-Deposit taking NBFC.

Management's Responsibility for the financial statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India. 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.

The Company's management is responsible for ensuring that the Company complies with the requirements of the Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (the 'Master Direction'). This responsibility includes the design, implementation, and maintenance of internal control relevant to the compliance with the Master Directions.

A. BAFNA & CO.
FRN. 003660C
Chartered Accountants

Auditor's Respousibility

Pursuant to the requirements of the Directions, it is our responsibility to provide reasonable assurance on whether the Company has eomplied with the matters specified in the Directions to the extent applicable to the Company. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates issued for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) -1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.'

Couclusiou

Based on our examination of the financial statements as at and for the year ended March 31, 2024, books of accounts and records of the Company as produced for our examination and according to the information and explanations given to us, we further report that:

- The Company is engaged in the business of non-banking financial institution, and it has obtained a certificate of registration from Reserve Bank of India ('RBI') under registration no. **B**-10.00318 dated 15th March 2021.
- The Company is entitled to continue to hold such certificate of registration in terms of its asset/ income pattern as on/ for the year ended 31st March 2024.
- In our opinion and to the best of our information and according to the explanations given to us, the Company is meeting the required net owned fund requirement as laid down in the Master Direction.
- The Board of Directors of the Company has passed a circular resolution on 27th April 2024, for non-acceptance of public deposits during the year ended March 31, 2024;
- The Company has not accepted any public deposits during year ended March 31, 2024;
- In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the ineome recognition, accounting standards, asset classification and provisioning for bad and doubtful debts in the preparation of the financial statements for the year ended March 31, 2024;

A. BAFNA & CO. FRN. 003660C Chartered Accountants

Restrictions of use

This Report is addressed to and provided to the Board of Directors solely to comply with the aforesaid Direction and for submission to RBI, if required and may not be suitable for any other purpose. Accordingly, our Report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Also, we neither accept nor assume any duty or liability for any other purpose or to any other party to whom our Report is shown or into whose hands it may come without our prior consent in writing.

For A. Bafna & Co.
Chartcred Accouutants
FRN: 003660C

A. BAFNA & CO. FRN. 003660C Chartered Accountants

(Rajat Sharma)
Partuer
Membership No: 428792
UDIN: 24428792BKBJIB7965

Date: May 4th 2024
Place: Jaipur

A BAFNA & CO
Chartered Accouutauts

K-2 Keshav Path,
Near Ahinsa Circle,
C-Scheme, Jaipur-302001
Tel:(0141)-2372572,2375212

Independent Auditor's Report on the Standalone Ind AS Financial Statements

To
The Members of
Laxmi India Finance Private Limited
(Formerly known as Laxmi India Finleasecap Private Limited)
Report on the Standalone Iud AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **Laxmi India Fiuance Private Limited (Formerly known as Laxmi India Finleasecap Private Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and Statement of Cash Flow for the year then ended, and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity withthe accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opiniou

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act 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.

A. BAFNA & Co. FRN 003660C Chartered Accountants

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matters	Auditor's Response
I.	**Impairment of Loans - Expected Credit Loss (ECL)** Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its Loans & Advances using the Expected Credit Losses ("ECL") approach. In the process, a significant degree of judgement has been applied by the management for calculation of Expected Credit Losses ("ECL")	**Our audit procedures are as under:** • Considered the Company's accounting policies for impairment of loans and receivables and assessed compliance with the policies in terms of Ind AS 109: Financial Instruments and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020 ("the RBI Guidelines"). • Evaluation of the appropriateness of the impairment principles based on the requirements of Ind AS 109. • Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • Testing of management review controls over measurement of impairment allowances and disclosures in financialstatements. • Test of details over calculation of impairment allowance for assessing the completeness, accuracy and relevance of data. • We have checked the stage classification as at the balance sheet date as per definition of default of the company;
2.	Provision for Non-Performing Assets as per RBI Circulars is a Key Audit Matter. The value of loans and advances on the balance sheet is significant and there is a high degree of	We have checked the provision on Loan Assets as per IRAC norms as required under RBI eircular. We have checked the DPD and provision in accordance with the RBI regulations in that regard further considering the Regulatory Packages issued by RBI.

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A BAFNA & CO Chartered Accountants

	complexity and judgment involved in estimating individual and collective provisions, write-offs against theseloans on asset quality and provision of the Company.	For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regard along with its compliance on sample basis.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone Ind AS financial statements and our auditors' report thereon. These reports are expected to be made available to us after the date of this audit report.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, state of affairs, profit (including other 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 the 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 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Andit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 toinfluence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

- 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 with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements

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

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

From the matter communicated with those charge with governance, we determine those matter 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 record because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal & Regnlatory Requirement

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexnre-A** statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicabie.

2. As required by Section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ***except non maintenance of Audit Trail (Edit Log) in core Business & Accounting software (Jaguar) of the company throughout the year.***

   c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

A. BAFNA & CO. FRN 003660C Chartered Accountants

d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexnre-B**. Our report expresses an Unmodified Opinion on the adequacy and operating effectiveness of the company internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The provision of section 197(16) of Company Act, 2013 are not applicable to the Company and hence not commented upon.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 45 to the standalone financial statements.

ii. The Company did not have any long-term contract including derivatives contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred, to theInvestor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note No. 40.

b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or

A. BAFNA & CO. FRN: 003660C Chartered Accountants invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the UltimateBeneficiaries. Refer note No. 40.

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (A) and (B) above contain any material misstatement.

v. The company has neither declared nor paid any dividends during the year under audit.

vi. Implementation of Audit Trail for maintenance of Books of Accounts using software which has a feature of recording audit trail (Edit Logs) facility as per proviso to Rule 3(1) of the under Companies (Accounts) Rules 2014:

Company has not implemented the feature of recording audit trail facility in its core business software (Jaguar) and same has not operated throughout the year for all transactions recorded in that software.

For A Bafna & Co.
Chartered Accontants
Firm Reg. No.003660C

AFNA FRN 003660C Chartered Accountants

(Rajat Sharma)
Partner
M.No. 428792
UDIN – 24428792BKBJIB7965

Place: Jaipur
Date: May 4th 2024

A BAFNA & CO
Chartered Accouutauts

K-2 Keshav Path,
Near Ahinsa Circle,
C-Scheme, Jaipur-302001
Tel:(0141)-2372572,2375212

Annexnre A to Independent Auditors Report

Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirement' section of our report to the Members of Laxmi India Finance Private Limited (Formerly known as Laxmi India Finleasecap Private Limited) of even date for the year ended March 2024.

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

1. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

   a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

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

   b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets every year. Pursuant to the program, Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   c) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that the title of all the immovable properties (Other than properties where the company is a lessee & the lease agreement is duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company except the immovable property which is in the name of Deepak Finance and Leasing Company (Proprietor : Mr. Deepak Baid) as at the balance sheet date, details given below :

Description of Property	Carrying Value	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of company
Plot No.2, DFL, Gopinath Marg, M.I. Road Jaipur	Rs.29,81,676	Mr. Deepak Baid	Managing Director	Since 01/04/2011	Property was being used for carrying on the business by Mr. Deepak

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					Baid as a proprietor firm, but in April 01, 2011, firm converted into company and all fixed assets of the firm vest in Laxmi India Finance Private, now company is in the process for transfer the title on its name.

d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

2. (a) The Company does not have any inventory and hence reporting under clause ii(a) of the order is not applicable.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets, we have broadly reviewed the quarterly returns / statement filed by the company with such bank and the books of accounts of the company and no material discrepancies were observed.

3. The Company has made investment in Mutual funds and no guarantee has been provided and principal business of the company is lending loans, the required information is as under :

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

(b) In our opinion, the investments made in mutual funds is, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated, there are some delays in receipt of principal/ interest in view of the principal business of the company i.e., giving loans.

(d) As per the books of accounts of the company the total amount of Principal Outstanding of Loan whose DPD is > 90 days is Rs.480.94 lacs, such accounts have been classified under Stage – 3 as per the relevant standards and there is a well-defined system in the company forrecovery of principal and interest in case of

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overdue accounts.

No. of cases	Principal Amount Overdue	Interest Overdue	Total Amount Overdue
115	78.35 Lacs	62.81 Lacs	141.16 Lacs

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

(f) The Company has not been granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

5. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

6. The maintenance of cost records has not been specified by the Central Government under sub- section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

7. In respect of statutory dues:

   a) Based upon the audit procedures performed and the information & explanations given by the management, the Company has been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom,duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they become payable.

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b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes except as mentioned below:

Name of Statutory Due	Nature of Due	O/s Amount except Interest (Rs. In Lacs)	Period to which sum relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	6.38	AY 2013-14	ACIT, Kolkata

8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

9. a) According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any financial institution or banks or lender.

b) According to the records of the company examined by us and as per the information and explanations given to us, The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) According to the records of the company examined by us and as per the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.

d) According to the records of the company examined by us and as per the information and explanations given to us, on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

e) According to the records of the company examined by us and as per the information and explanations given to us, on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate companies.

f) According to the records of the company examined by us and as per the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence, the requirement to report on clause (ix) (f) of the Order is not applicable to the Company.

10. (a) The Company has not raised money(s) by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

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(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable

11. (a) To the best of our knowledge, no material fraud on the Company and no fraud by the Company has been noticed or reported during the year.

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

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

12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

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

14. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

15. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

16. (a) The company is required to be registered with RBI. The company is registered as Non-Deposit taking Systematically Important Non-Banking Financial Company under Section 45-IA of the Reserve Bank of India Act 1934 vide certificate number B-10.00318.

(b) As per information & explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

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

A. BAFNA & CO. FRN 003660C Chartered Accountants

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

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

20. a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the companies Act in compliance with second proviso to sub section 5 of section 135 of the Act.

    b) According to the information and explanations given to us and based on our examination of the records of the company, there is no amount which is remaining unspent under sub section 5 of section 135 of the Act pursuant to any ongoing CSR projects.

21. The reporting under clause (xxi) is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For A Bafna & Co.
Chartered Accountauts
Firm Reg. No.003660C

A. BAFNA & CO. FRN. 003660C Chartered Accountants

(Rajat Sharma)
Partner
M.No. 428792
UDIN – 24428792BKBJIB7965

Place: Jaipur
Date: May 4th 2024

A BAFNA & CO
Chartered Accouutauts

K-2 Keshav Path,
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Tel:(0141)-2372572,2375212

Annexure B of the Independent Auditor's Report (referred to in Paragraph 3 under 'Report on other Legal & Regulatory Requirements' Section of our Report of even date forthe year ended 31 March 2024

Rcport on the Iuterual Fiuancial Controls nnder Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Laxmi India Finance Private Limited (Formerly known as Laxmi India Finleasecap Private Limited) ("the Company"), as of 31 March 2024 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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") issued by the ICAI 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 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 basedon the assessed risk. The procedures

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selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraudor errors.

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 policiesand procedures that:

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

A. BAFNA & CO. FRN 003660C Chartered Accountants

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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.

For A. Bafna & Co.
Chartered Accountants
FRN: 003660C

A. BAFNA & CO. FRN. 003660C Chartered Accountants

(CA Rajat Sharma)
Partner
Membership No: 428792

UDIN – 24428792BKBJIB7965

Place: Jaipur
Date: May 4th 2024

Laxmi India Finance Private Limited
(Formerly Known as Laxmi India Finleasecap Private Limited)
Regd. Office : 2, DFL, Gopinath Marg, M I Road, Jaipur 302001 Rajasthan
CIN: U65929RJ1996PTC073074 ; Email : info@lifc.in ; Tel. No : 0141-4033635, website : www.lifc.co.in

Balance Sheet
As at Mar 31, 2024

(₹ in lakhs)

Particulars	Note No.	As at Mar 31, 2024	As at Mar 31, 2023
I. ASSETS			
(1)Financial Assets			
(a) Cash and Cash Equivalents	2	4,227.00	9,528.42
(b) Bank balance other than Cash and cash equivalents	3	7,296.28	7,379.31
(c) Loans	4	82,911.07	57,826.25
(d) Investments	5	1,001.35	600.14
(e) Receivables	6	360.92	66.88
(f) Other Financial Asset	7	2,471.70	2,062.59
Total Financial Assets		**98,268.32**	**77,463.59**
(2)Non-financial Assets			
(a) Deferred tax Assets (Net)	8	-	-
(b) Property, Plant and Equipment	9	1,107.23	1,008.48
(c) Assets under development	11	31.28	20.70
(d) Other Intangible Assets	12	21.24	5.45
(e) Other non-financial assets	14	370.74	311.76
Total Non-financial Assets		**1,530.49**	**1,346.39**
Total Assets		**99,798.81**	**78,809.98**
II. LIABILITIES AND EQUITY			
Liabilities			
(1) Financial Liabilities			
(a) Debt Securities	15	500.21	2,317.43
(b)Borrowings (Other than Debt Securities)	16	77,628.06	60,287.29
(c) Trade Payables	17	240.54	115.78
- total outstanding dues of micro enterprises and small enterprises		17.04	1.16
- total outstanding dues of creditors other than micro enterprises and small enterprises		223.50	114.62
(d)Other Financial Liabilities	18	617.56	327.98
Total Financial Liabilities		**78,986.37**	**63,048.48**
(2)Non- Financial Liabilities			
(a) Deferred Tax Liabilities (Net)	8	345.82	251.46
(b) Provisions	19	120.03	119.26
(c) Other non-financial liabilities	20	168.50	116.23
Total Non- Financial Liabilities		**634.35**	**486.95**
Total liabilities		**79,620.72**	**63,535.43**
(3) Equity			
(a) Equity Share capital	21	1,986.28	1,831.72
(b) Other Equity	22	18,191.81	13,442.83
Total Equity		**20,178.09**	**15,274.55**
Total Equity and Liabilities		**99,798.81**	**78,809.98**
Significant Accounting Policies	1	0.00	0.00

The accompanying notes 1 to 97 form an integral part of these financial statements

As per our Report of even date attached
For A. Bafna & Company
Chartered Accountants
Firm Registration No.-003660C

A. BAFNA & CO. FRN. 003660C Chartered Accountants

CA Rajat Sharma
Partner
Membership No.-428792

Place: Jaipur
Date: May 04, 2024

For and on Behalf of the Board of Directors of
Laxmi India Finance Private Limited
(Formerly known as Laxmi India Finleasecap Private Limited)

Deepak Baid
Managing Director
DIN: 03373264

Aneesha Baid
Whole Time Director
DIN: 07117678

Gopal Krishan Sain
Chief Financial Officer

Sourabh Mishra
Company Secretary
Membership No. - 51872

Laxmi India Finance Private Limited
(Formerly Known as Laxmi India Finleasecap Private Limited)
Regd. Office : 2, DFL, Gopinath Marg, M I Road, Jaipur 302001 Rajasthan
CIN: U65929RJ1996PTC073074 ; Email : info@lifc.in ; Tel. No : 0141-4033635, website : www.lifc.co.in

Statement of Profit and Loss
for the period ended Mar 31, 2024

(₹ in lakhs)

	Particulars	Note No.	Year ended Mar 31, 2024	Year ended Mar 31, 2023
	Revenue from Operations			
	Interest Income	23	16,713.86	12,579.57
	Fees and commission Income	24	661.22	229.36
	Net Gain/(Loss) On Fair Value Changes	25	59.00	27.00
I	**Total Revenue from Operations**		17,434.08	12,835.93
II	Other Income	26	188.15	113.93
III	**Total Income (I+II)**		**17,622.23**	**12,949.86**
IV	**Expenses:**			
	Finance Costs	27	8,454.70	6,388.08
	Impairment on financial instruments	28	195.17	164.19
	Employee Benefits Expense	29	4,320.44	3,190.65
	Depreciation & Amortisation Expense	30	158.35	111.42
	Other Expenses	31	1,559.81	1,107.02
	Total Expenses (IV)		**14,688.47**	**10,961.36**
V	**Profit/(Loss) before Exceptional Items & Tax (III-IV)**		**2,933.76**	**1,988.50**
VI	**Exceptional Items**		-	-
VII	Profit/(Loss) Before Tax (V-VI)		**2,933.76**	**1,988.50**
VIII	**Tax Expense:**			
	Current Tax		609.45	354.71
	Deferred Tax		89.23	92.27
	Income Tax for Earlier Year		3.34	2.36
	Total Tax Expenses (VIII)		**702.02**	**449.34**
IX	**Profit/(loss) for the year (VII-VIII)**		**2,231.74**	**1,539.16**
X	**Other Comprehensive Income**			
	(A) Items that will not be reclassified to profit or loss			
	- Remeasurement Gains/(Losses) on Defined Benefit Plans		20.35	7.69
	- Income tax on above		(5.12)	(1.94)
	Subtotal(A)		15.23	5.76
	(B)Items that will be reclassified to profit or loss			
	Subtotal(B)			
XI	**Total Other Comprehensive Income for the year (A+B)**		**15.23**	**5.76**
XII	**Total Comprehensive Income for the year (IX+XI)**		**2,246.97**	**1,544.91**
XIII	**Earnings per Equity Share:**	32		
	Basic (in ₹)		12.11	9.67
	Diluted (in ₹)		11.24	9.67
	Nominal Value of Equity Shares		10.00	10.00
	Significant Accounting Policies	1		
	The accompanying notes 1 to 97 form an integral part of these financial statements			

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For A. Bafna & Company
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Firm Registration No.-003660C

A. BAFNA & CO. FRN. 003660C Chartered Accountants

CA Rajat Sharma
Partner
Membership No.-428792

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Standalone Statement of Changes In Equity
for the period ended Mar 31, 2024

A. Equity Share Capital (₹ in lakhs)

Particulars	Number of shares	Amount
As at Apr 01, 2022	158.90	**1,589.02**
Restated balance at the beginning of the period	-	-
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year ended Mar 31, 2023	39.73	242.70
Fully Paid up equity shares (FV Rs. 10 each)	1.09	10.87
Partly Paid up equity shares (FV Rs. 10 each and Rs. 6 Paid up)	38.64	231.83
As at Mar 31, 2023	198.63	1,831.72
Restated balance at the beginning of the period	-	-
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year ended Mar 31, 2024	-	154.55
Fully Paid up equity shares (FV Rs. 10 each)	198.63	1,986.28
Partly Paid up equity shares (FV Rs. 10 each and Rs. 6 Paid up)	-	-
As at Mar 31, 2024	198.63	1,986.28

B. Other Equity
Period ended Mar 31, 2024 (₹ in lakhs)

Particulars	Reserves and Surplus				Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Securities Premium	Impairment Reserve	Retained Earnings	
Balance as at Apr 01, 2023	1,350.73	6,607.35	77.03	5,407.72	13,442.83
Profit for the year				2,231.74	2,231.74
Other Comprehensive Income (expense)(net of tax)				15.23	15.23
Total Comprehensive Income for the Year	-	-	-	2,246.97	2,246.97
Additions during the year	449.39		-		449.39
Premium on issue of shares		2,511.51			2,511.51
Capital Issue Expenses		(9.50)		-	(9.50)
Transfer to Impairment Reserve				-	-
Transfer to Statutory reserves as per Section 45-IC of the RBI Act, 1934				(449.39)	(449.39)
Dividend Paid (including Dividend tax)					-
Balance as at Mar 31, 2024	1,800.12	9,109.36	77.03	7,205.30	18,191.81

Year ended Mar 31, 2023 (₹ in lakhs)

Particulars	Reserves and Surplus				Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Securities Premium	Impairment Reserve	Retained Earnings	
Balance as at Apr 01, 2022	1,041.75	5,862.51	45.69	4,203.12	11,153.07
Profit for the year				1,539.16	1,539.16
Other Comprehensive Income (expense)(net of tax)				5.76	5.76
Total Comprehensive Income for the Year	-	-	-	1,544.92	1,544.92
Additions during the year	308.98		31.34		340.32
Premium on issue of shares		745.99		-	745.99
Capital Issue exp		(1.15)	-	-	(1.15)
Transfer to Impairment Reserve		-		(31.34)	(31.34)
Transfer to Statutory reserves as per Section 45-IC of the RBI Act, 1934				(308.98)	(308.98)
Dividend Paid (including Dividend tax)					-
Balance as at Mar 31, 2023	1,350.73	6,607.35	77.03	5,407.72	13,442.83

