LAXMI INDIA FINANCE

ANNUAL REPORT

- 2024-25 -

Your Growth Is Our Responsibility

Sapne dekho, bade dekho,
Hamare saath unhe pura hote dekho.

FINANCIAL HIGHLIGHTS

₹1277.02 CR

Assets Under Management (AUM)

↑ 32.83% (Mar-24: ₹ ₹961.37 cr.)

₹1152.65 CR

Own Book

↑ 38.81% (Mar-24 : ₹ 830.38 Cr.)

₹116.69 CR

Net Interest Income (NII)

↑ 41.29% (Mar-24 : ₹ 82.59 Cr.)

₹35.91 CR

Profit After Tax (PAT)

↑ 59.81% (Mar-24-: ₹ 22.47 Cr)

₹718.53 CR

Disbursement

↑ 36.76% (Mar-24: ₹ 525.40 Cr)

11.48%

Cost Of Borrowing* (COB)

↓ 50 bps (Mar-24: 11.98%)

Return On Net Worth*

15.62%

Return on Avg. Total Assets*

2.98%

External Credit Rating

"A-"

Debt Equity Ratio 4.41

Net Equity Ratio 3.72

Capitalization (CRAR)

Total CRAR – 20.80%

Tier I CRAR – 19.98%

Tier II CRAR – 0.82%

Employee Base

1434

↑ 25.35% (Mar -24: 1144)

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Annual Report online

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Deepak Baid	(DIN: 03373264)	(Managing Director)
Mrs. Aneesha Baid	(DIN: 07117678)	(Whole Time Director)
Mrs. Prem Devi Baid	(DIN: 00774922)	(Whole Time Director)
Mr. Surendra Mehta	(DIN: 00298751)	(Independent Director)
Mr. Anil Balkrishna Patwardhan	(DIN: 09441268)	(Independent Director)
Mr. Brijmohan Sharma	(DIN: 09646943)	Additional Director (Independent)
Mr. Kalyanaraman Chandrachoodan	(DIN: 07712306)	Additional Director (Independent)

KEY MANAGERIAL PERSONNEL

Mr. Gopal Krishan Sain	(Chief Financial Officer)
Mr. Sourabh Mishra	(Company Secretary & Chief Compliance Officer)

AUDITORS

STATUTORY AUDITORS

M/S S.C. BAPNA & ASSOCIATES
CHARTERED ACCOUNTANTS
305, Lodha Supremus, Next to Lodha Eternis,
Off Mahakali Caves Road, Andheri (East), Mumbai - 400069
Tel. No.: +91 7738007589
E-Mail- mumbai@scbapna.in

INTERNAL AUDITOR

MR. AMIT SAINI (Till 30.09.2024)
CHARTERED ACCOUNTANT

MRS. PRIYA KADYAN (w.e.f 15.12.2024)
CHARTERED ACCOUNTANT

SECRETARIAL AUDITORS

M/S V. M. & ASSOCIATES
COMPANY SECRETARIES
Royal World, 403, Sansar Chandra Road Jaipur,
Rajasthan 302001Tel. - 0141-4106355;
E-Mail: cs.vmanda@gmail.com

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

MUFG INTIME INDIA PRIVATE LIMITED
(Formerly known as Link Intime India Private Limited)
C-101, Embassy 247, L.B.S. Marg, Vikhroli (West),
Mumbai-400083
Website- https://www.cvlindia.com/. com
Phone No. +912249186000

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

CORPORATE IDENTIFICATION NUMBER

U65929RJ1996PLC073074

LIFL AT A GLANCE

Empowering India

Laxmi India Finance is a leading Non-Banking Financial Company (NBFC) that specializes in providing a wide range of financial products and services to individuals, businesses, and institutions. With a strong focus on customer-centricity, innovation, and responsible growth, Laxmi India Finance has established itself as a trusted partner for financial solutions that empower dreams and drive success.

Vision

A globally competitive financial institution dedicated to societal growth and India's economic pride.

Mission

Enhance people's quality of life through financial security by offering competitive products, superior services, and supporting economic progress.

Core Values

Integrity:

Upholding ethical standards is the cornerstone of our conduct, ensuring honesty, trustworthiness, and transparency in all