The accompanying notes 1 to 97 form an integral part of these financial statements

As per our Report of even date attached
For A. Bafna & Company
Chartered Accountants
Firm Registration No.-003660C

A. BAFNA & CO.
FRN. 003660C
Chartered Accountants

CA Rajat Sharma
Partner
Membership No.-428792

Place: Jaipur
Date: May 04, 2024

For and on Behalf of the Board of Directors of
Laxmi India Finance Private Limited
(Formerly known as Laxmi India Finleasecap Private Limited)

Deepak Baid
Managing Director
DIN: 03373264

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Gopal Krishan Sain
Chief Financial Officer

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Membership No. - 51872

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Statement of Cashflows
As at Mar 31, 2024

(₹ in lakhs)

Particulars	Year ended Mar 31, 2024		Year ended Mar 31, 2023	
A. Cash Flow from Operating Activity				
Profit before tax		**2,933.76**		**1,988.50**
Adjustments for:				
Depreciation, Amortisation & Impairment	158.35		105.30	
Fair Value change of Investments	(1.81)		2.36	
Impairment on financial instruments	195.17		164.19	
Finance Cost on Lease Liability	7.09		3.15	
Income on Derecognised (assigned) Loans	(1,387.43)		(1,129.75)	
Interest income on Security deposit	(0.26)		(0.11)	
Provision for Gratuity	27.87		39.81	
Gain on Lease Liabilities	-		(0.34)	
Gain/(Loss) on Disposal of Fixed Assets	(16.94)		(4.42)	
		(1,017.96)		(819.81)
Operating profit before working capital changes		1,915.80		1,168.69
Adjustment for :				
(Increase)/decrease in Loans	(25,229.31)		(12,959.22)	
(Increase)/decrease in Receivables	(294.04)		(19.57)	
(Increase)/decrease in other financial assets	978.58		1,209.16	
(Increase)/decrease in Bank balance other than Cash and cash equivalents	83.03		(5,773.17)	
(Increase)/decrease in non financial assets	(58.99)		(76.72)	
Increase/(decrease) in other financial liabilities	304.20		(1,228.84)	
Increase/(decrease) in non financial liabilities	52.26		42.71	
Increase/decrease in Trade Payables)	124.76		(37.19)	
Increase/(decrease) in provisions	-		(8.27)	
Total of changes in working capital		(24,039.51)		(18,851.11)
Cash generated from operations		**(22,123.71)**		**(17,682.42)**
Income Tax Paid		(612.79)		(357.06)
Net Cash from/(used in) Operating Activity (A)		**(22,736.50)**		**(18,039.48)**
B. Cash Flow from Investing Activity				
Purchase/Sales of property, plant and equipment and intangible assets(including in progress assets)		(266.89)		(512.78)
Purchase/Sale of Investments		(456.25)		1,027.36
Net Cash Flow from/(used in) Investing Activity (B)		**(723.14)**		**514.58**
C. Cash Flow from Financing Activity				
Issue of equity shares		154.55		242.70
Share Premium on issue of equity shares		2,511.51		745.99
Proceeds from / (Repayment of) Borrowings		17,340.77		21,952.54
Proceeds from / (Repayment of) debt securities		(1,817.22)		(561.42)
Expenses related to Capital Issuance		(9.50)		(1.15)
Payment of Lease Liabilities		(21.90)		(13.30)
Net Cash Flow from Financing Activity (C)		**18,158.21**		**22,365.36**
Net increase in cash and cash equivalents (A+B+C)		**(5,301.42)**		**4,840.45**
Cash and cash equivalents at the beginning of the year		9,528.42		4,687.97
Cash and cash equivalents at the close of the year		4,227.00		9,528.42
Net increase in cash and cash equivalents		**(5,301.42)**		**4,840.45**

Cash and Cash Equivalent includes:- (₹ in lakhs)

Particulars		As at Mar 31, 2024	As at 31st March 2023
Cash in hand		103.66	56.77
Balances with Bank		4,123.34	9,471.65
Total		**4,227.00**	**9,528.42**

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Refer Note 42 for changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes as per Ind AS 7 - Statement of Cash flows.

As per our Report of even date attached
For A. Bafna & Company
Chartered Accountants
Firm Registration No.-003660C

A. BAFNA & CO.
FRN. 003660C
Chartered Accountants

CA Rajat Sharma
Partner
Membership No.-428792

Place: Jaipur
Date: May 04, 2024

For and on Behalf of the Board of Directors of
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Notes to Financial Statements for the Year ended Mar 31,2024

Company Overview and Significant Accounting Policies

A Company Overview

Laxmi India Finance Private Limited is a private company domiciled in India and incorporated under the provisions of Companies Act, 1956 on May 10, 1996. The Company has shifted its registered office from Kolkata to 2, DFL Tower, Gopinath Marg, M I Road, Jaipur, Rajasthan, India by an order of Regional Director bearing the date 01/12/2020 and Certificate of Registration of Regional Director order for Change of State issued by RoC – Jaipur on 20/01/2021 and Corporate Identification Number(CIN) as U65929RJ1996PTC073074 w.e.f 20/01/2021.

The Company is holding 'CoR' as Non-Banking Financial Institution, without accepting public deposits, registered with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and is primarily engaged in the lending business. Original Certificate bearing no. B-24.02353 was given on March 28, 2001 at RBI, New Delhi which was later on cancelled and a fresh Certificate bearing no. B-05.07063 was issued at RBI, Kolkata. Subsequent to shifting of its Registered Office from Kolkata to Jaipur, the company had applied with RBI for change of jurisdiction from RBI, Kolkata to RBI, Jaipur, on which approval was given and a fresh certificate bearing no. B-10.00318 dated Mar 15, 2021, was issued by RBI Jaipur after cancelling the previous certificate.

As per audited financial results for FY 2020-21, total asset size of company exceeded ceiling limit of Rs. 50000 Lacs and accordingly, the company regarded as Systemically Important Non deposit taking Non Banking Finance Company (NBFC-ND-SI) w.e.f. Apr 1, 2021.

During the FY 22-23, Company name has been changed from Laxmi India Finleasecap Private Limited to Laxmi India Finance Private Limited with effect from Mar 10, 2023. The company had applied with RBI, Jaipur for change of name, on which approval was given by RBI and a fresh certificate bearing no. B-10.00318 dated Mar 31, 2023, was issued by RBI Jaipur after cancelling the previous certificate.

B Basis of Preparation and Presentation

1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules , 2015 as amended from time to time and notified under section 133 of Companies Act, 2013 (the act) along with other relevant provisions of the Act and the Master Direction - Non-Banking-Financial Company Systemically Important Non-Deposit taking Company (Reserve bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on going concern basis.The company uses accrual basis of accounting except in case of significant uncertainties. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as an when they are issued/ applicable. The accounting policies are applied consistently to all the periods presented in the financial statements.

The regulatory disclosures as required by the NBFC Master Directions to be included as a part of the Notes to Accounts are also prepared as per the Ind AS Financial Statements.

2 Basis of Measurement:

The financial statements have been prepared on a going concern and under the historical cost basis, except for the derivatives financial instruments and following assets and liabilities:

Certain financial assets and liabilities measured at Fair value/Amortised cost (refer accounting policy regarding financial instruments)

Non-Current Assets held for sale measured at the lower of its carrying amount and fair value less costs to sell; and
Employee's Defined Benefit Plan obligations as per actuarial valuation.

The methods used to measure fair values are discussed further in notes to financial statements.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule III of the Companies Act, 2013. The company has disclosed regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) has been provided separately in the financial statements.

A. BAFNA & CO.
FRN 003660C
Chartered Accountants

3 Functional and presentation currency :

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest Lakhs (upto two decimals) as per the requirements of Schedule III, unless otherwise stated.

4 Use of Estimates and Judgements :

The preparation of financial statements with Ind AS require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

C Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the financial statements are given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

The Company has elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 & Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2019, i.e. the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

I Property Plant & Equipment

1.1 Initial recognition and measurement

An item of property, plant and equipment is recognised as an asset if and only if 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.

When parts of an item of property, plant and equipment have different useful lives, they are recognised separately.

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, inclusive of non-refundable taxes & duties, to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and Expenses, incidental to the operations, not necessary in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in statement of profit and loss.

1.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

1.3 Derecognition

Property, Plant and Equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains or losses on Derecognition of an item of Property, Plant and Equipment are determined by comparing net disposable proceeds with the carrying amount of Property, Plant and Equipment and are recognized in the statement of profit and loss.

1.4 Depreciation/Amortization

Depreciation for all property, plant and equipment is being provided on Written Down Value Method as per the estimates of useful life specified in Schedule II of the Companies Act, 2013. The Company has estimated 5% residual value for all block of asset at the end of useful life. The management believes that useful life are realistic and reflect fair approximation of the period over which asset likely to be used.

A. BAFNA & CO.
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Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition, or installation, or construction, when the asset is ready for intended use.

Improvements of the lease hoid premises are charged off over the primary period of lease. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided unto the date on which the said asset is sold, discarded, demolished or scrapped.

In respect of an asset for which impairment loss, if any, is recognised, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2 Intangible assets and intangible assets under development :

2.1 Initial recognition and measurement

An intangible asset is recognised if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.
Intangible assets are stated at cost of acquisition net of recoverable taxes, trade discounts and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs and any other cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred which are eligible for capitalizations ander intangible assets are carried as intangible assets under development till they are ready for their intended use.

2.2 Subsequent Measurement

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

2.3 Amortization

Intangible assets having definite life are amortized as per written down value method . If life of any intangible asset is indefinite then it is not amortized and tested for impairment at each reporting date. If the expected useful life of the asset is significantly different from previons estimates, the amortization period is changed accordingly.

2.4 Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposai with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

3 Revenue Recognition-

3.1 Interest Income

Interest income, for all financial instruments measnred either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR).
The EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a sborter year, where appropriate, to the gross carrying amount of the financial asset. The calculation of the effective interest rate takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes transaction costs and fees that are an integral part of the contract but not future credit losses. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets, other than credit-impaired assets under stage 3. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3,' the Company recognises interest income on the gross carrying amount (i.e. carrying amount net off loss allowance)

A. BAFNA & CO.
Chartered Accountants

3.2 Income from Direct Assignment transactions

Income from direct assignment transactions includes the following-

The difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the assets derecognised) and the consideration received (including any new asset obtained and any new liability assumed).

Gain arising out of direct assignment transactions which comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment has been entered into with the assignee, also known as the right of Excess Interest Spread (EIS). The future EIS basis the scheduled cash flows, on the execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the profit and loss.

3.3 Fees and Commission Income

Revenue (other than those to which Ind AS 109 applies) is measured at the fair value of consideration received or receivable.

Income from other financial charges are recognized on accrual basis, except in case of File Cancellation Charges, Collection Charges, Pre-Closure Charges ,late payment interest, duplicate document charges, file login charges and statement charges which are accounted as and when received due to significant uncertainities involved.

The new revenue recognition model prescribed by Ind AS 115 consists of below five steps:

a Identify the contract(s) with a customer: A contract is an agreement between the two or more parties that creates enforceable right and legal obligations set out the criteria for every contract that must be met. A contract can be either oral or written. However, oral contracts are more challenging to enforce and should be avoided, if possible.

b Identify the separate performance obligations in the contract: Performance obligations are promises in a contract to transfer to a customer goods or services that are distinct.

c Determine the transaction price :The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, an entity must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer.

d Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract.

e Recognize revenue when (or as) each performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer)

For a performance obligation satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

4 Non-current assets (or disposal groups) classified as held for sale:

Assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell.

An Asset is classified as "Asset held for sale" when the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet, in the line "Assets held for sale". Once classified as held for sale, intangible assets and PPE are no longer amortized or depreciated.

A. BAFNA & CO.
FRN. 003660C
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5 Impairment of Non-Financial Assets:

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets other than deferred tax assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal 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 the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

6 Borrowing Costs:

General and specific borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. The Company considers a period of twelve months or more as a substantial period of time. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 - 'Financial Instruments' (b) finance charges in respect of leases recognized in accordance with Ind AS 116 - 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

7 Provisions, Contingent Liabilities and Contingent Assets:

7.1 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expenses relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is reversed.

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7.2 Contingent Liabilities

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent liabilities are reviewed at each balance sheet date.

7.3 Contingent Assets

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable

8 Leases:

8.1 (i) The Company as lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(a) The contract involves the use of an identified asset

(b)The Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(c)The Company has the right to direct the use of the asset.

(ii) Measurement and recognisation

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

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

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. The Company has given impact analysis of Lease on financial results in note no 48 "Transition to Ind AS 116 on Lease"

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8.2 **The Company as a lessor:**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on either a straight-line basis or another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

9 **Segment Reporting: Identification of Segments:**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

10 **Employee benefits :**

10.1 **Short Term Benefits**

Short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

10.2 **Post-Employment benefits**

Employee benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). These are of two types:

(i) **Defined contribution plans**

Defined contribution plans are those plans in which an entity pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance are Defined Contribution Plans in which company pays a fixed contribution and will have no further obligation. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(ii) **Defined benefit plans :**

Employee benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). These are of two types:

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is determined annually on the basis of Actuarial Valuation using the projected unit credit method. The company does not have any fund for payment of gratuity.

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

Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income.

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Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

10.3 Termination Benefits

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

11 Income Taxes

Income tax expense comprises current tax and deferred tax.

11.1 Current Income Tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act,1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted and as applicable at the reporting date and any adjustment to tax payable in respect of previous years. Current tax expense is recognized in the profit or loss except to the extent that it relates to items recognized directly in Other Comprehensive Income (OCI) or Equity, in which case it is recognized in OCI or Equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

11.2 (i) Deferred Tax

Deferred tax is recognised on all temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts for financial reporting purposes, and are accounted for using the balance sheet approach.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or Equity, in which case it is recognized in OCI or Equity.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will be available

(ii) Minimum Alternate Tax (MAT)

Company has moved to new tax regime, where MAT provisions are not applicable.Hence no adjustment pertaining to MAT was required

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12 Material prior period errors :
Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

13 Earnings per Share :
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

14 Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

14.1 Initial Recognition and Measurement
Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.
If the transaction price differs from fair value at initial recognition, the Corporation will account for such difference as follows:

• If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in the statement of profit and loss on initial recognition;
• In all other cases, the fair value will be adjusted to bring it in line with the transaction price.
After initial recognition, the deferred gain or loss will be recognised in the statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.
The Company recognises a financial asset and Financial Liabilities when it becomes party to the contractual provisions of the instrument. Financial assets, with the exception of loans and advances to customers, are initially recognised on the transaction date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed.

The Company's financial assets include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with banks, loans and advances, other financial assets and investments.

The Company's financial liabilities include loans and borrowings including bank overdrafts and trade & other payables.

14.2 Financial assets
(i) Subsequent measurement of financial assets
The Company classifies financial assets as subsequently measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

(I) The entity's business model for managing the financial assets and
(ii) The contractual cash flow characteristics of the financial asset.

a Financial Assets at Amortised Cost
A financial asset is measured at the amortised cost if both the following conditions are met:
(a) It is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

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(b)Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

In case of financial assets classified and measured at amortised cost, any interest income, foreign exchange gains or losses and impairment are recognised in the Statement of Profit and Loss.

b Financial Assets at fair value through other comprehensive income (FVTOCI)

A Financial Asset is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b)Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial Asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

For equity instruments not held for trading, the Company has an irrevocable option to designate them as FVTOCI. The Company has not designated investments in any equity instruments as FVTOCI.

c Financial Assets at fair value through the statement of profit and loss (FVTPL)

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

For financial assets at FVTPL, net gains or losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.

(ii) Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the entity recalculate the gross carrying amount of the financial asset and recognise a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognised the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition. The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

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Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'),but assumes a contractual obligation to pay those cash flows to one or more entities ('eventual recipients'), when all of the following three conditions are met:

• The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
• The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
• The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.
In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the year between the collection date and the date of required remittance to the SPV

A transfer only qualifies for derecognition if either:
• The Company has transferred substantially all the risks and rewards of the asset or
• The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.
If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the statement of profit and loss, with the exception of equity investment designated as measured at FVOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the statement of profit and loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Corporation retains an option to repurchase part of a transferred asset), the Corporation allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in the statement of profit and loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the statement of profit and loss.

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14.3 Impairment of financial assets

The Company recognises loss allowances for Expected Credit Losses on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Other financial assets; and
- Loan commitments.

Equity instruments are measured at fair value and not subject to an impairment loss.

ECL is required to be measured through a loss allowance at an amount equal to:

• 12-month ECL, i.e. loss allowance on default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or

• Lifetime ECL, i.e. lifetime ECL that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

The Company presents the ECL charge or reversal (where the net amount is a negative balance for a particular period) in the Statement of Profit and Loss as "Impairment on financial instruments".

The impairment requirements for the recognition and measurement of ECL are equally applied to loan asset at FVTOCI except that ECL is recognised in Other Comprehensive Income and is not reduced from the carrying amount in the Balance Sheet.

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has Increased significantly since initial recognition. For all other financial instruments, ECL is measured at an amount equal to the 12-month ECL.

The Corporation has established a policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instruments.
When making the assessment of whether there has been a SICR since Initial recognition, the Company considers reasonable and supportable information, that is available without undue cost or effort. If the Company measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement In credit quality, the Company again measures the loss allowance based on 12-month ECL.
ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is generally measured on collective basis using homogenous groups.

14.3.1 Staging of Loans

Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition. For classification of its borrowers into various stages, the Company uses the following basis:

Stage 1

When loans are first recognised, the Corporation recognises an allowance based on 12 months ECL.. The company classifies all standard advances and advances upto 30 days default under this category.
Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

Stage 2

When a loan has shown a significant increase in credit risk since origination, the Corporation records an allowance for the life time expected credit losses.30 Days Past Due is considered as significant increase in credit risk. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3

When loans are considered credit-impaired, the Corporation records an allowance for the life time expected credit losses.For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

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14.3.2 Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in 'all cases when the borrower becomes 90 days past due on its contractual payments.
As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

14.3.3 Determination of Expected Credit Loss ("ECL")

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;
b) A breach of contract such as a default or past due event;
c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e) The disappearance of an active market for a security because of financial difficulties.

14.3.4 The mechanics of ECL:

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.
ECL is the product of Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).
The brief methodology of computation of ECL is as follows:

(1) Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary.
For Stage I accounts, 12 months PD is used.
For Stage II significantly increased credit risk accounts, Lifetime PD is used which is computed based on survival analysis.
For Stage III credit impaired accounts, 100% PD is taken.

(2) Loss Given Default (LGD)

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. LGD is the loss factor which the Company may experience in case the default occurs.

(3) Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date. It is outstanding exposure on which ECL is computed. EAD includes principal outstanding and accrued interest in respect of the loan.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown

14.3.5 Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL orLTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

14.3.6 Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Consumer Price Index, Unemployment rates, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably

14.3.7 Collateral repossessed

Based on operational requirements, the Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category for capitalisation at their fair market value. The Company generally does not use the assets repossessed for the internal operations. These repossessed assets which are intended to be realised by way of sale are considered equivalent to Stage 3 assets and the ECL allowance is determined based on the estimated net realisable value of the repossessed asset. The Company resorts to regular repossession of collateral provided against vehicle loans

14.4 Write-offs

Financial assets are written off in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss

14.5 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

14.6 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

14.7 Financial liabilities

(I) Initial recognition and measurement

The Company recognises a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

(ii) Subsequent measurement of financial liabilities:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost as appropriate.

Financial liabilities at Amortised Cost :

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

(iii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

14.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

15 Fair value Measurement

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

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

(a) In the principal market for the assets or liability, or

(b) In the absence of a principal market, in the most advantages market for the assets or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

II. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

III.Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

16 Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments and short term investments with original maturity upto three month.

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D Significant estimates and assumptions

The preparation of company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and action, actual results could differ from these estimates. These estimates are reviewed regularly and any change in estimates are adjusted prospectively.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognized in the financial statements:

(i) Business Model Assessment

The Company determines its Business Model at the level that best reflects how it manages groups of financial assets to achieve its business objectives. The company considers the frequency, volume and timing of disbursements in prior years, the reason for such disbursement, and its expectations about future business activities. However, information about business activity is not considered in isolation, but as part of an holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flow are realized. Therefore the company considers information about past disbursement in the context of the reason for those disbursements, and the conditions the existed at that time as compared to current conditions. Based on this assessment and the future business plans of the company, the management has measured its financial assets at amortized cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial assets give rise to cash flows that are solely payments of principle and interest (the SPPI criterion).

(ii) Property, Plant and Equipment & Intangible Assets

The determination of depreciation and amortization charge depends on the useful lives which is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Residual Value has been taken between 0-5%

Useful life of the all Property, Plant and Equipment and Intangible assets are in accordance with Schedule II of the Companies Act, 2013

(iii) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigation against the company as it is not possible to predict the outcome of pending matters with accuracy.

(vi) Defined Benefit Plan

The cost of defined benefit plan and present value of such obligation are determined using actuarial valuation. 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, mortality rates and attrition rate. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

(v) Deferred Tax Assets

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

(vi) Impairment losses on financial assets

The measurement of impairment losses across all categories of financial assets except assets valued at Fair value through P&L (FVTPL), requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's Expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include:

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• The Company's model, which assigns Probability of default (PD)s
• The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime expected credit loss (LTECL) basis
• The segmentation of financial assets when their ECL is assessed on a collective basis
• Development of ECL models, including the various formulas and the choice of inputs
• Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, Exposure at default (EAD)s and Loss given default (LGD)s.

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

(viii) Effective Interest rate method
The Company's EIR methodology, recognises interest income using a internal rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans and other characteristics of the product life cycle (including prepayments). This estimation, by nature, requires an element of judgment regarding the expected behavior and life-cycle of the instruments, as well other fee income/expense that are integral parts of the instruments.

E Recent Accounting Prononncements
Ministry of Corporate Affairs ("MCA") notifies New Standards or Amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accouuting Standards) Amendment Rules, 2022, as below.

1.IND AS 16- PROPERTY, PLANT AND EQUIPMENT- The amendment emphasises that any excess of net sale proceeds of items produced above the cost of testing, if any, is subtracted from the directly attributable costs regarded as part of the cost of an item of property, plant, and equipment, rather than being reflected in profit or loss. Annual periods beginning on or after April 1, 2022 are the effective date of this amendment. The Company has assessed the modification and determined that it has no financial and material impact.

2.IND AS 37 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS -The amendment clarifies that a contract's 'cost of fulfilment' includes all 'costs directly related to the contract.' Direct contract costs can be either incremental costs of executing the contract or an allocation of other costs that are directly related to contract fulfilment (an example would be the allocation of the depreciation charge for an item of property, plant and eqnipment used in fulfilling the contract). Annual periods beginning on or after April 1, 2022 are the effective dates for this amendment, however early adoption is permitted. The Company has assessed the modification and determined that it has no financial and material impact.

3.Iud AS 109 FINANCIAL INSTRUMENTS- As per the Amendment, if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

It further requires that, any costs or fees incurred as a result of an Exchange of Debt instruments or a Modification of terms are to be recognised as part of the gain or loss on the extinguishment. Any costs or fees spent alter the carrying amount of the liability and are amortised over the remaining term of the modified liability, if the exchange or modification is not accounted for as an extinguishment. The Company has assessed the modification and does not expect it to have a significant impact.

Ministry of Corporate Affairs ("MCA") notifies New Standards or Amcudments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below.

1.IND AS 1- PRESENTATION OF FINANCIAL STATEMENTS- The amendment emphasizes that an entity shall disclose material accounting policy information. Accounting policy information is material, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. An entity is likely to consider accounting policy information material to its financial statements if that information relates to material transactions, other events or conditions and:

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a) the entity changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) the entity chose the accounting policy from one or more options permitted by Ind ASs;

c) the accounting policy was developed in accordance with Ind AS 8 in the absence of an Ind AS that specifically applies;

d) the accounting policy relates to an area for which an entity is required to make significant judgements or assumptions in applying an accounting policy, and the entity discloses those judgements or assumptions in accordance with paragraphs 122 and 125; or

e) the accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions-such a situation could arise if an entity applies more than one Ind AS to a class of material transactions.

Annual periods beginning on or after April 1, 2023 are the effective date of this amendment. The Company has assessed the modification and determined that it has no financial and material impact.

2. IND AS 12- INCOME TAXES- A deferred tax liability shall be recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

a) the initial recognition of goodwill; or

b) the initial recognition of an asset or liability in a transaction which:

i. is not a business combination;

ii. at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

iii. at the time of the transaction, does not give rise to equal taxable and deductible temporary difference

The amendment emphasizes that a transaction that is not a business combination may lead to the initial recognition of an asset and a liability and, at the time of the transaction, affect neither accounting profit nor taxable profit. For example, at the commencement date of a lease, a lessee typically recognizes a lease liability and the corresponding amount as part of the cost of a right-of-use asset. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of the asset and liability in such a transaction. The exemption provided by paragraphs 15 and 24 does not apply to such temporary differences and an entity recognizes any resulting deferred tax liability and asset. The Company has assessed the modification and determined that it has no financial and material impact as DTA/DTL has already been recognized on ROU Asset and lease liability.

3. IND AS 8-ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERROR-The amendment emphasizes that an entity uses measurement techniques and inputs to develop an accounting estimate. Measurement techniques include estimation techniques (for example, techniques used to measure a loss allowance for expected credit losses applying Ind AS 109) and valuation techniques (for example, techniques used to measure the fair value of an asset or liability applying Ind AS 113). The term 'estimate' in Ind AS sometimes refers to an estimate that is not an accounting estimate, it sometimes refers to an input used in developing accounting estimates.
The effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates unless they result from the correction of prior period errors. The Company has assessed the modification and determined that it has no financial and material impact.

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(Formerly Known as Laxmi India Finleasecap Private Limited)
Notes Forming Part Of Financial Statements
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2 Cash & Cash Equivalents (₹ in lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Cash on Hand	103.66	56.77
Balances with Banks		
In Current Accounts	858.23	366.75
In Cash Credit Accounts	400.00	1,809.48
In Overdraft Accounts	613.16	704.80
In CSR Unspent Account	-	-
Cheque in Hand	-	-
Fixed Deposit	2,251.95	6,590.62
Total	**4,227.00**	**9,528.42**

3 Bank Balances other than Cash & Cash Equivalents (₹ in lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments*	5,132.19	4,844.76
Fixed Deposit (having Maturity More than 3 Months	2,164.09	2,534.55
Total	**7,296.28**	**7,379.31**

*Other bank balance with bank includes deposits under lien aggregating to₹ 5132.19 lakhs (P.Y.₹ 4844.76 lakhs) i.e. under lein for overdraft facilities aggregating to ₹ 2077.04 lakhs (P.Y.₹ 2034.85 lakhs), under lien for Borrowings aggregating to₹ 2897.58 lakhs (P.Y. ₹ 2706.09 lakhs), under lien for PTC Arrangements aggregating to NIL (P.Y. NIL) and under lien for Business Correspondent purposes aggregating to Rs 157.57 Lakhs (PY ₹ 103.82 lakhs)

4 Loans (₹ in lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
(A)		
Term Loans		
Secured by tangible/intangible assets		
Total Gross	81,385.71	56,635.92
Less: Impairment loss allowance	(480.52)	(388.86)
Total Net	80,905.19	56,247.06
Unsecured		
Total Gross	2,030.29	1,653.88
Less: Impairment loss allowance	(24.41)	(74.69)
Total Net	2,005.88	1,579.19
(B)		
Loans in India		
Public Sector	-	-
Others	83,416.00	58,289.79
Total Gross	**83,416.00**	**58,289.79**
Less: Impairment loss allowance	(504.93)	(463.54)
Total Net	**82,911.07**	**57,826.25**

4.1 Secured Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or hypothecation of Vehicle/Book Debts./ and other current assets.

4.2 The company has given impairment assessment and measurement approach in note no. 1

4.3 The company has defined risk assessment model in note no. 50

4.4 During the FY 23-24 there is no retained interest in Loans as part in Direct Assignment done before Date of Transisition i.e. Apr 1, 2019

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4.5 An analysis of change in the gross carrying amount of loans and corresponding ECL allowance with respect to the all asset classes have been explained below:

(₹ in lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at Apr 1, 2023	56,123.94	1,833.10	332.76	58,289.79
New assets originated or increase in existing assets	47,008.05	857.99	26.94	47,892.98
Assets Closed or repaid	(20,701.13)	(898.69)	(166.91)	(21,766.72)
Transfers from Stage 1	(3,314.21)	2,802.37	511.84	-
Transfers from Stage 2	331.94	(473.61)	141.67	-
Transfers from Stage 3	39.78	2.54	(42.32)	-
Sold to ARC	(423.92)	(308.69)	(21.64)	(754.25)
Write offs	(14.68)	(45.92)	(185.21)	(245.81)
As at Mar 31, 2024	79,049.78	3,769.09	597.12	83,416.00

(₹ in lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at Apr 1, 2022	42,483.18	1,535.94	1,286.06	45,305.18
New assets originated or increase in existing assets	29,410.38	293.02	6.48	29,709.88
Assets Closed or repaid	(14,348.46)	(600.75)	(475.76)	(15,424.97)
Transfers from Stage 1	(1,664.52)	1,483.03	181.48	-
Transfers from Stage 2	617.04	(701.45)	84.41	-
Transfers from Stage 3	110.48	1.22	(111.70)	-
Sold to ARC	(465.01)	(135.17)	(562.23)	(1,162.41)
Write offs	(19.15)	(42.75)	(75.99)	(137.89)
As at Mar 31, 2023	56,123.94	1,833.10	332.76	58,289.79

(₹ in lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2023	273.05	38.66	151.83	463.54
New assets originated or increase in existing assets	74.78	41.77	314.54	431.08
Assets Closed or repaid	(231.15)	(15.76)	(26.97)	(273.88)
Transfers from Stage 1	(24.35)	19.87	4.48	-
Transfers from Stage 2	6.06	(9.49)	3.43	-
Transfers from Stage 3	14.85	1.31	(16.16)	-
Sold to ARC	(1.76)	(6.43)	(7.33)	(15.52)
Write offs	(0.25)	(1.20)	(98.85)	(100.29)
As at Mar 31, 2024	111.22	68.73	324.98	504.93

(₹ in lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2022	213.03	40.40	428.70	682.13
New assets originated or increase in existing assets	172.56	27.45	95.22	295.22
Assets Closed or repaid	(161.51)	(17.08)	(171.62)	(350.20)
Transfers from Stage 1	(11.27)	9.11	2.16	-
Transfers from Stage 2	14.03	(18.28)	4.25	-
Transfers from Stage 3	48.56	1.20	(49.76)	-
Sold to ARC	(1.98)	(1.34)	(127.38)	(130.70)
Write offs	(0.37)	(2.80)	(29.74)	(32.91)
As at Mar 31, 2023	273.05	38.66	151.83	463.54

5 Investments (₹ in lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Investment in Mutual Funds/AIF/ULIP	30.67	43.86
* Security Receipts of ARC	970.68	556.28
Gross (A)	**1,001.35**	**600.14**
Investments outside India	-	
Investments in India	1,001.35	600.14
Gross (B)	**1,001.35**	**600.14**
Security Receipts of ARC	970.68	556.28
Investment in Debt Oriented Mutual Fund	-	41.23
Investment in AIF (Northern Are Alpha Trust)	-	-
Investment in Equity Oriented Fund-ULIP	30.67	2.63
Gross (C)	**1,001.35**	**600.14**
Total (A) to tally with (B) & (C)		
Less: Allowance for Impairment loss (D)	-	-
Total Net D = (A) -(C)	**1,001.35**	**600.14**

5.1 *1.Security receipt of ARC include IRAC provision for pool of ARC ₹ 442.17 lakhs and Gross receipt is 1091.32 lakhs

2. NAV of Security receipt of ARC as on March 31, 2024 is higher than security value hence there is no need to provide any Impairment Loss, further the company has not accounted for the appreciation in value as per the concerned guidelines in this regard .

6 Receivables (₹ in lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Other Receivable (Receivables considered good - unsecured)	360.92	66.88
Total	**360.92**	**66.88**

No other receivable are due from directors or other officers of the Company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

6.1 Other Receivables Ageing Schedule

As at Mar 31, 2024

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 Months to 1 year	1-2 Years	2-3 years	More than 3 Years	Total
Undisputed trade receivables – considered good	360.92	-	-	-	-	360.92
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivable – credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

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As at Mar 31, 2023

Partieulars	Ontstanding for following periods from due date of payment					
	Less than 6 Months	6 Months to 1 year	1-2 Years	2-3 years	More than 3 Years	Total
Undisputed trade receivables – considered	66.88	-	-	-	-	66.88
Undisputed trade receivables – which have significant increase in credit	-	-	-	-	-	-
Undisputed trade receivable – credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Dispntcd trade receivables – credit impaired	-	-	-	-	-	-

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

7 Other Financial Asset

(₹ in lakhs)

Partlenlars	As at Mar 31, 2024	As at Mar 31, 2023
Security Deposit	36.41	24.98
Fixed Deposits with Financial institutions/NBFC	(0.00)	(0.00)
Balances with Payment Aggregators	12.01	6.12
Securitisatiou Income Receivable	-	-
TDS Receviable from NBFC/FI's	12.71	28.19
Staff Advance	26.26	9.58
Commision from CSFB	8.96	11.40
Deferred Finance Cost	(0.00)	(0.00)
Corpus fund for Trust	0.51	0.51
Other Tax Assests	4.24	2.46
Receivables on Assigned Loans	2,370.60	1,979.35
Total	**2,471.70**	**2,062.59**

8 Deferred Tax Assets(Net)

(₹ in lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Deferred Tax Assets, on aceonnt of		
Deprcciation and Amortisation	18.13	19.75
Expenses deductible on payment basis	-	-
Provision for Employee benefits	28.40	26.66
Provision for Undrawn Loan Commitment	0.20	1.75
Impairment Reserve	-	-
Impairment on Loans	92.79	96.43
Lease Liability	26.20	8.92
SD Borrowing-NAFA	-	-
Provision on ARC Pool	111.29	101.88
Total(A)	**277.01**	**255.38**
Deferred Tax Liabilities, on acconnt of		
Upfront interest income on assignment transaction	596.63	498.16
Right of Use Asset	25.74	8.68
Unrealised Gain on Investments	0.45	-
Total(B)	**622.83**	**506.84**
Net Deferrcd Tax Assets (A) - (B)	**(345.82)**	**(251.46)**

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9 Property, Plant & Equipment

As at Mar 31, 2024

(₹ in lakhs)

Particulars	Freehold Land	Office and Guest House	Computers & peripherals	Furniture & Fixtures	Vehicles	Office Equipment	Computer server	Right of Use (ROU) Asset	Total
Gross Block									
As at Apr 1, 2023	296.76	501.56	142.21	149.99	136.23	34.38	2.42	72.52	1,336.07
Addition During the Year	-	51.93	48.89	29.08	25.69	18.14	0.27	86.22	260.22
Deduction/Adjustments during the year	-	(9.80)	-	-	(28.53)	(1.31)	-	-	(39.64)
Reclassified to/ from held for sale	-	-	-	-	-	-	-	-	-
As at Mar 31, 2024	**296.76**	**543.69**	**191.10**	**179.07**	**133.39**	**51.21**	**2.69**	**158.74**	**1,556.65**
Accumulated Depreciation/Amortisation									-
Up to Apr 1, 2023	-	23.73	99.78	70.13	74.18	21.66	0.08	38.03	327.59
For the Year	-	24.56	43.58	26.10	25.20	10.87	0.99	18.43	149.73
Adjustments during the year	-	(3.01)	-	-	(24.25)	(0.64)	-	-	(27.90)
As at Mar 31, 2024	-	**45.28**	**143.36**	**96.23**	**75.13**	**31.89**	**1.07**	**56.46**	**449.42**
Net Block									-
As at Mar 31, 2024	**296.76**	**498.41**	**47.74**	**82.84**	**58.26**	**19.32**	**1.62**	**102.28**	**1,107.23**
As at Mar 31, 2023	296.76	477.83	42.43	79.86	62.05	12.72	2.34	34.49	1,008.48

As at Mar 31, 2023

(₹ in lakhs)

Particulars	Freehold Land	Office and Guest House	Computers & peripherals	Furniture & Fixtures	Vehicles	Office Equipment	Computer server	Right of Use (ROU) Asset	Total
Gross Block									
As at Apr 1, 2022	339.66	124.31	94.04	117.31	94.54	24.13	-	38.04	832.03
Addition During the Year	-	377.25	48.17	35.75	45.69	11.29	2.42	38.19	558.76
Deduction/Adjustments during the year	(42.90)	-	-	(3.07)	(4.00)	(1.04)	-	(3.71)	(54.72)
Reclassified to/ from held for sale	-	-	-	-	-	-		-	-
As at Mar 31, 2023	**296.76**	**501.56**	**142.21**	**149.99**	**136.23**	**34.38**	**2.42**	**72.52**	**1,336.07**
Accumulated Depreciation/Amortisation									-
Up to Apr 1, 2022	-	16.78	64.24	50.94	53.45	16.82		26.65	228.88
For the Year	-	6.95	35.54	22.13	23.12	5.63	0.08	11.38	104.83
Adjustments during the year	-	-	-	(2.94)	(2.39)	(0.79)	-	-	(6.12)
As at Mar 31, 2023	-	**23.73**	**99.78**	**70.13**	**74.18**	**21.66**	**0.08**	**38.03**	**327.59**
Net Block									-
As at Mar 31, 2023	**296.76**	**477.83**	**42.43**	**79.86**	**62.05**	**12.72**	**2.34**	**34.49**	**1,008.48**
As at Mar 31, 2022	339.66	107.53	29.80	66.37	41.09	7.31	-	11.39	603.15

9.1 During the F.Y 2023-24 and P.Y 2022-23 the Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets).

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10 Property, Plant & Equipment under Development

As at Mar 31, 2024

(₹ in lakhs)

Particulars	PPE	Total
As at Apr 1, 2023	-	-
Addition During the Year	36.45	36.45
Capitalisation during the Year	36.45	36.45
As at Mar 31, 2024	-	-

As at Mar 31, 2023

(₹ in lakhs)

Particulars	PPE	Total
As at Apr 1, 2022	-	
Addition During the Year	36.33	36.33
Capitalisation during the Year	36.33	36.33
As at Mar 31, 2023	-	-

11 Intangible Assets under Development

As at Mar 31, 2024

(₹ in lakhs)

Particulars	Software	Total
As at Apr 1, 2022	20.70	20.70
Addition During the Year	33.67	33.67
Capitalisation during the Year	23.09	23.09
As at Mar 31, 2024	**31.28**	**31.28**

As at Mar 31, 2023

(₹ in lakhs)

Particulars	Software	Total
As at Apr 1, 2022	10.77	10.77
Addition During the Year	9.93	9.93
Capitalisation during the Year	-	-
As at Mar 31, 2023	**20.70**	**20.70**

11.1 Intangible assets under development ageing schedule

Intangible assets under development	To be completed in				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
As at Mar 31, 2024					
Synofin	23.65	-	-	-	**23.65**
Customer App	1.69	-	-	-	**1.69**
Dynamic	5.94	-	-	-	**5.94**
As at Mar 31, 2023					
Synofin- CAS	20.70	-	-	-	**20.70**
Customer App	-	-	-	-	-
Dynamic	-	-	-	-	-

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12 Intangible Assets

As at Mar 31, 2024 (₹ in lakhs)

Particulars	Software	Total
Gross Block		
As at Apr 1, 2023	31.33	31.33
Addition During the Year	24.84	24.84
Deduction/Adjustments during the year	(2.07)	(2.07)
As at Mar 31, 2024	**54.10**	**54.10**
Accumulated Depreciation/Amortisation		
Up to Apr 1, 2023	25.88	25.88
For the Year	8.62	8.62
Adjustments during the year	(1.64)	(1.64)
As at Mar 31, 2024	**32.86**	**32.86**
Net Block		
As at Mar 31, 2024	**21.24**	**21.24**
As at Mar 31, 2022	5.45	5.45

As at Mar 31, 2023 (₹ in lakhs)

Particulars	Software	Total
Gross Block		
As at Apr 1, 2022	28.10	28.10
Addition During the Year	3.23	3.23
Deduction/Adjustments during the year	-	-
As at Mar 31, 2023	**31.33**	**31.33**
Accumulated Depreciation/Amortisation		
Up to Apr 1, 2022	19.29	19.29
For the Year	6.59	6.59
Adjustments during the year	-	-
Total up to Mar 31, 2023	**25.88**	**25.88**
Net Block		
As at Mar 31, 2023	**5.45**	**5.45**
As at Mar 31, 2022	8.81	8.81

12.1 During the F.Y 2023-24 and P.Y 2022-23 the Company has not revalued its Intangible assets.

During the FY 2023-24 Visitor app and Laxmi mitra app has been internally developed by one of the employee therefore, as per INDAS 38 "Intangible Assets" mobile application has been valued at cost of genarating asset i.e. gross salary of employee.

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13 **Title deeds of immovable properties not held in name of the company**
(other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) :

Relevant line item in the Balance sheet*	Description of item of property	Carrying value	Title deeds held in the name of	Whether title deed holder is a 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
As At Mar 31, 2023						
PPE	Building details-Plot no 2, DFL Gopinath Marg MI Road Jaipur	Rs 29,81,676/-	Mr Deepak Baid	Managing Director	01/04/2011	Property was being used for carring the business by Mr Deepak Baid as a proprietor firm, but in April 01,2011 firm converted into company and all fixed assets of the firm vested in Laxmi India finance Pvt Ltd., Now the company is in process for transfer the title on its name
Investment property	Nil	Nil	Nil	Nil	Nil	Nil
others	Nil	Nil	Nil	Nil	Nil	Nil
As At Mar 31, 2022						
PPE	Nil	Nil	Nil	Nil	Nil	Nil
Investment property	Nil	Nil	Nil	Nil	Nil	Nil
others	Nil	Nil	Nil	Nil	Nil	Nil

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14 Other non-financial assets (₹ in lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Sales Tax Refundable	0.88	0.88
Current Year Income Tax Refund (Net of Advance Tax/TDS)	26.01	26.29
ARC Account	-	-
Balance with Revenue Authorities	189.80	157.49
Deposits with Govt authorities against Litigation	0.03	0.03
Prepaid Expenses	51.85	22.02
Trade Advance	-	-
Advance for Expense	101.79	102.53
Non- Current Asset held for sale	-	-
Gold Coins	-	-
Advance for CSR activity	0.38	2.51
Total	370.74	311.76

15 Debt Securities-At Amortised Cost (₹ In Lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Secured		
Non Convertible Debentures	500.21	2,317.43
Total	**500.21**	**2,317.43**
Debt securities in India	500.21	2,317.43
Debt securities outside India	-	-
Total	500.21	2,317.43

15.1 Non-convertible Debenture are fully secured by first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 100% of the amount outstanding and Debt Securities issued to Edge Credit Opportunities Fund I are further secured by personal guarantee given by Mr. Deepak Baid, Mrs. Aneesha Baid.

15.2 Details Of Redeemable Non-Convertible Debentures (₹ In Lakhs)

ISIN No.	Date of allotment	Date of Final redemption	Total number of debentures	Coupen Rate	As at Mar 31, 2024	As at Mar 31, 2023
INE06WU07031 (Face Value Rs. 10 Lacs each)	19.11.2020	19.05.2022	50.00	11.50%	-	-
INE06WU07023 (Face Value Rs. 10 Lacs each)	04.09.2020	21.04.2023	100.00	11.50%	-	1,009.77
INE06WU07015 (Face Value Rs. 10 Lacs each)	14.07.2020	14.07.2023	50.00	11.50%	-	85.26
INE06WU07049 (Face Value Rs. 1 Lacs each)	31.03.2021	30.06.2023	2,000.00	13.75%	-	221.98
INE06WU07056 (Face Value Rs. 1 Lacs each)	02.06.2022	02.04.2025	1,000.00	15.62%	500.21	1,000.42
Total					500.21	2,317.43

16 Borrowings (Other than Debt Securities)-At Amortised Cost (₹ In Lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Secured		
Term loans		
(i)From Banks	43,755.90	34,130.77
(ii)From Financial Institutions/NBFC	29,854.73	24,813.90
Others		
Associated liabilities in respect of Co-Lending Transaction - secured	54.22	88.58
Associated liabilities in respect of Business Correspondent Transaction - secured	1,460.63	1,056.03
Loans repayable on demand		
Cash Credit from Banks	254.80	-
Overdraft Credit from Banks	500.26	198.01
Unsecured		
Term Loan		
Loans from Directors and related parties	-	-
Loans from others	1,747.52	-
Total (A)	77,628.06	60,287.29
Borrowings in India	77,628.06	60,287.29
Borrowings outside India	-	-
Total (B)	77,628.06	60,287.29

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16.1 Term of Repayment Of Borrowings Outstanding except Repayable on Demand

(₹ In Lakhs)

Maturity Schedule	Interest Rate Range		Carrying Amount	
	As at Mar 31, 2024	As at Mar 31, 2023	As at Mar 31, 2024	As at Mar 31, 2023
a) Term Loans from Banks - Secured				
Maturity Within One Year	7.70% - 14.25%	7.70% - 14.76%	12,665.67	10,766.60
Maturity between 1 to 3 Year	7.70% - 14.25%	7.70% - 14.76%	19,311.03	16,195.93
Maturity between 3 to 5 Year	7.70% - 14.25%	7.70% - 14.76%	12,534.26	7,174.32
Maturity in more than 5 Year	7.70% - 14.25%	7.70% - 14.76%	-	191.93
Total			44,510.96	34,328.78
b) Term Loans from NBFC/FI's- Secured				
Maturity Within One Year	10.50% - 14.50%	10.00% - 15.16%	11,765.63	10,605.63
Maturity between 1 to 3 Year	10.50% - 14.50%	10.00% - 15.16%	14,351.21	13,134.98
Maturity between 3 to 5 Year	10.50% - 14.50%	10.00% - 15.16%	3,737.89	1,073.29
Maturity in more than 5 Year	10.50% - 14.50%	10.00% - 15.16%		-
Total			29,854.73	24,813.90
c) Term Loans from Related Parties- Unsecured				
Maturity Within One Year	-	-	-	-
Maturity between 1 to 3 Year	-	-	-	-
Maturity between 3 to 5 Year	-	-	-	-
Maturity in more than 5 Year	-	-	-	-
Total	-	-	-	-
d) Term Loans from Other than Related Parties-Unsecured				
Maturity Within One Year	11.90% - 16.00%	-	306.06	-
Maturity between 1 to 3 Year	11.90% - 16.00%	-	648.85	-
Maturity between 3 to 5 Year	11.90% - 16.00%	-	792.61	-
Maturity in more than 5 Year	11.90% - 16.00%	-		-
Total			1,747.52	-
E) Associated liabilities in respect of Co-Lending Transaction - secured				
Maturity Within One Year	12.90%	12.90%	11.79	-
Maturity between 1 to 3 Year	12.90%	12.90%	21.90	-
Maturity between 3 to 5 Year	12.90%	12.90%	19.48	39.66
Maturity in more than 5 Year	12.90%	12.90%	1.04	48.92
Total			54.22	88.58
F) Associated liabilities in respect of Business Correspandent Transaction - secured				
Maturity Within One Year	10.00% - 12.00%	12.00%	373.32	-
Maturity between 1 to 3 Year	10.00% - 12.00%	12.00%	609.17	446.27
Maturity between 3 to 5 Year	10.00% - 12.00%	12.00%	232.19	536.37
Maturity in more than 5 Year	10.00% - 12.00%	12.00%	245.95	73.39
Total			1,460.63	1,056.03

16.2 Nature of Security

1. Secured term loans from banks amounting to Rs, 43703.94 lakhs(P Y Rs. 34076.08 Lakhs) carry rate of interest in the range of 10.10% to 14.25% p.a. The loans are having tenure of 3 to 5.5 years from the date of disbursement and are repayable in both monthly and quarterly installments. Those loan are secured by hypothecation(exclusive charge) of the loans given by the Company and Personal Guarantee of Directors and Corporate Guarantee of Starpoint Constructions Pvt Ltd, Hirak Vinimay Pvt Ltd, & Dreamland Buildmart Private Limited.

2. Secured term loans from banks amounting to Rs. 51.96 lakhs(P Y Rs. 54.69 Lakhs) carry rate of interest in the range of 7.70% to 9.15% p.a. The loans are having tenure of 3 to 10 years from the date of disbursement and are repayable in monthly installments. Those loan are secured by hypothecation(exclusive charge) of vehicle owned by the Company.

3, Secured term loans from NBFC/FIs amount to Rs. 29854.73 lakhs (P Y Rs. 24813.90 Lakhs) carry rate of interest in the range of 10.50% to 14.50% p.a. The loans are having tenure of 2 years to 5.0 years from the date of disbursement and are repayable in both monthly and quarterly installments. Those loan are secured by hypothecation(exclusive charge) of the loans given by the Company and Personal Guarantee of Directors and Corporate Guarantee of Starpoint Constructions Pvt Ltd, & Deepak Hitech Motors Pvt Ltd

4. Overdraft borrowings from the bank amounting to Rs. 500.26 lakhs (P Y Rs. 198.01 Lakhs) are secured by by the company, are repayable on demand and carry an interest as Interest Spread of 0.75% over and above Interest Rate on Underliened Fixed Deposit.

5. Cash Credit from the bank amounting to Rs. 254.80 lakhs (P Y Rs. 0.00 Lakhs) are secured by by the company, are repayable on demand and carry an interest ranging between 11.15%. Those cash credits are secured by hypothecation(exclusive charge) of the loans given by the Company and Personal Guarantee of Directors

6. Associated liabilities in respect of Business Correspondent transactions represents amounts received in respect of Business Correspondent transactions (net of repayments and investment therein) as these transactions do not meet the derecogniton criteria specified under IND AS. These are secured by way of hypothecation of designated loans assets receivables.

7. Associated liabilities in respect of Co-Lending Transaction represents amounts received in respect of Co-Lending Transaction(net of repayments and investment therein) as these transactions do not meet the derecogniton criteria specified under IND AS. These are secured by way of hypothecation of designated loans assets receivables.

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16.3 The company has no default in the repayment of dues to its lenders

16.4 The company bas used all the borrowings from banks and financial institutions for the specific purpose for which it was taken During Q4 FY2023- 2024 and

16.5 In regard to Borrowiugs from banks or financial institutions on the basis of security of current assets. :

a) Quarterly returns/statements of current assets filed hy the Company with banks or financial institutions are in agreement with the books of accounts.
b) since above point (a) is affirmative, hence summary of reconciliation and reasons of material discrepancies is not applicable

16.6 Tbe Company has not been declared as Wilful Defaulter during the Q4 F.Y 2023-24 and P.Y 2022-23

17 Trade Payables (₹ in lakhs)

Particnlars	As at Mar 31, 2024	As at Mar 31, 2023
Creditors for other Expenses*	123.24	114.62
Others Payables*	117.30	1.16
Total	240.54	115.78

*Refer Note 17.1 for Ageing Schedule

17.1 Other Financial Liabilities ageing schedule (₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less thau 1 year	1-2 years	2-3 years	More than 3 years	Total
As at Mar 31, 2024					
(i) MSME	14.43	-	-	-	14.43
(ii) Others	223.50	-	-	-	223.50
(iii) Disputed dues - MSME	2.61	-	-	-	2.61
(iv)Disputed dues - Others	-	-	-	-	-
As at Mar 31,2023					
(i) MSME	1.16	-	-	-	1.16
(ii) Others	114.63	-	-	-	114.63
(iii) Disputed dues - MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-

18 Other financial liabilities (₹ in lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Cbeque in Transit	-	-
Audit Fees Payable	8.50	7.65
Sum Accrued but not Due for Direct Assignmeut/Securitisation	504.95	284.88
Lease Liability	104.11	35.45
Excess loan received (MAS)	-	
Total	617.56	327.98

19 Provisions (₹ in lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
For Employee Benefits		
Gratuity	112.85	105.91
For others		
Provision for Taxation (Net of Advance Tax)	-	-
Provisioo for Taxation (Earlier Years)	6.38	6.38
Provision for CSR Unspcut amount	-	-
Provision for undrawn loan commitment	0.80	6.97
Tntal	120.03	119.26

19.1 Movement of Provisions

Particulars	Provision for Taxation (Earlier Years)	Provision for CSR Unspent amount	Provisiun for undrawn loan commitment
As at Apr 1, 2023	6.38	-	6.97
Add: Provision Addition/(Deletiou) during the year	-	-	(6.17)
Less: Sum Paid during the year	-	-	-
Closing at Mar 31, 2024	6.38	-	0.80
As at Apr 1, 2022	6.38	8.27	3.59
Add: Provision Addition/(Deletion) during the year	-	(8.32)	3.38
Less: Sum Paid during the year	-	-	-
Clnsing at Mar 31, 2023	6.38	-	6.97

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20 Other non-financial liabilities (₹ in lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Statutory Dues Payable	168.50	116.23
Stamp Duty Payable	-	-
Total	168.50	116.23

21 Equity Share Capital (₹ in lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Authorised 3,00,00,000 Equity Shares of par value ₹ 10/- Each (P.Y. 2,00,00,000 shares of ₹ 10/- each at Mar 31,2023)	3,000.00	2,000.00
Issued, Subscribed and Fully Paid Up and Partly Paid Up	**1,986.28**	**1,831.72**
(1,98,62,788 Equity Shares of ₹ 10/- Each fully Paid up (PY 1,59,98,926 Equity Shares of ₹ 10/- Each fully paid up)	1986.28	1599.89
(PY 38,63,862 Equity Shares of ₹ 6/- Each partly paid up)	0.00	231.83
Total	1,986.28	1,831.72

(a) The reconciliation of the Number of Shares Outstanding and the amount of Share Capital: (₹ in lakhs)

Particulars	As at Mar 31, 2024 No. of Shares	As at Mar 31, 2023 No. of Shares
Shares outstanding at the beginning of the year	198.63	158.90
Changes during the year	-	39.73
Shares outstanding at the end of the year	198.63	198.63

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per equity share. In the Financial year 2022-2023 company has issued and allotted partly paid up shares at a Face value of Rs. 10 and company has called Up Rs.6/- per share and in the year 2023-2024 company received the remaining amount over Partly paid up shares and converted partly paid up shares into fully paid up.

(c) Details of shares in respect of each class in the company held by its holding company or its ultimate holding company

Hirak Vinimay Private Limited is the Holding company of the company. The Hirak Vinimay Private Limited is holding 54.75%.

(d) Details of Shareholders holding more than 5% shares in the Company:

Particulars	As at Mar 31, 2024		As at Mar 31, 2023	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Hirak Vinimay Private Limited	10,874,842	54.75%	10,874,842	54.75%
Deepak Hitech Motors Private Limited	1,474,541	7.42%	3,038,362	15.30%
Deepak Baid	3,798,827	19.13%	3,163,345	15.93%
Aneesha Baid	1,157,451	5.83%	1,423,051	7.16%

(e) Shareholding of Promoters

Promoter name	As at Mar 31, 2024			As at Mar 31, 2023		
	No. of Shares	% of total share	% Change during the year	No. of Shares	% of total share	% Change during the year
1. Prem Devi Baid	706,535	3.56%	-0.08%	707,135	3.58%	0.00%
2. Deepak Baid	3,798,827	19.13%	20.09%	3,163,345	16.01%	162.12%
3. Aneesha Baid	1,157,451	5.83%	-18.66%	1,423,051	7.20%	136.13%
4. Vivan Baid Family Trust (Through Its Trustee Mr. Deepak Baid And Mrs.Aneesha Baid)	7,200	0.04%	0.00%	7,200	0.04%	0.00%
5. Hirak Vinimay Private Limited	10,874,242	54.75%	-0.01%	10,874,842	55.05%	292.91%
6. Sulochana Sarees Private Limited	-	0.00%	0.00%	-	0.00%	-100.00%
7. Gatik Realcon Private Limited	-	0.00%	0.00%	-	0.00%	-100.00%
8. Deepak Hitech Motors Pvt Ltd	1,474,541	7.42%	-51.47%	3,038,362	15.38%	55.70%
9. Starpoint Constructions Private Limited	-	0.00%	0.00%	-	0.00%	-100.00%
10. Prem Dealers Private Limited	539,657	2.72%	-0.09%	540,157	2.73%	0.00%
11. Champalal Distributors Private Limited	-	0.00%	0.00%	-	0.00%	-100.00%
Total	18,558,453	93.43%		19,754,092	100.00%	

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22 Other Equity

(₹ in lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Securities Premium	9,109.36	6,607.35
Retained Earnings	7,205.30	5,407.72
Impairment Reserve	77.03	77.03
Statutory Reserve u/s 45-IC of RBI Act, 1934	1,800.12	1,350.73
Total	**18,191.81**	**13,442.83**

Nature, Purpose and Movement of Reserves

(i) Securities Premium

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
At the beginning and end of the year	6,607.35	5,862.51
Add : Additions during the year	2,511.51	745.99
Less: Capital Expenditures	(9.50)	(1.15)
At the end of the year	**9,109.36**	**6,607.35**

(ii) Retained Earnings

Retained earnings or accumulated surplus represents total of all profits retained since the Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, or any such other appropriations to specific reserves.

(₹ in lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
At the beginning of the year	5,407.72	4,203.12
Add : Profit/(Loss) for the year	2,231.74	1,539.16
Add: Other Comprehensive Income	15.23	5.76
Less: Capital Expenditures	-	-
Less: Transfer to Impairment Reserves	-	(31.34)
Less: Transfer to Statutory Reserves	(449.39)	(308.98)
At the end of the year	**7,205.30**	**5,407.72**

(iii) Statutory Reserve u/s 45-IC of RBI Act, 1934

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisetion

(₹ in lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
At the beginning of the year	1,350.73	1,041.75
Add : Additions during the year	449.39	308.98
At the end of the year	**1,800.12**	**1,350.73**

(iv) Impairement Reserve

Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs are required to appropriate the difference from their net profit or loss to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' cannot be reckoned for regulatory capital. Further, no withdrawals is permitted from this reserve without prior permission from the Department of Supervision, RBI.

(₹ in lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
At the beginning of the year	77.03	45.69
Add : Additions during the year	-	31.34
At the end of the year	**77.03**	**77.03**

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Laxmi India Finance Private Limited
(Formerly Known as Laxmi India Finleasecap Private Limited)

Notes Formlng Part of Financial Statements
for the period ended Mar 31, 2024

23 Interest Ineome (Measnred at Amortised Cost) **(₹ in lakhs)**

Particnlars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Interest on Loans	14,770.56	11,035.86
Interest from Margin Money deposits/FDR's	555.87	224.46
Income from Securitisation	-	189.50
Income on Derecognised (assigned) Loans	1,387.43	1,129.75
Total Interest Income	**16,713.86**	**12,579.57**

24 Fees and Commission Income **(₹ in lakhs)**

Particnlars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Income from Support Services	-	-
Other Operating Income	661.22	229.36
Total Income	**661.22**	**229.36**

25 Net Gain/(Loss) On Fair Valne Changes **(₹ in lakhs)**

Particnlars	Year eoded Mar 31, 2024	Year ended Mar 31, 2023
Net gain/(loss) on financial instrnments at fair value throngh profit and loss (FVTPL)		
On trading portfolio		
Mutual fund investment at FVTPL	59.00	27.00
Total Net gain/(loss) on falr value changes	**59.00**	**27.00**
Analysis of falr valne changes		
Realised Gain on Investments	57.19	29.36
Unrealised Gain on Investments	1.81	(2.36)
Total Net gain/(loss) on fair value changes	**59.00**	**27.00**

26 Other Ineome **(₹ iu lakhs)**

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Income on Security deposits(rent)	0.26	0.11
Gain on Lease Liabilities	-	0.34
Gain/(Loss) on Disposal of Fixed Assets	16.94	4.42
Other Income from Infra	170.95	109.06
Rent Concession due to COVID 19	-	-
Total Other Income	**188.15**	**113.93**

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27 Finance eost **(₹ In lakhs)**

Partlculars	Year euded Mar 31, 2024	Year ended Mar 31, 2023
Interest on financial liahilities (measured at amortised eost)		
Borrowings	8,261.37	6,183.28
Lease liability	7.09	3.15
Co-lending transaction	8.14	11.44
Business Correspondence Transactions	113.64	102.40
Others		
Bank charges	57.32	46.98
Deferred Finance Expense	-	2.39
Loss on derecognition of Financial Liabilties	-	-
Loan Processing charges	7.14	38.44
Total Finanee cost	**8,454.70**	**6,388.08**

28 Impairment on finaucial instrnments **(₹ in lakhs)**

Partieuiars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Loan Assets	92.06	189.58
Loan Assets Written off (net of reeoveries)	103.11	(25.39)
Total Impairment on finaneial iustrnments	**195.17**	**164.19**

Loan Assets Written off (Net of recoveries) cover Bad bebts recovered sum of Rs..	(142.70)	(163.28)
Loan Assets Written off (Net of recoveries) cover Bad bebts sum of Rs..	245.81	137.89

29 Employee Benefit Expense **(₹ in lakhs)**

Partieulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Salary, Wages and Reimbursements	4,053.71	2,964.48
Contribution to Provident and other funds	178.14	122.30
Staff Welfare Expenses	44.37	48.94
Staff Conveyance Expenses	16.35	15.12
Gratuity	27.87	39.81
Total Employee Benefit Expenses	**4,320.44**	**3,190.65**

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 49

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30 Depreciation and amortisatlon expense **(₹ in lakhs)**

Partleulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Depreciation on Property, Plant & Equipment	149.73	104.83
Amortisation on Intagible Assets	8.62	6.59
Total Depreciation aod amortization expense	**158.35**	**I11.42**

31 Other Expcnses **(₹ in lakhs)**

Particulars	Year euded Mar 31, 2024	Year ended Mar 31, 2023
Rent, Rates and Taxes	194.10	150.29
Repair and Maintenance Expenditure	12.85	16.40
Printing & Stationery	62.93	24.56
Business/Sales Promotion Expenses	63.49	27.67
Rebate & Discount	0.14	2.30
Audit Fee (Refer Note 24.1 below)	13.00	13.00
Legal, Professional and Technical Charges	431.41	268.85
Postage, telegram & Telephone Expenditure	35.75	20.77
CSR Activities Expenses	38.30	34.17
Office & General Expense	117.70	108.09
Donations	10.00	-
Collection Expenses	55.24	104.75
Commission Expenses	0.01	12.87
Telecommunication Expenses	21.08	12.44
Vehicle Running & Maintenance Expenses	13.82	9.12
Interest under Income tax Act	1.01	0.03
Electricity Charges & Water Charges	47.18	32.00
Tours & Travelling Expenses	158.08	104.11
RoC Filing Fees	0.59	1.13
Stamp Duty Expenses	2.14	8.65
Insurance	20.74	32.02
Staff Training & other HR Related Expenses	10.49	4.63
Membership Fees	0.29	1.03
Reversal of GST Input	136.48	101.35
Gst Block Paid	9.41	-
Security Service Expenses	4.51	-
Sitting Fees (To Directors)	22.90	9.20
Management fees and other exp on ARC pool	47.02	-
Miscellaneous Expenses	29.15	7.59
Total Other expenses	**1,559.81**	**1,107.02**

Rent expenses relate to the various short term leases accounted by applying practical expedient under Ind AS 116 - 'Leases'

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(a) **The Payment To Auditors ineludes:-** **(₹ in lakhs)**

Partieulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Audit fees	6.00	6.00
Tax Audit Fees	0.50	0.50
Limited review & Certifications	6.50	6.50
Total	**13.00**	**13.00**

32 Earnings per Share (Ind AS 33) **(₹ iu lakhs)**

Particulars	Year ended Mar 31, 2024	Year euded Mar 31, 2023
(A) Basic Earoings per share		
(i) Profit attributable to equity shareholders (used as numerator) (₹ lakhs)	2,231.74	1,539.16
(ii) Weighted average number of equity shares (used as denominator) (Nos.)(Nominal Value per share ₹ 10)	184.33	159.10
Basic EPS (i)/(ii)	**12.11**	**9.67**
(B) Diluted Earnings per share		
(i) Profit attributable to equity shareholders (used as numerator) (₹ lakhs)	2,231.74	1,539.16
(ii) Weighted average number of equity shares (used as denominator) (Nos.)(Nominal Value per share ₹ 10)	198.63	159.23
Diluted EPS (i)/(ii)	**11.24**	**9.67**

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Notes Forming Part of Financial Statements
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33 Maturity Analysis at Mar 31, 2024 and Mar 31, 2023

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

Particulars	As at Mar 31, 2024			As at Mar 31, 2023		
	Amount	within 12 month	after 12 month	Amount	within 12 month	after 12 month
I. ASSETS						
(1)Financial Assets						
(a) Cash and Cash Equivalents	4,227.00	4,227.00	-	9,528.42	9,528.42	-
(b) Bank balance other than Cash and cash equivalents	7,296.28	4,822.44	2,473.84	7,379.31	6,324.73	1,054.58
(c) Loans	82,911.07	22,742.00	60,169.07	57,826.25	20,193.65	37,632.60
(d) Investments	1,001.35	30.67	970.68	600.14	41.23	558.91
(d) Receivables	360.92	360.92	-	66.88	66.88	-
(e) Other Financial Asset (Refer Note 7)	2,471.70	1,156.18	1,315.52	2,062.59	872.24	1,190.35
Total Financial Asset	98,268.32	33,339.21	64,929.10	77,463.59	37,027.15	40,436.44
(2)Non-financial Assets						
(a) Deferred tax Assets (Net)	-	-	-	-	-	-
(b) Property, Plant and Equipment	1,004.95	-	1,004.95	973.99	-	973.99
(c) Right of Use Assets	102.28	-	102.28	34.49	-	34.49
(d) Intangible Assets under development	31.28	-	31.28	20.70	-	20.70
(e) Other Intangible Assets	21.24	-	21.24	5.45	-	5.45
(f) Other non-financial assets	370.74	369.83	0.92	311.76	310.84	0.92
Total Non-financial Assets	1,530.49	369.83	1,160.67	1,346.39	310.84	1,035.55
Total Assets	99,798.81	33,709.04	66,089.77	78,809.98	37,337.99	41,471.99
II. LIABILITIES AND EQUITY						
Liabilities						
(1) Financial Liabilities						
(a) Debt Securities	500.21	0.21	500.00	2,317.43	1,817.43	500.00
(b)Borrowings (other than debt securities)	77,628.06	25,122.46	52,505.60	60,287.29	24,304.43	35,982.86
©Trade Payable	240.54	240.54	-	115.78	115.78	-
(d)Other Financial Liabilities	617.56	617.56	-	327.98	327.98	-
Total Financial Liabilities	78,986.37	25,980.77	53,005.60	63,048.48	26,565.62	36,482.86
(2)Non- Financial Liabilities						
(a) Deferred Tax Liabilities(Net)	345.82	-	345.82	251.46	-	251.46
(b) Provisions	120.03	7.18	112.85	119.26	13.35	105.91
(c) Other non-financial liabilities	168.50	168.50	-	116.23	116.23	-
Total Non- Financial Liabilities	634.35	175.68	458.66	486.95	129.58	357.37
Total Liabilities	79,620.72	26,156.45	53,464.26	63,535.43	26,695.20	36,840.23
(3) EQUITY						
(a) Equity Share capital	1,986.28	-	1,986.28	1,831.72	-	1,831.72
(b) Other Equity	18,191.81	-	18,191.81	13,442.83	-	13,442.83
Total Equity	20,178.09	-	20,178.09	15,274.55	-	15,274.55
Total Equity and Liabilities	99,798.81	26,156.45	73,642.35	78,809.98	26,695.20	52,114.78

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Notes Forming Part of Standalone Financiai Statements
for the year ended Mar 31, 2024

34 The Company has not traded or invested in Crypto currency or Virtual Currency during the Current FY 2023-24 and Prev FY. 2022-23.

35 The Company heid no Benami Property during the F.Y 2023-24 and P.Y 2022-23

36 The company has no transactions with the companies struck off under section 248 of Companies Aet, 2013 or section 560 of Companies Act, 1956.

37 Registration of charges or satisfaction with Registrar of Compauies (ROC)
There are no eharges or satisfaction yet to be registered with ROC beyond the statuory period.

38 Non Compliance with the number of layers preseribed under clause (87) of seetion 2 of the Act read with Companies (Restriction on number of Layers) Ruies, 2017 : Not Applicable.

39 Disclosure in regard to Compliance with approved Scheme(s) of Arraugements : Not Applicable

40 <u>Utilisation of Borrowed funds and share premium:</u>

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

4i There is no any transactions which are not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, i96i

42 Disclosure as per Ind AS 7 "Cash Fiow Statement"
Cash aud non-eash changes in iiabilities arising from fiuaocing aetivities:

<u>Year ended Mar 31, 2024</u> **(₹ in lakhs)**

Particulars	**Uusecnred Term Loan**	**Lease Liabilites**	**Seeured Tcrm Loans**	**Nou Convertihle Debentures**	**Other Loaus**	**Totai**
As at Apr I, 2023	-	35.45	58,944.68	2,317.43	198.01	61,495.57
Cash Flows						-
Receipts/Payments	1,747.52	(14.81)	14,665.95	(1,817.22)	557.06	15,138.50
Nou-cash cbanges						-
Creation of leasc liabiiities		83.47				83.47
Amortisatiou of Processing Fees						-
As at Mar 3I, 2024	1,747.52	104.11	73,610.63	500.21	755.06	76,717.53
	-	**(0.00)**	-	-	-	**0.0**

<u>Year ended Mar 31, 2023</u> **(₹ in lakhs)**

Particuiars	**Uusecured Term Loau**	**Lease Liabilites**	**Secured Term Loans**	**Non Convertible Debentures**	**Othcr Loaus**	**Total**
As at Apr 1, 2022	**543.64**	**11.90**	**37,331.62**	**2,878.86**	**299.64**	**41,065.66**
Cash Flows						-
Receipts/Payments	(543.64)	(10.15)	21,613.06	(561.42)	(101.63)	20,396.22
Non-eash changes						-
Creation of lease liabilities		33.70				33.70
Amortisation of Processing Fees						-
As at Mar 31, 2023	-	**35.45**	**58,944.68**	**2,317.43**	198.01	61,495.57
	-	**0.00**	-	-	-	

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43 Diselosure as per Ind AS 12: iucome Taxes
Income Tax Expeuse

(i)Income Tax recognized in the statement of profit and loss

(₹ in lakhs)

Particnlars	Year euded Mar 31, 2024	Year ended Mar 31, 2023
Curreut Tax expense		
Current Year	609.45	354.71
Adjustment for earlier years	3.34	2.36
Totai current Tax Expeuse	**6i2.79**	**357.06**
Deferred Tax Expeuse		
Origination and reversal of temporary differenees	89.23	92.27
Origination and reversal of carried forward losses	-	-
Total Deferred Tax Expense	**89.23**	**92.27**
Total Ineome Tax Expeuse	**702.02**	**449.34**

(ii)Income Tax recognized in other comprehensive iucome

(₹ in lakhs)

Particuiars	Year euded Mar 3I, 2024	Year euded Mar 3i, 2023
Net actuariai gaius/(losses) on dcfined benefit pians		
Before Tax	20.35	7.69
Tax expense / (benefit) recognized in OCI	(5.12)	(1.94)
Net of Tax	15.23	5.76

(iii)Reconciiiatiou of tax expense and the aecouuting profit mnitipiied by Iudia's domestic tax rate

(₹ in lakhs)

Particulars	Year cnded Mar 3I, 2024	Year eudcd Mar 3I, 2023
Profit before tax	2,933.76	i,988.50
Appiicable Tax Rate	25.17%	25.17%
Computcd tax expense	**738.37**	**500.47**
Earlier Year tax	**3.34**	**2.36**
Effeet on tax of Disallowances	(3.27)	2.79
Effect on tax of Deductions	(59.28)	(44.16)
Others	22.87	(12.11)
Tax as per Statemeut of Profit & Loss	**702.02**	**449.34**

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(iv) Deferred Tax Liabilities

The majority of the deferred tax balance represents effects of fair valuation of investments, Income difference on derecognised loans due to assignement,differential rates of depreciation for property plant and equipment under income tax act and disallowance of certaiu expenditure under income tax act. Significant components of deferred tax assets/(liabilities) recognized in the finaneial statements are as follows:

(₹ in lakhs)

Particulars	**Year ended Mar 31, 2024**	**Year ended Mar 31, 2023**
Deferred Tax Asset:		
Depreciation and Amortisation	18.13	19.75
Provision for ARC Pool	111.29	101.88
Provision for Employee benefits	28.40	26.66
Provision for Undrawn Loan Commitment	0.20	1.75
Impairment Reserve	-	-
Impairment on Loans	92.79	96.43
Leases	26.20	8.92
Interest free Security Deposit for Borrowing	-	-
(A)	**277.01**	**255.38**
Deferred Tax Liability:		
Upfront interest income on assignment transaction	596.63	498.16
Right of Use Asset	25.74	8.68
Unrealised Gain on Investments	0.45	-
(B)	**622.83**	**506.84**
Net Deferred Tax (Assets)/Liabilities (B) - (A)	**(345.81)**	**(251.46)**

(₹ in lakhs)

Deferred tax balance (Asset)/Liability in relation to	**Year ended Mar 31, 2024**	**Movement during the period**	**Year euded Mar 31, 2023**	**Movement during the period**	**Year ended Mar 31, 2022**
Impact of EIR adjusments on financial assets	-	-	-	-	-
Depreciation and Amortisation	(18.13)	1.62	(19.75)	(1.66)	(18.09)
Provision for ARC Pool	(111.29)	(9.41)	(101.88)	(101.88)	-
Provision for Employee benefits	(28.40)	(1.75)	(26.66)	(8.08)	(18.57)
Provision for Undrawn Loan Commitment	(0.20)	1.55	(1.75)	(0.85)	(0.90)
Impairment Reserve	-	-	-	-	-
Impairment on Loans	(92.79)	3.64	(96.43)	60.84	(157.27)
Leases	(26.20)	(17.28)	(8.92)	(5.93)	(3.00)
Interest free Security Deposit for Borrowing	-	-	-	-	-
Impact of Accrual adjustments on financial assets	-	-	-	-	-
Impact of EIR adjustments on financial liabilities	-	-	-	-	-
Upfront interest income on assignment transaction	596.63	98.47	498.16	145.95	352.21
Impact of Income Addition	-	-	-	-	-
Right of Use Asset	25.74	17.06	8.68	5.81	2.87
Unrealised Gain on Investments	0.45	0.45	-	-	-
Total	**345.81**	**94.36**	**251.46**	**94.21**	**157.25**
Recognised through:					
Profit & Loss		89.23		92.27	
OCI		5.12		1.94	
		94.36		**94.21**	
		(0.00)		**0.00**	

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44 Corporate Social Responsibiltiy

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per ceut of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

(₹ in lakhs)

Particuiars	Year euded Mar 31, 2024	Year euded Mar 31, 2023
A. Amount required to be spent during the year	**38.30**	**34.13**
B. Amount spent during the year ou:	36.17	36.64
a) Construction/Acquisition of any asset	-	-
b) On purposes other than (a) above	36.17	36.64
C. Total adjusted from previous year excess CSR	2.13	
D. Shortfall for the year, in auy in Amount required to he spent net of Amount spent	-	-
E. Provision made for shortfall during the year	-	
F. Total of Previous Year Shortfalls	-	8.27
G. Total Spend from Previous year Provisiou	-	8.32
B. Total Provision for Unspent CSR	-	-

The company was required to spend Rs. 38,30,000.00/- (Rupees Thirty-Eight Lakh Thirty Thousand only) for Corporate Social Responsibility ("CSR") expenditnre that was supposed to be made during the financial year 2023-24, whereas the Company has spent Rs.36,16,519/- (Rupees Thirty-Six Lakh Sixteen Thousand Five Hundred Nineteen only) on CSR activities, and the Company has set off Rs. 2,13,481/- (Two Lakh Thirteen Thousand Four Hundred Eighty One Only) which was excess spent in the previous year CSR budget approved by the Board of Directors so the company.

44.1

Nature of CSR Activites	FY 2023-24	FY 2022-23
Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	-	-
Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	**33.02**	**11.27**
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	**2.80**	**3.62**
Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	**0.34**	**21.75**
Others		-
Total	**36.17**	**36.64**

44.2 The company has not dealt with any related party in regard to its CSR Activities

44.3 Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the Year : Not Applicable

45 Disclosure as per Ind AS 37: Provisions, Contingent Liabilities, Contingent Assets

(₹ in lakhs)

Particulars	Note	Year ended Mar 31, 2024	Year ended Mar 31, 2023
A. Contingent Liabilities **Claims against the company not acknowledged as debt**			
Corporate Guarantee Given	**(b)**	-	-
		-	-
B. Capital and other Commitments **Others**			
The Company's capital commitments towards partially disbursed loans	(a)	1,504.91	1,785.67
		1,504.91	**1,785.67**

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Notes-

(a) Further the company has admitted the partial demand which remained for FY 2012-13 after considering the ITAT pronouncement. Accordingly, tax expense amounting to Rs. 1i.38 lakhs admitted and shown as Earlier Year Taxes in Statement of Profit and Loss during previous finaneial year. Tax amounting to Rs. 5.00 lakh has been paid in earlier year and provision amounting to Rs. 6.38 lakhs had been created in books of accounts.

(c) During the year the company has sanetioned ioans to various customers. Some loan are partially disbursed and required to he fully dishursed if all hasic requirements gel fullfilied hy the counterparty

46 Disclosure as per Ind AS 24: Related Parties

(A) Name of Related parties and natnre of relationship

(a) Holding Company

Hirak Vinimay Private Limited	Holding more than 50% voting power

(h)Directors and Key Management Personnel

1. Deepak Baid	Managing Director
2. Aneesha Baid	Whole time Director
3. Prem Devi Baid	Whole time Director
4. Surendra Mehta	Non-executive Independent Director
5.Kishore Kumar Sansi	Non-executive Independent Director
6.Anil B Patwardhan	Non-executive Independent Director
7. Yaduvendra mathur	Non-executive Independent Direetor
8. Sourabh Mishra	Company Secretary
* Gajendra S Shekhawat has resigned from Company Secretary w.e.f Oct 21,2023	
9. Piyush Somani	Chief Financial Officer till 29-02-2024
10. Gopal Krishan Sain	Chief Financial Officer w.e.f 01-03-2024

(d)Enterprises in which Key Management Person and their Relatives are interested

Dreamland Buildmart Private Limited	Deepak Baid and Prem Devi Baid is Director
Deepak Hitech Motors Private Limited	Deepak Baid and Prem Devi Baid is Director
Prem Dealers Private Limited	Prem Devi Baid is Director
Champalal Distributors Private Limited	Prem Devi Baid is Major Shareholder
Deepak Baid- HUF	Deepak Baid is karta
Tejkaran Baid & Sons HUF	Deepak Baid is karta
Piyush Somani HUF	Piyush Somani is karta

(B) Transaction with the above related parties (₹ in lakhs)

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Director Remuneration		
Deepak Baid	287.50	276.00
Aneesha Baid	179.69	172.50
Prem Devi Baid	143.75	124.58
Sitting Fees		
Anil B Patwardhan	6.90	5.20
Yaduvendra Mathur	5.20	4.00
Mr. Kishore Kumar Sansi	4.20	-
Mr. Surendra Mehta	6.60	-
Salary, Allowances & Bonus		
Piyush Somani	39.78	33.88
Gopal Krishan Sain	2.22	
Neha Somani	-	-
Gajendra S Shekhawat	6.35	8.16
Sourabh Mishra	2.87	-
Legal & Professional Fees		
Rent paid to		
Aneesha Baid	4.59	1.61
Deepak Baid	4.69	26.15
Prem Devi Baid	7.57	3.22
Unsecured Loan from		
Aneesha Baid	-	-
Deepak Baid	-	80.00
Deepak Baid HUF	-	-
Prem Devi Baid	-	-
Tejkaran Baid & Sons HUF	-	-
Champalal Distributors Private Limited	-	-
Deepak Hitech Motors Private Limited	-	-
Prem Dealers Private Limtied	-	-
Starpoint Constructions Private Limited	-	-
	-	
Purchase of Fixed Assets (Immovable Property)		
Deepak Baid	-	300.00
Loan Repaid		
Aneesha Baid	-	70.81
Deepak Baid	-	369.35
Deepak Baid HUF	-	-
Prem Devi Baid	-	115.73
Tejkaran Baid & Sons HUF	-	-
Champalal Distributors Private Limited	-	-
Deepak Hitech Motors Private Limited	-	-
Prem Dealers Private Limtied	-	-
Starpoint Constructions Private Limited (Associate)	-	-

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Interest on loan(expenses)		
Aneesha Baid	-	1.81
Deepak Baid	-	3.04
Deepak Baid-HUF	-	-
Prem Devi Baid	-	2.41
Tejkaran Baid & Sons-HUF	-	-
Champalal Distributors Private Limited	-	-
Deepak Hitech Motors Private Limited	-	-
Prem Dealers Private Limtied	-	-
Starpoint Constructions Private Limited (Associate)	-	-
Advances to staff		-
Aneesha Baid	-	-
Deepak Baid	-	-
Prem Devi Baid	-	-
Sourabh Mishra	4.00	-
Advances to staff Repaid	-	-
Aneesha Baid	-	-
Deepak Baid	-	-
Prem Devi Baid	-	-
Sourabh Mishra	0.45	-
Interest on Advances to staff(income)		
Aneesha Baid	-	-
Deepak Baid	-	-
Prem Devi Baid	-	-
Sourabh Mishra	-	-

Note 1.In addition to above Mr Deepak Baid, Mrs. Aneesha Baid and Mrs. Prem Devi Baid have given their personal guarantee in various loans obtained by Laxmi India Finance Private Limited. Deepak Hitech Motors Pvt Ltd, Hirak Vinimay Private Limited, Prem Dealers Private Limited and Dremland Buildmart Pvt Ltd have also given their corporate guarantee in various loans obtained by the company.

Note-2 During the financial year 2021-22, the company has extended its corporate guarantee to NM Financiers Private Limited for Rs. 200 Lacs and Jain Autofin Private Limited for Rs. 200 Lacs towards borrowings taken by Starpoint Constructions Private Limited which is not continue in FY 2022-23 and FY 2023-24

(C) Outstanding Balances of the above related parties - Receivable/(Payable)

(₹ in lakhs)

Particulars	Max O/S at year ended march 31,2024	Max O/S at year ended march 31,2023	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Unsecured Loan				
Aneesha Baid	-	69.01	-	-
Deepak Baid	-	286.31	-	-
Deepak Baid HUF	-	-	-	-
Prem Devi Baid	-	113.33	-	-
Tejkaran Baid & sons HUF	-	-	-	-
Deepak Hitech Motors Private Limited	-	-	-	-
Prem Dealers Private Limited	-	-	-	-
Starpoint Constructions Private Limited (Associate)	-	-	-	-
Advances to Staff				
Aneesha Baid	-		-	
Deepak Baid	-		-	
Prem Devi Baid	-		-	
Sourabh Mishra	4.00	-	3.55	-

(D) Compensation of KMP

(₹ in lakhs)

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Short Term Employee Benefits	662.16	615.12
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
Total	**662.16**	**615.12**

Remuneration does not include provision for gratuity and leave encashment and other defined benefits which are provided based on aetuarial valuation on an overall Company basis.

(E) Personal guarautees provided by directors

Details of personal gurantees given by the directors for borrowings as at March 31, 2024 and March 31, 2023 is stated under notes no 15, 16 and 90.

(F) Terms and Couditious of trausactions with related parties

All transactions with these related parties are priced on an arm's length basis. Outstanding amount as at the end of the year are unsecured and to be settled in cash.

47 Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

1. repayable on demand
2.without specifing any terms or period of repayment

Type of Borrower	Amount of loan or advance in	Percentage to the total
Promoter	Nil	Nil
Directors	Nil	Nil
KMPs	Nil	Nil
Related Parties as per Sec 2(76) of Companies Act, 2013 except above	Nil	Nil

Intra-group exposures-Company has no any intra- Group exposures during the FY 23-24

48 Disclosnre as per Iud AS 116: Leases

The eompany lease primarily consist of leases for office premises. These agreements are generally renewable on mutually agreed terms.

The average borrowing rate applied to lease liabilities dnring 2023-24 is 12.40% and 2022-23 is13.3i %.

Practical Expedients applied:

1. The company has clected not to apply the recognition, measnrement and presentation reqnirements of the standard to all short term leases (leases which have a lease term of i2 months or less and do not contain a purchase option), and to leases of low value assets on a lease-by-lease basis.
2. The company has elected not to separate non-lease components from lease components, and account for the whole contract as a single lease component, in case of vehicles taken on lease.

Leases (₹ in lakhs)

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
(i) Movement of ROU Asset		
Balance at beginning of the year	34.49	11.39
Additions	86.22	38.19
Deletions	-	(3.71)
Gross Carrying vaiue of asset		
Less:Depreciation of ROU Assets	(18.43)	(11.38)
Net carrying value/Balance at end of the year	**102.28**	**34.49**
	0.00	**(0.00)**
(ii) Movemeut of Lease Liabiiities		
Balance at beginning of the year	35.45	11.90
Additious	83.47	37.72
Finance cost accrued during the period	7.09	3.15
Deletions	-	(4.02)
Paid/ payable lease liabilities	(21.90)	(13.30)
Balance at end of the year	**104.11**	**35.45**
(iii) Matnrity Aualysis of Lease Liability		
Contractual undiscounted cashflows:		
Less than one year	29.19	14.60
One to five years	86.02	26.18
More than five years	38.27	-
Total undiscounted lease liability	**153.49**	**40.78**
(iv)Lease liabilities iuclnded in the statement of financial position(p&l)		
(iv) Amount Recognised iu Profit aud Loss		
Interest on lease liabilities	7.09	3.15
Depreciation of ROU Assets	18.43	11.38
Expenses related to short term leases	193.60	150.24
Totai expense booked in p&l	**219.12**	**164.78**

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49 Disciosure as per Ind AS 19 ' Employee Benefits'

A) Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.
The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.During the year company has recognised the following amounts in the statement of profit and loss account:

(₹ in lakhs)

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Coutributions to		
Provident fund	130.29	85.44
Employee state insurance	47.71	36.85
Employer labour Welfare fund	0.13	-
Total	**178.14**	**122.30**

B) Defined Benefit plan - Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26*last drawn basic salary) for each completed year of service subject to a maximum of ₹20 Lakhs on retirement, resignation, termination, disablement or on death, in accordance with Payment of Gratuity Act, 1972. Present value of gratuity obligation is determined based on actuarial valuation using the projected unit credit method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The liability is unfunded.

(₹ in lakhs)

Partienlars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
(i) Change in defined benefit obligation		
Defined benefit obligation, beginning of the year	105.91	73.79
Current service cost	20.19	35.16
Interest cost	7.68	4.65
Past service cost		
Benefits paid	(0.57)	-
Acturial (gains)/losses	(20.35)	(7.69)
Defined benefit obligation, end of the year	**112.85**	**105.91**
(ii) Net Liability/(Asset) recognized in the Balance Sheet		
Present value of defined benefit obligation	112.85	105.91
Fair value of plan assets		-
Net liability	**112.85**	**105.91**
(iii) Expenses recognized in Statement of Profit or Loss		
Current service cost	20.19	35.16
Past Service cost	-	-
Interest cost	7.68	4.65
Total Expense recognised in statement of profit or loss	27.87	**39.81**
		-
(iv) Remeasurements recognized in other comprehensive income(OCI)		
Changes in demographic assumptions	(33.69)	(3.24)
Changes in financial assumptions	16.40	(6.01)
Experience adjustments	(3.06)	1.56
Total Acturial (Gain) / Loss recognised in OCI	(20.35)	**(7.69)**

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(v) Maturity Profile of Defined Benefit Obligation		
Year 1	29.32	13.80
Year 2	20.96	13.25
Year 3	17.92	16.68
Year 4	15.94	20.93
Year 5	14.50	29.16
Next 5 years	35.38	246.33
(vi) Sensitivity Analysis for significant assumptions*		
Increase/(Decrease) on present value of defined benefits obligation at the end of the year		
1% increase in salary escalation rate	2.67	5.46
1% decrease in salary escalation rate	(2.55)	(5.99)
1% increase in discount rate	(3.27)	(6.08)
1% decrease in discount rate	3.08	5.65
(vii) Acturial Assumptions		
Discount rate (p.a)	6.94%	7.27%
Salary Escalation Rate (p.a.)	12.00%	10.00%
Retirement age	60 years	60 years
Mortality (Including provision for disability)	100% of IALM 12-14	IALM (2012-14) Table Ultimate
Attrition Rate	Varies between 35% p.a to 40% p.a. depending upon duration and age of the employees	Varies between 15% p.a to 19% p.a. depending upon duration and age of the employees

* These Sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The expected contribution for defined benefit plan for the next financial year would be Rs. 20,19,117.

According to the company policy , leave balances are not carried forward to next years and any balance of leave outstanding as at year end is lapsed, therefore there is no provision for leave encashment as at March 31, 2024 and March 31, 2023.

Provision of a defined benefit scheme poses certain risks as companies take on uncertain long term obligations to make future pension payments as follows:

Liability Risk

a) Asset-Liability Mismatch Risk- Risk if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b) Discount Rate Risk-Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

c) Future Salary Escalation and Inflation Risk - Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to estimation uncertainties increasing this risk.

Unfunded Plan Risk

a) This represents unmanaged risk and a growing liability. There is an inherent risk here that the company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility from the balance sheet and better manages defined benefit risk through increased returns

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Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(i) Change in defined benefit obligation		
Defined benefit obligation, beginning of the year	73.79	35.16
Current service cost	35.16	25.64
Interest cost	4.65	2.34
Past service cost	-	-
Benefits paid	-	-
Acturial (gains)/losses	(7.69)	10.66
Defined benefit obligation, end of the year	**105.91**	**73.79**
(ii) Net Liability/(Asset) recognized in the Balance Sheet		
Present value of defined benefit obligation	105.91	73.79
Fair value of plan assets		-
Net liability	**105.91**	**73.79**
(iii) Expenses recognized in Statement of Profit or Loss		
Current service cost	35.16	25.64
Past Service cost	-	-
Interest cost	4.65	2.34
Total Expense recognised in statement of profit or loss	**39.81**	**27.98**
	-	-
(iv) Remeasurements recognized in other comprehensive income(OCI)		
Changes in demographic assumptions	(3.24)	(14.15)
Changes in financial assumptions	(6.01)	2.92
Experience adjustments	1.56	21.89
Total Acturial (Gain) / Loss recognised in OCI	**(7.69)**	**10.66**
(v) Maturity Profile of Defined Benefit Obligation		
Year 1	13.80	0.15
Year 2	13.25	0.19
Year 3	16.68	11.17
Year 4	20.93	15.15
Year 5	29.16	19.76
Next 5 years	246.33	96.05
(vi) Sensitivity Analysis for significant assumptions*		
Increase/(Decrease) on present value of defined benefits obligation at the end of the year		
1% increase in salary escalation rate	5.46	5.11
1% decrease in salary escalation rate	(5.99)	(5.14)
1% increase in discount rate	(6.08)	(5.29)
1% decrease in discount rate	5.65	5.36
(vii) Acturial Assumptions		
Discount rate (p.a)	7.27%	6.30%
Salary Escalation Rate (p.a.)	10.00%	10.00%
Retirement age	60 years	60 years
Mortality (Including provision for disability)	IALM (2012-14) Table Ultimate	IALM (2012-14) Table Ultimate
Attrition Rate	Varies between 15% p.a to 19% p.a. depending upon duration and age of the employees	Varies between 13.64% p.a to 16.84% p.a. depending upon duration and age of the employees

* These Sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The expected contribution for defined benefit plan for the next financial year would be Nil.

According to the company policy , leave balances are not carried forward to next years and any balance of leave outstanding as at year end is lapsed, therefore there is no provision for leave encashment as at March 31, 2024 and March 31, 2023.

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Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow :

a) **Changes in Discount rate** - Reduction in discount rate in subsequent valuations can increase the plan's liability.

b) **Salary increase risk** - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

c) **Life expectancy** - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

d) **Withdrawals** - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

50 Disclosure as per Ind AS-107 'Financial Instruments'

Financial Risk Managment

The Company's Principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the Company's operations. At the other hand company's Principal financial assets include loans and cash and cash equivalents that derive directly from its operations.

As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. The Company's risk governance structure operates with a robust board and risk management committee with a clearly laid down charter and senior management direction and oversight. The board oversees the risk management process and monitors the risk profile of the company directly as well as through its sub committees including the Audit Committee, the Asset Liability Supervisory Committee and the Risk Management Committee. The key risks faced by the company are liquidity risk, credit risk, Concentration risk, market risk, interest rate risk and Operational Risk.

Company is exposed to following risk from the use of its financial instrument:

-Credit Risk
-Liquidity Risk
-Market Risk
-Concentration Risk
-Interest Rate Risk
-Operational Risk

(i) Credit risk

Credit risk arises when a borrower is unable to meet financial obligations under the loan agreement to the Company. This could be either because of wrong assessment of the borrower's repayment capabilities or due to uncertainties in future. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes.

Loan Asset:

The company has comprehensive and well-defined credit policies across all products and segments, which are backed by analytics and technology for mitigating the risks associated with them. Company has developed "Credit scoring model" which uses quantitative measures of the performance and characteristics of past loans to predict the future performance of loans with similar characteristics. It is a statistical method of assessing the credit risk associated with new loan applications. Various Parameters or risk identifiers of this function are empirically designed; that is, they are developed entirely from information and experience gained through prior experience. It is the set of decision models and their underlying techniques that aid the company in determining to ascertain the credit worthiness of a potential customer and also fairly price credit risks. It is an objective risk assessment/identification tool, as opposed to subjective methods that rely on a credit underwriter's opinion. It helps the company in taking credit decisions in a consistent manner.

Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, cash flow analysis, physical verifications of a customer's business and residence and field visits and required term cover for insurance.

The company has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals.

Cash & Cash Equivalents, Bank Deposits & Other Financial assets:

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/ financial institutions who have been assigned high credit rating by international and domestic rating agencies.

The Company held cash and cash equivalents of ₹ 4,227.00 lakhs and ₹ 9,528.42lakhs on Mar 31, 2024 and Mar 31, 2023 respectively and other deposits with banks and financial institutions of ₹ 7,296.28 lakhs and ₹ 7,379.31 Lakhs on Mar 31, 2024 and Mar 31, 2023 respectively.

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(ii) Concentration of Risk/Exposure

Concentration of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in same geographical area or industry sector so that collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions.

The Company is in retail lending business in western & central India.

Vehicle Finance segment (consisting of new and used Commercial Vehicles, Passenger Vehicles, Tractors and Construction Equipment) is lending against security of hypothecation on underlying vehicle and contributes to 21-22 % of the loan book of the Company as of March 31, 2024 (13-14 % of the loan book of the Company as of March 31, 2023) . Portfolio is reasonably well diversified across 3 states (P Y 3) states of the country. Similarly, sub segments within Vehicle Finance like Heavy Commercial Vehicles, Light Commercial Vehicles, Car and Multi Utility Vehicles, three wheeler and Small Commercial Vehicles, Tractors and Construction Equipment have sufficient portfolio share leading to well diversified product mix.

MSME & Loan against Property segment is mortgage loan against security of immovable property (primarily self-occupied residential property) to self employed non-professional category of borrowers and contributes to 77%-78% approx of the lending book of the company as of March 31, 2024 (83-84 % approx as of March 31, 2023). Portfolio is diversified and distributed sufficiently between 4 states i.e. Rajasthan, Gujarat ,Madhya Pradesh and Chattisgarh.

The Concentration of risk is managed by company for each product by its region and its sub segments. Company did not overly depend on few regions or sub-segments as of March 31, 2024.

Carrying amount of maximum credit risk as on reporting date

(₹ in lakhs)

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Financial assets for which loss allowance is measured using 12 month Expected Credit Loss		
Other Financial Asset		
Loans	78,938.56	55,850.89
Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss		
Loans	3,972.51	1,975.37
Total	**82,911.07**	**57,826.26**

(iii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of Liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. Liquidity risk may arise because of the possibility that the company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances caused by a difference in the maturity profile of Company assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The company manages liquidity risk by maintaining adequate cash and bank balances and access to undrawn committed borrowing facilities.s, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in lakhs)

Particulars	On Demand	0-1 year	1-5 years	More than 5 years	Total
Year ended Mar 31, 2024					
Borrowings	755.06	24,367.40	52,258.61	246.99	77,628.06
Debt Securities	-	0.21	500.00	-	500.21
Trade Payable		240.54	-	-	240.54
Other Financial Liabilities	-	617.56	-	-	617.56
Total	**755.06**	**25,225.71**	**52,758.61**	**246.99**	**78,986.37**
Year ended Mar 31, 2023					
Borrowings	198.01	24,106.42	35,745.10	237.76	60,287.29
Debt Securities		1,817.43	500.00	-	2,317.43
Trade Payable		115.78			115.78
Other Financial Liabilities	-	327.98	-	-	327.98
Total	**198.01**	**26,367.61**	**36,245.10**	**237.76**	**63,048.48**

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(iv) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.The Company's exposure to market risk is primarily on account of interest rate risk and liquidity risk. The objective of the comapny is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(v) Interest Rate Risk

The Company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity years that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk,the Company seek to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Change in interest rate affects Company's earnings (measured by NII or NIM) and corresponding net worth, Hence it is essential for the Company to not only quantify the interest rate risk but also to manage it proactively. The Company mitigates its interest rate risk by keeping a balanced mix of borrowings. The Company lends at fixed rate of interest thus, the company is not exposed to interest rate risk on loans.

Interest Rate Exposure: (₹ in lakhs)

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
A. Fixed Rate Borrowings	15,092.12	17,863.73
B. Floating Rate Borrowings	62,535.94	42,423.56
Total Borrowings	**77,628.06**	**60,287.29**

Fair Value Sensitivity analysis for Fixed rate -Instrument

The Company does not account for any Fixed rate -Financial Asset and Financial Liabilities at Fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash Flow Sensitivity analysis for Variable rate -Instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amount shown below

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

(₹ in lakhs)

Particulars	Year ended Mar 31, 2024		Year ended Mar 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Borrowings (Floating)	62,535.94	62,535.94	42,423.56	42,423.56
Increase in basis points (+/- 1%)	(625.36)	(625.36)	(424.24)	(424.24)
Decrease in basis points (+/- 1%)	625.36	625.36	424.24	424.24

(vi) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that Inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses.

The Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of concurrent audit.

The company has put in place a robust Disaster Recovery (DR) plan and Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with any adverse events.

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51 Disclosure as per Ind AS 105 - Non- Current Asset held for Sale

NA

52 Capital Management

For the purpose of Company's Capital Management, Capital includes issued equity share capital & Borrowings. The primary objective of Company's Capital Management is to maximize shareholder's value and to maintain an appropriate capital structure of debt and equity. The company manages it's capital structure and makes adjustments in the light of changes in economic environment and the requirements of financial covenants. The company manages it's capital using Debt to Equity Ratio which is Net Debt/Total Equity. Net Debt is total borrowing (Non-current and current) less cash and cash equivalent.

(₹ in lakhs)

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Debt Securities	500.21	2,317.43
Borrowings	77,628.06	60,287.29
Less: Cash and Cash Equivalents	4,227.00	9,528.42
Net Debt	**73,901.27**	**53,076.30**
Total Equity (Without deducting Fictitious Assets and Intangible Assets)	**20,178.09**	**15,274.55**
Gross Debt to Equity Ratio	3.87	4.10
Net Debt to Equity Ratio	3.66	3.47

53 Disclosure as per Ind AS 115 - Revenue from Contract with Customers

I. The company has recognised following amount related to revenue in the Statement of Profit and Loss

(₹ in lakhs)

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Fees Based Income	661.22	229.36
Other Income	188.15	113.93
Total	**849.37**	**343.29**

II. Disaggregation of Revenue

The table below presents disaggregated revenues from contracts with customers by nature of primary geographical market,major product service lines and timing of revenue recognition for the years ended March 31, 2024 and March 31, 2023 respectively. The Company believes that this disaggregation best depicts how the nature , amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(₹ in lakhs)

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Primary geographical market		
India	849.37	343.29
Total	**849.37**	**343.29**
Major products/ service lines		
Fees Based Income	661.22	229.36
Other Income	188.15	113.93
Total	**849.37**	**343.29**
Timing of revenue recognition		
At a Point of Time	849.37	343.29
Over a period of time	-	-
Total	**849.37**	**343.29**

54 Disclosure as per Ind AS 108: Operating Segments

a) The managing Director (MD) of the company has been identified as the chief operating decision maker (CODM) as defined by the Ind AS 108 "Operating Segments".The Company's Operating segments are established in the manner consistent with the components of company that are evaluated regularly by the CODM. The company is engaged primarily in the business of financing andoperates in a single reportable segment i.e. lending to retail customers under various product lines, having similar risks and returns.

b) Geographical Information

The Company operates in a single geographical area - India (country of domicile) .
All of the Company's non current assets are located in India

c) Information about major customers

During the year ended Mar 31, 2024 and Mar 31, 2023, there is no single customer contributes 10% or more to the Company's revenue.

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55 Collateral And Other Credit Enhancements

Although collateral can be an important mitigation of credit risk, it is the Company's policy to lend on the basis of the customer's ability & intention to meet the repayment obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements. The company obtains first and exclusive charge on all collateral for the loans given. MSME & LAP Loan are secured against immovable Property at the time of origination and Vehicle Loans are secured against Vehicles. The value of the property/Vehicle at the time of origination will be arrived by obtaining valuation report from Company's empanelled valuers. Security Interest in favor of the Company is created through deposit of title deed by equitable or registered Mortgage in case of Immovable Property and Registering Hypothecation in case of Vehicle. For Additional Security Purpose, Guarantee from third party also been taken in most cases.

The company does not obtain any other form of credit enhancement other than the above. All the loans are secured by way of tangible Collateral. Any surplus remaining after Settlement of outstanding debt by way of sale of collateral is returned to the borrower.

56 Disclosure as per Ind AS-113 'Fair Value Measurements'

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in an orderly transaction in the principal (or most advantageous) market at measurement date under the current market condition regardless of whether that price is directly observable or estimated using other valuation techniques.

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

The Company has established the following fair value hierarchy that categorizes the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

__Level 1-__Level 1 hierarchy includes financial instruments measured using quoted prices. This Includes listed equity instruments that have quoted price. Listed and actively traded equity instruments are stated at the last quoted closing price on the National Stock Exchange of India Limited (NSE).

__Level 2-__ The fair value of financial instruments that are not traded in active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

__Level 3-__ If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of the financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

Valuation Techniques :The management assessed that cash and cash equivalents, bank balances other than cash & cash equivalents, other financial assets, trade payables, lease liability and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Investment in security receipts, Mutual fund and ULIP Policies are valued using the closing NAV.

Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosure fair value measurement hierarchy of assets & liabilities as at March 31, 2024

(₹ in lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in SR	-	970.68	-	970.68
Mutual Fund Unites		-		-
ULIP		30.67		30.67
Total	-	**1,001.35**	-	**1,001.35**

Quantitative disclosure fair value measurement hierarchy of assets & liabilities as at March 31, 2023

(₹ in lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in SR		556.28	-	556.28
Mutual Fund Unites		41.23	-	41.23
ULIP		2.63	-	2.63
Total		**600.14**	-	**600.14**

(a) **Financial Instruments by category**

(₹ in lakhs)

Particulars	As at Mar 31, 2024		
	Level	Carrying Value	Fair Value
Financial Assets at Amortised Cost			
Cash and cash equivalents	3	4,227.00	4,227.00
Other Bank Balances	3	7,296.28	7,296.28
Loans	3	82,911.07	82,911.07
Receivables	3	360.92	360.92
Other Financial Assets	3	2,471.70	2,471.70
Financial Liabilities at Amortised Cost			
Borrowings	3	77,628.06	77,628.06
Debt Securities	3	500.21	500.21
Trade Payable	3	240.54	240.54
Other Financial Liabilities	3	617.56	617.56

(₹ in lakhs)

Particulars	As at Mar 31, 2023		
	Level	Carrying Value	Fair Value
Financial Assets at Amortised Cost			
Cash and cash equivalents	3	9,528.42	9,528.42
Other Bank Balances	3	7,379.31	7,379.31
Loans	3	57,826.25	57,826.25
Receivables	3	66.88	66.88
Other Financial Assets	3	2,062.59	2,062.59
Financial Liabilities at Amortised Cost			
Borrowings	3	60,287.29	60,287.29
Debt Securities	3	2,317.43	2,317.43
Trade Payables	3	115.78	115.78
Other Financial Liabilities	3	327.98	327.98

57 Disclosures regarding COVID-19 related measures:

The Company has considered the possible effects of the pandemic on the carrying amount of current assets and assessed the carrying amounts of property, plant and equipment, investments, receivables and other current assets. Based on internal and external sources of information and economic forecasts, the Company expects the carrying amount of these assets will be recovered and sufficient liquidity would be available as and when required.

The Management does not see any risk to the company's ability to continue as a going concern and meet its liabilities as and when they become due based on the current indicators.

Going Concern:

The Company, at this juncture, is focused on capital preservation, balance sheet protection and operating expenses management. Given it's healthy capital adequacy, strong liquidity position, lower gross NPA and net NPA, diversified portfolio mix, granular geographical distribution and strong risk metrics.

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Assignment Deal:

After Date of Transition to Ind AS i.e Apr 1, 2019 ,the Company has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been decognised from the Company's balance sheet.

The management has evaluated the impact of assignment transactions done during the year for its business model Based on the future business plan, the Company business model remains to hold the assets for collecting contractual cash flows

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition, per type of asset.

(₹ in lakhs)

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Carrying value of derecognised financial asset	5,769.75	4,785.75
Gain from derecognition	1,518.70	1,214.64

During the year, the company has done without recourse assigned loan receivables of 1572 contracts (P.Y. 1422 Contracts) amounting Rs. 6410.83 lakhs/-(P.Y Rs 5317.50 lakhs/-) and de-recognized the assets from the books of Rs. 5769.75 lakhs/- (P.Y. Rs 4785.75 lakhs/-)

Details of assignment transactions

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
i) No. of Accounts	1572	1422
ii) Aggregate value of accounts sold (Rs. In Lacs)	6,410.83	5,317.50
iii) Aggregate consideration	5,769.75	4,785.75
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	0
v) Aggregate gain / loss over net book value	1,387.43	1,129.75

Details of securitisation transactions

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
i) No. of Accounts	Nil	Nil
ii)Aggregate value (net of provisions) of accounts sold	Nil	Nil
iii) Aggregate consideration	Nil	Nil
iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
v) Aggregate gain / loss over net book value	Nil	Nil

During FY 2023-24 Company was implementing the new software for the purpose of Loan Originating System, Loan Management System and Accounting. New softwares already have inbuilt Audit trail feature and operating from April 01, 2024. Due to old software limitation during FY 2023-24 Audit trail was not in place for the purpose of books of accounts

Due to rounding off, numbers presented in financials may not add up precisely to the totals provided.

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Assignment Deal:

After Date of Transition to Ind AS i.e Apr 1, 2019 ,the Company has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been decognised from the Company's balance sheet.

The management has evaluated the impact of assignment transactions done during the year for its business model. Based on the future business plan, the Company business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition, per type of asset.

(₹ in lakhs)

Particulars	**Year ended Mar 31, 2024**	**Year ended Mar 31, 2023**
Carrying value of derecognised financial asset	5,769.75	4,785.75
Gain from derecognition	1,518.70	1,214.64

During the year, the company has done without recourse assigned loan receivables of 1572 contracts (P.Y. 1422 Contracts) amounting Rs. 6410.83 lakhs/-(P.Y Rs. 5317.50 lakhs/-) and de-recognized the assets from the books of Rs. 5769.75 lakhs/- (P.Y. Rs 4785.75 lakhs/-)

Details of assignment transactions

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
i) No. of Accounts	1572	1422
ii) Aggregate value of accounts sold (Rs. In Lacs)	6,410.83	5,317.50
iii) Aggregate consideration	5,769.75	4,785.75
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	0
v) Aggregate gain / loss over net book value	1,387.43	1,129.75

Details of securitisation transactions

Particulars	**Year ended Mar 31, 2024**	**Year ended Mar 31, 2023**
i) No. of Accounts	Nil	Nil
ii)Aggregate value (net of provisions) of accounts sold	Nil	Nil
iii) Aggregate consideration	Nil	Nil
iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
v) Aggregate gain / loss over net book value	Nil	Nil

During FY 2023-24 Company was implementing the new software for the purpose of Loan Originating System, Loan Management System and Accounting. New softwares already have inbuilt Audit trail feature and operating from April 01, 2024. Due to old software limitation during FY 2022-23 Audit trail was not in place for the purpose of books of accounts

Due to rounding off, numbers presented in financials may not add up precisely to the totals provided.

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Laxmi India Finance Private Limited
(Formeriy Known as Laxmi India Fiuieasecap Private Limited)
Notes Forming Part of Standalone Financiai Statemeots

for the year ended Mar 31, 2024

59 Details of Dues to Miero and Small Enterprises as Defined under the MSMED Aet, 2006

Payment against the supplies from the undertakings covered under the Micro, Small & Medium Enterprises Development Act, 2006 are generally made in accordance with the agreed credit terms. On the basis of information and record available with the management, the details of the outstanding balances of such suppliers and interest due on such accounts as on Mareh 31, 2024 is Disclosed under Note No . i 7.1 .The Company has neither paid any interest nor such interest is payable to buyer covered under the MSMED Act, 2006.

60 Details of Ratings Assigned By Credit Rating Agencies and Migration Of Ratings during The Year

Particulars	Rating Agencies	Date of Rating Ageneies	Rating valid upto	2023-24	2022-23
Bank Loan rating	Acuite Ratings & Research Limited	12-Feb-24	08-Mar-25	A-	A-
Non-Convertible Debentures	Acuite Ratings & Research Limited	12-Feb-24	24-Nov-24	A-	A-

* 1. As per directions of SEBI and RBI company management decided to not get rating surveillance through brickworks. Further all the instrument rated by brickworks is cover with acuite.

2. RBI also removed brickworks from ACCREDITED credit rating agency list.

61 Remuneration of oon-executive directors

(Rs. In Lacs)

Name of Director	Nature of Payment	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Anil B Patwardhan	Sitting Fees	6.90	5.20
Yaduvendra Mathur	Sitting Fees	5.20	4.00
Mr. Kishore Kumar Sansi	Sitting Fees	4.20	-
Mr. Surendra Mehta	Sitting Fees	6.60	-

62 Diselosnre on Liquidity Risk:

1. Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	Number of Significant Counterparties	Amount (₹ In Lakhs)	% of Total deposits	% of Total Liabilities
As at Mar 31, 2024	43	78,128.27	0%	98.13%
As at Mar 31, 2023	41	62,604.72	0%	98.54%

2. Top 20 large deposits (amount in ₹ lakhs and % of total deposits) : Nil

3. Top 10 borrowings (amount in ₹ lakhs and % of total borrowings)

Particulars	Amount (₹ in Lakh)	%
As at Mar 31, 2024	48,285.70	61.80%
As at Mar 31, 2023	33,199.34	53.03%

4. Funding Concentration based on significant instrument/product :

Name of the iustrument/ product	Year ended Mar 31, 2024		Year ended Mar 31, 2023	
	Amount (₹ lakh)	% of Total Liabilities	Amount (₹ lakh)	% of Total Liabilities
a) Term Loan	75,125.48	94.35%	60,089.28	94.58%
b) Non-Convertible Debenture	500.21	0.63%	2,317.43	3.65%
c) Cash Credit/OD	755.06	0.95%	198.01	0.31%
d) Unsecured Loans	1,747.52	2.19%	-	0.00%
Total	**78,128.27**	98.13%	**62,604.72**	98.54%

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5. Stock Ratios:

Particulars	Year ended Mar 31, 2024			Year ended Mar 31, 2023		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
a) Commercial papers	NA	Nil	Nil	NA	Nil	Nil
b) Non-convertible debentures (original maturity of less than one year)	NA	Nil	Nil	NA	Nil	Nil
c) Other short-term liabilities, if any	NA	1.29%	1.03%	NA	0.88%	0.71%

6. Laxmi India Finance Private Limited (LIFPL) has an Assets Liability Management Committee (ALCO), a Board level sub-Committee to oversee liquidity risk management. ALCO consists of Managing Director, Executive Director and Independent Director and Chief Financial Officer attends the meeting as an Invitee. The ALCO Meetings are held once in every Quarter. LIFPL has a Risk Management Committee (RMC) a sub-committee of the Board, which oversee overall risks to which the company s exposed including risk management. The ALCO and RMC also updates the Board at regular intervals.

63 Details Of The Code On Social Security, 2020 ('Code') Relating To Employee Benefits

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

64 Capital Adequacy Ratio **(₹ in lakhs)**

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Tangible Net worth(1)	20,178.09	15,274.55
Less: Deferred Tax Asset, Intangible Assets, Unrealised Gain(Net of Tax) and 50% of Credit Enhancement	2,007.14	1,582.01
Tier I Capital (1-2)= (3)	18,170.96	13,692.54
Tier 2 Capital (Provision on Asset less 50% of Credit Enhancement) (4)	752.02	280.02
Total Capital Fund (3+4)= (5)	18,922.97	13,972.56
Adjusted value of funded risk assets (on balance sheet item) (6)	86,493.95	60,476.96
Adjusted value of non-funded risk assets (off Balance sheet item) (7)	-	-
Total Risk Weighted assets (6+7)= (8)	86,493.95	60,476.96
CRAR/CAR(5/8)	**21.88%**	**23.10%**
CRAR (Tier-I Capital)	21.01%	22.64%
CRAR (Tier-II Capital)	0.87%	0.46%

*Liquidity Coverage Ratio not Applicable

65 NPA Movement **(₹ In Lakhs)**

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Net NPA's to Net Advance %	0.33%	0.31%
Movement of NPAs (Gross)		
Opening Balances	332.76	1,286.06
Add: Additions during year and change in existing	680.45	272.37
Less: Reductions during year	(394.44)	(663.45)
Less: Sold to ARC	(21.64)	(562.23)
Closing Balance	597.12	332.76
Movement of NPAs (Net)		
Opening Balances	180.93	857.36
Add: Additions during year	358.00	170.74
Add: Reductions during year	(252.47)	(412.33)
Less: Sold to ARC	(14.31)	(434.85)
Closing Balance	272.15	180.92
Movement of provision for NPAs		
Opening Balances	151.83	428.70
Provision made during the year	322.45	101.63
Write-off/Write back of excess	(141.97)	(251.11)
Sold to ARC	(7.33)	(127.38)
Closing Balance	324.98	151.83

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66 Disclosure in the notes to accounts in respect of securitisation transactions as required under revised guidelines On securitisationtransactions issued by RBI vide circular no. DNBS.PD.No.301/3.10.01/2012-13 dated 21.08.2012.

(₹ In Lakhs)

	Particulars	As at Mar 31, 2024	As at Mar 31, 2023
1.	No of SPVs sponsored by the NBFC for securitisation transactions	Nil	Nil
2.	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	Nil	Nil
3.	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	Nil	Nil
a)	Off-balance sheet exposures		
·	First loss	Nil	Nil
·	Others	Nil	Nil
b)	On-balance sheet exposures		
·	First loss	Nil	Nil
·	Others	Nil	Nil
4.	Amount of exposures to securitisation transactions other than MRR		
a)	Off-balance sheet exposures		
i)	Exposure to own securitisations		
·	First loss	Nil	Nil
·	loss	Nil	Nil
ii)	Exposure to third party securitisations		
·	First loss	Nil	Nil
·	Others	Nil	Nil
b)	On-balance sheet exposures		
i)	Exposure to own securitisations		
·	First loss	Nil	Nil
·	Others	Nil	Nil
ii)	Exposure to third party securitisations		
·	First loss	Nil	Nil
·	Others	Nil	Nil

67 Disclosure In The Notes To Accounts In Respect Of Assignment Transactions As Required Under Revised Guidelines On Securitisation Transactions Issued By RBI Vide Circular No. Dnbs.Pd.No.301/3.10.01/2012-13 Dated 21.08.2012.

(₹ in lakhs)

	Particulars	As at Mar 31, 2024	As at Mar 31, 2023
1.	No of SPVs sponsored by the NBFC for assignment transactions	0	1
2.	Total amount of assigned assets as per books of the SPVs sponsored by the NBFC	11,568.26	9,649.77
3.	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
a)	Off-balance sheet exposures		
·	First loss	Nil	Nil
·	Others	Nil	Nil
b)	On-balance sheet exposures		
·	First loss	Nil	Nil
·	Others	1,312.57	1,142.45
4.	Amount of exposures to assignment transactions other than MRR		
a)	Off-balance sheet exposures		
i)	Exposure to own securitisations		
·	First loss	Nil	Nil
·	loss	Nil	Nil
ii)	Exposure to third party securitisations		
·	First loss	Nil	Nil
·	Others	Nil	Nil
b)	On-balance sheet exposures		
i)	Exposure to own securitisations		
·	First loss	Nil	Nil
·	Others	Nil	Nil
ii)	Exposure to third party securitisations		
·	First loss	Nil	Nil
·	Others	Nil	Nil

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68 In accordance with the RBI notification dated April 7, 2021 the company is required to refund/adjust 'Interest on interest' to borrowers. As required by RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Bank's Association. The company has not recorded the liability towards estimated interest relief

(₹ in lakhs)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Interest on interest to be adjusted/refunded	-	-
Total	-	-

69 Detail of Impairement Loss Allowance Reserve

As at Mar 31, 2024 (₹ in lakhs)

Asset Classification as per RBI Norm	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Standard	Stage 1	79,049.78	111.22	78,938.56	319.43	(208.21)
	Stage 2	3,769.09	68.73	3,700.36	15.08	53.65
	Subtotal	**82,818.87**	**179.95**	**82,638.92**	**334.51**	**(154.56)**
Non-Performing Assets (NPA)#						
Substandard	Stage 3	567.42	316.59	250.83	54.70	261.89
Doubtful						
upto 1 year	Stage 3	29.70	8.38	21.32	5.04	3.34
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-		-
	Subtotal for doubtful	29.70	8.38	21.32	5.04	3.34
Loss	Stage 3		-			
	Subtotal for NPA	**597.12**	**324.97**	**272.15**	**59.74**	**265.23**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1		-	-	-	-
	Stage 2		-	-	-	-
	Stage 3		-	-	-	-
	Subtotal	-	-	-	-	-
Total	Stage 1	79,049.78	111.22	78,938.56	319.43	(208.21)
	Stage 2	3,769.09	68.73	3,700.36	15.08	53.65
	Stage 3	597.12	324.97	272.15	59.74	265.23
	Total	**83,416.00**	**504.93**	**82,911.07**	**394.25**	**110.67**
		0.00	**(0.00)**	**0.00**		

The Company is now classified as Systemiacally Important Non Deposit taking Non Banking Financial Company w.e.f. Apr 1,2022. Hence now company is required to recognise NPA on 90 days basis

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As at Mar 31, 2023

(₹ in lakhs)

Asset Classification as per RBI Norm	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Standard	Stage 1	56,123.94	273.05	55,850.89	226.69	46.36
	Stage 2	1,833.10	38.66	1,794.44	7.33	31.33
	Subtotal	57,957.04	311.71	57,645.33	234.02	77.69
Non-Performing Assets (NPA)						
Standard/ Substandard*	Stage 3	242.30	101.55	140.74	44.41	57.14
Doubtful						
upto 1 year	Stage 3	74.42	40.74	33.69	33.79	6.95
1 to 3 years	Stage 3	16.04	9.54	6.50	16.04	(6.50)
More than 3 years	Stage 3		-	-		-
	Subtotal for doubtful	90.46	50.28	40.19	49.83	0.45
Loss	Stage 3		-			
	Subtotal for NPA	**332.76**	**151.83**	**180.93**	94.24	**57.59**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1		-	-		-
	Stage 2		-	-		-
	Stage 3		-	-		-
	Subtotal	-	-	-	-	-
Total	Stage 1	56,123.94	273.05	55,850.89	226.69	46.36
	Stage 2	1,833.10	38.66	1,794.44	7.33	31.33
	Stage 3	332.76	151.83	180.92	94.24	57.59
	Total	**58,289.80**	**463.54**	**57,826.26**	**328.26**	**135.28**

70 Details of penalties imposed by RBI and other regulators:

No penalties have been imposed by RBI But BSE imposed following penalty on the Company during the current and previous year.

S. No	Penalty for the Month	Applicable Regulation	Amount of Fine (including GST)	Status/Reason of Fine
1	Sep-21	Reg-52(1)	**525,100.00**	Penalty paid and penalty was imposed due to delay Submission of Financials as per regulation 52 (1).
2	Sep-21	Reg-52(4)	**105,020.00**	Penalty paid and penalty was imposed due to delay Submission of report under Regulation 52(4)
3	Sep-21	Reg-54(2)	**105,020.00**	Penalty paid and penalty was imposed due to delay Submission of report under Regulation 54(2)

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71 **Schedule to the balance sheet of a Non-Deposit Taking Non-Banking Financial Company (as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016**

(₹ in lakhs)

Particulars	Amount outstanding	Amount overdue
Liabilities side		
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :		
a) Debentures (other than falling within the meaning of public deposits*)		
: Secured	500.21	-
: Unsecured	-	-
b) Deferred Credits	-	-
c) Term Loans	73,610.63	-
d) Inter-corporate loans and borrowing	-	-
e) Commercial Paper	-	-
f) Public Deposits	-	-
g) Other Loans (specify nature)	-	-
(Loan Payable on Demand and Associates liabilities for colending and Business corresponding trasaction and Unsecured Loan)	4,017.43	
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	-	-
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of Security	-	-
c) Other public deposits	-	-
Assets side		**Amount outstanding**
3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
a) Secured		81,385.71
b) Unsecured		2,030.29
4. Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
(i) Lease assets including lease rentals under sundry debtors :		-
a) Financial lease		-
b) Operating lease		-
(ii) Stock on hire including hire charges under sundry debtors :		-
a) Assets on hire		-
b) Repossessed Assets		-
(iii) Other loans counting towards asset financing activities		-
a) Assets on hire		-
b) Repossessed Assets		-
5. Break-up of Investments		
Current Investments		
1. Quoted		-
(i) Shares		-
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
2. Unquoted		
(i) Shares		-
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)-Security Receipts of ARC		-

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Long Term Investments			
1. Quoted			-
(i) Shares			-
(a) Equity			-
(h) Preference			-
(ii) Debentures and Bouds			-
(iii) Units of mutual funds			
(iv) Government Securities			-
(v) Others (ULIP)			30.67
2. Unquoted			-
(i) Shares			-
(a) Equity			-
(b) Preference			-
(ii) Debentures and Bonds			-
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others (please specify)-Security Receipts of ARC			970.68

6. Borrower group-wise classification of assets financed as in (3) and (4) above :

Category	Amount(Net of Provisions)		
	Secured	**Unsecured**	**Total**
1. Related Parties			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
2. Other than Related Parties	80,905.19	2,005.88	82,911.07
Total	**80,905.19**	**2,005.88**	**82,911.07**

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	Market Value /	Book Value (Net
1. Related Parties		
a) Subsidiaries	-	-
b) Companies iu the same group	-	-
c) Other related parties	-	-
2. Other than Related Parties	1,001.35	1,001.35
Total	**1,001.35**	**1,001.35**

8. Other Informatiou

Particulars	Amount
i) Gross Non Performing Assets	
a) Related Parties	-
b) Other than Related Parties	597.12
ii) Net Non Performing Assets	
a) Related Parties	-
b) Other than Related Parties	272.15
iii) Assets acquired in satisfaction of debt	-

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72 Disclosure as required under RBI notification no.RBI/2020-21/16/DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6,2020 on "Resolution Framework for COVID-19-related Stress":

Type of borrower (A)	(A) No's of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Add. funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

73 Disclosure as required under RBI notification no.RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6,2020 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances

No. of accounts restructured	Amount (₹ in Lakhs)
0	0

*During the year, the company has not restructure account under scheme

74 Exposure to Capital Market

The Company has no exposure to capital market as on March 31, 2024 and March 31, 2023

75 Exposure to Real Estate Sector

The Company has following exposure to Real Estate Sector as on March 31, 2024 and March 31, 2023 :

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
A. Direct Exposure (Fund and Non Fund Based) **i) Residential Mortgages-** Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	3,674.40	5,237.15
ii) Commercial Real Estate- Lending fully secured by commercial real estates (Office buildings, retail space, multi- purpose commercial purpose commercial premises, multi family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels land acquisition, development and construction etc.).	-	-
iii) Investment is mortgage Backed Securities(MBS) and other securitized exposures-		
a) Residential	-	-
b) Commercial Real Estate	-	-
Total Exposure to Real Estate	-	-
B. Indirect Exposure (Fund and Non Fund Based) Fund based and non fund based exposures on National Housing and Housing Finance companies.	-	-

76 Derivatives

a) The Company has not dealt in any market linked or non market linked derivative

b) The Company has not entered into any forward Rate Agreement / Interest Rate Swap for derivative

c) The Company has not entered into any exchange traded derivative

77 Details of financial assets sold to securitization / reconstruction Company for asset reconstruction

The Company has not sold any financial assets to securitization / reconstruction Company for asset reconstruction during the financial year ended March 31, 2024 and March 31, 2023

78 The Company has not purchased any non-performing financial assets during the financial year ended March 31, 2024 and March 31, 2023. Company had sold stress loan assets to ARC during the FY 2023-24 and FY 2022-23.

79 The Company has not restructured any non-performing financial assets during the financial year ended March 31,2024 and March 31, 2023

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80 There is no financing of parent Company products during the year ended on March 31, 2024 and March 31, 2023

81 The Company has not exceeded the single borrower limits / group borrowers limits during the financial year ended March 31, 2024 and March 31, 2023 as set as RBI

82 The Company has not given any unsecured advances against intangible securities such as charge over the rights licenses, authority, etc. during the financial year ended March
31, 2024 and March 31, 2023.

83 The Company is not registered under any other regulator other than Reserve Bank of India and Ministry of Corporate Affairs

84 **Concentration of advances, exposures and NPA's (Stage III)**

a) **Concentration of advances**

(Rs. In Lacs)

Particulars	Year ended Mar 31, 2024
Total advance to twenty largest borrowers	**732.15**
Percentage of advances to twenty largest borrowers to total advances of the NBFC	**0.88%**

b) **Concentration of exposures**

(Rs. In Lacs)

Particulars	Year ended Mar 31, 2024
Total exposure to twenty largest borrowers	**732.15**
Percentage of exposures to twenty largest borrowers to total advances of the NBFC	**0.88%**

c) **Concentration of NPA(STAGE III)**

(Rs. In Lacs)

Particulars	Total Exposure(Includes on balance sheet and off-balance sheet exposure)
Total exposure to Top 4 NPA	94.28

d) **Sector wise NPA**

Secter	Year Ended Mar 31,2024			Year Ended Mar 31,2023		
	Total Exposure(Includes on balance sheet and off-balance sheet exposure)	Gross NPAs (in Lakhs)	Percentage of Gross NPA to total exposure	Total Exposure(Includes on balance sheet and off-balance sheet exposure)	Gross NPAs(in Lakhs)	Percentage of Gross NPA to total exposure
Agriculture & allied activities						
MSME**						
Corporate borrowers						
Services						
Unsecured personal loans	2030.29	6.77	0.33%	1644.98	34.47	2.10%
Auto loans	17354.33	200.77	1.16%	8958.26	68.77	0.77%
Other personal loans*	64031.38	389.59	0.61%	47686.55	229.52	0.48%

*Other personal loans includes loans against property, construction loans etc

85 **Overseas assets (for those with Joint ventures and subsidiaries abroad)**
There are no overseas assets owned by the Company.

86 **Off-balance sheet SPVs sponsored**
There are no SPVs which are required to be consolidated as per accounting norms during the year ended March 31, 2024 and March 31, 2023

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87 a) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No		Particulars	Current Year	Previous Year
	Complaints received by the NBFC from its customers			
1		Number of complaints pending at beginning of the year	0	2
2		Number of complaints received during the year	123	18
3		Number of complaints disposed during the year	108	20
	3.1	Of which, number of complaints rejected by the NBFC	0	0
4		Number of complaints pending at the end of the year	15	0
	Maintainable complaints received by the NBFC from Office of Ombudsman			
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman		12	9
	5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of	12	9
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

* It shall only be applicable to NBFCS which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

b)Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Ground - 1 Credit Information	0	64	482%	10	0
Ground - 2 Staff behaviour	0	2	-33%	1	0
Ground - 3 Loan Documents/NOC	0	10	43%	0	0
Ground - 4	0	0	0%	0	0
Ground - 5	0	0	0%	0	0
Others	0	47	683%	4	0
Total	0	123		15	0
Previous Year					
Ground - 1 Credit Information Companies reports related	2	11	57%	0	0
Ground - 2 Staff behaviour	0	3	200%	0	0
Ground - 3 Loan Documents/NOC Required	0	7	-56%	0	0
Ground - 4	0	0	0%	0	0
Ground - 5	0	0	0%	0	0
Others	0	6	-40%	0	0
Total	2	27		0	0

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88 Frauds amounting to Rs.6.85 lakhs reported during the year ended March 31, 2024 and no frauds were reported during the year ended March 31, 2023.

89 Disclosure pursuant to RBI notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021

a) Details of transfer through assignment in respect of loans not in default during the year ended Mar 31 , 2024:

Particulars	Figures
No of Loan account Assigned	1572
Total Amount of Loan (Rs in Lacs)	6,410.83
Assigned Part of Loan Assigned (Rs in Lacs)	5,769.75
Retention of beneficial economic interest (MRR) (Rs. In Lacs)	641.08
Weighted average maturity (Residual Maturity)	51 Months
Weighted average holding period	13 Months
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	Unrated

b) Details of acquired through assignment in respect of loans not in default during the year ended Mar 31 , 2024:

Particulars	Figures
No of Loan account Assigned	192
Total Amount of Loan (Rs in Lacs)	480.01
Assigned Part of Loan Acquired (Rs in Lacs)	432.01
Retention of beneficial economic interest (MRR) (Rs. In Lacs)	48.00
Weighted average maturity (Residual Maturity)	22 Months
Weighted average holding period	16 Months
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	Unrated

c) Details of stressed loan transferred during the year ended Mar 31, 2024 :

(₹ in Lakhs)

Particulars	During the FY 23-24		During the FY 22-23	
	To Asset Reconstruction Companies (ARC)		To Asset Reconstruction Companies (ARC)	
	NPA	SMA	NPA	SMA
No. of accounts	150	68	425	-
Aggregate principal outstanding of loans transferred*	501.52	225.00	1214.77	-
Weighted average residual tenor of the loans transferred	Less than 4 years	Less than 4 years	Less than 5 years	-
Net book value of loans transferred (at the time of transfer)	387.42	225.00	618.70	-
Aggregate consideration	401.22	180.00	850.34	-
**Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-

*Company had sold Stress loan assets in which write off assets was ₹ 71.01 Lakhs and ₹ 140.96 in FY 2023-24 and FY 2022-23 respectively.
** Company is yet to realize additional consideration on a pool level hence this figure is Nil

The Company have reversed provision on stressed loans amounting to ₹ 6.46 Lakhs and ₹ 68.26 Lakhs for FY 2023-24 and FY 2022-23 respectively in profit and loss account on account of sale of stressed loans, which is upto 15% of economic interest sold

Details of rating of Security receipt of ARC('SR's') as on March 31, 2024.

Rating	Rating Agency	Recovery Rating	Gross Value of SR(Company share)
IVR RR 1+ (IVR Double R One Plus)	Infomerics Valuation And Rating Pvt. Ltd.	more than 150%	597.29

90 Non-convertible Debenture are fully secured by first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 100% of the amount outstanding and Debt Securities issued to Edge Credit Opportunities Fund I are further secured by personal guarantee given by Mr. Deepak Baid, Mrs. Aneesha Baid.

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91 Ratio Disclosures:

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
1. Debt-Equity ratio [Debt securities+Borrowings (other than debt securities)] / Total Equity	3.88	4.11
2. Net Worth(Rs. in Lacs) [Total Equity]	20125.57	15248.40
3. Net Profit after tax (Including OCI)	2246.97	1544.91
4. Earnings per share		
Basic (Rs.)	12.11	9.67
Dillated (Rs.)	11.24	9.67
5.Total debts to total assets ratio [Debt securities+Borrowings (other than debt securities)] / Total Assets	78.29%	79.44%
6.Net profit margin [Profit after tax / Total Income]	12.75%	11.93%
7. Current Ratio	Not Applicable	Not Applicable
8. Current Liability Ratio	Not Applicable	Not Applicable
9. Debt Service Coverage Ratio	Not Applicable	Not Applicable
10. Interest Service Coverage Ratio	Not Applicable	Not Applicable
11. Outstanding Redeemable Preference Shares (Qty and Amount)	Not Applicable	Not Applicable
12. Capital Redemption Reserve/ Debenture Redemption Reserve	Not Applicable	Not Applicable
13. Long Term Debt to Working Capital	Not Applicable	Not Applicable
14. Bad Debts to Accounting Receivable Ratio	Not Applicable	Not Applicable
15. Inventory Turnover Ratio	Not Applicable	Not Applicable
16. Debtor Turnover Ratio	Not Applicable	Not Applicable
17. Operating Margin	Not Applicable	Not Applicable
18. Sector specific equivalent ratio, as applicable		
(a) Gross stage 3 asset ratio (Gross Stage-3 / Total Loans)	0.72%	0.57%
(b) Net stage 3 asset ratio	0.33%	0.31%
(c) Capital to risk-weighted assets ratio (Calculated as per RBI guidelines)	21.88%	23.10%
(d) Liquidity coverage Ratio	Not Applicable	Not Applicable

92 Pursuant to the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications', the Company has aligned its definition of default from number of instalments outstanding approach to Days Past Due approach. On 15 February 2022, RBI allowed deferment till 30 September 2022 of Para 10 of this circular pertaining to upgradation of Non performing accounts. However, the Company has not opted for this deferment and such alignment does not have any significant impact on the financial results for the year ended 31 March 2022.

93 Direction issued by Reserve Bank of India vide Circular DBOD. No. BP.BC. 85/21.06.200/2013-14 dated January 15, 2014, as amended from time to time, we would like to declare the same in the prescribed format provided by the RBI:

The company do not have any Foreign Currency Exposure till Mar 31, 2024

Since there is no foreign exposure, hence requirement of hedging contracts's conformity iln line with pronouncement of the Institute of Chartered Accountants in respect of their hedge effectiveness vis-a-vis the underlying exposure is not applicable
Since there is no foreign exposure , hence requirement under Unhedged Foreign Currency Exposure is not applicable to the company.

94 Additional notes

a) Earnings in foreign currency during the year ended March 31, 2024: Nil (year ended March 31, 2023 - Nil)

b) Expenditure in foreign currency on account of professional fees during the year ended March 31, 2024: Nil (year ended March 31, 2023 - Nil)

c) Expenditure in foreign currency on account of payment of interest during the year ended March 31, 2024: Nil (year ended March 31, 2023 : Nil)

95 Draw Down from Reserves

No reserves have been draw down during the financial year 2023-24 and 2022-23 except as disclosed in the part (b) of statement of changes in equity

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Laxmi India Finance Private Limited
(Formerly Known as Laxmi India Finleasecap Private Limited)
Notes Forming Part of Financial Statements
for the period ended Mar 31, 2024

96 **ASSET LIABILITY MANAGEMENT (ALM)**
As at Mar 31, 2024

(Rs in Lacs)

Particulars	1 day To 7 days	8 day To 14 days	15 day To 30/31 days	Over1 Month To 2 Months	Over2 Months To 3 Months	Over 3 Months To 6 Months	Over 6 Months To 1 Year	Over 1 Year To 3 Years	3 to 5 years	Over 5 years
Asset										
Advances	717.90	524.54	1,044.22	2,245.59	2,260.68	5,921.51	10,027.55	33,547.98	21,470.06	5,151.03
Fixed Asset/ Intangible asset	-	-	-	-	-	-	-	-	-	1,159.75
Investments	-	-	-	-	30.67	-	-	-	-	970.68
Cash & bank	2,984.74	511.64	1,250.80	1,117.74	581.98	492.61	2,109.94	2,202.19	271.64	-
other assets	86.26	80.66	98.37	230.14	285.96	551.63	553.90	1,073.58	175.72	67.14
Total	**3,788.91**	**1,116.84**	**2,393.40**	**3,593.47**	**3,159.29**	**6,965.75**	**12,691.39**	**36,823.75**	**21,917.42**	**7,348.60**
Liabilities										
Borrowings	985.13	188.03	1,184.09	1,780.30	2,716.66	6,328.82	11,939.64	35,442.16	17,316.44	246.99
Other Liabilities	123.50	23.51	591.63	42.05	37.91	50.59	164.59	-	112.85	345.82
Total	**1,108.63**	**211.54**	**1,775.72**	**1,822.35**	**2,754.57**	**6,379.41**	**12,104.24**	**35,442.16**	**17,429.29**	**592.81**
Difference	**2,680.27**	**905.30**	**617.68**	**1,771.12**	**404.72**	**586.34**	**587.15**	**1,381.59**	**4,488.13**	**6,755.79**
Cumulative Mix	2,680.27	3,585.57	4,203.25	5,974.37	6,379.09	6,965.43	7,552.58	8,934.17	13,422.30	**20,178.09**
									Equity	**20,178.09**

97 Previous year figures have been regrouped / reclassified wherever necessary to correspond with current year classification/ disclosure.

As per our Report of even date attached
For, A. Bafna & Company
Chartered Accountants
Firm Registration No.-003660C

CA Rajat Sharma
Partner
Membership No.-428792

Place: Jaipur
Date: May 04, 2024

A. BAFNA & CO. FRN. 003660C Chartered Accountants

For and on Behalf of the Board of Directors of
Laxmi India Finance Private Limited
(Formerly known as Laxmi India Finleasecap Private Limited)

Deepak Baid
Managing Director
DIN: 03373264

Aneesha Baid
Whole Time Director
DIN: 07117678

Gopal Krishan Sain
Chief Financial Officer

Sourabh Mishra
Company Secretary
Membership No. - 51872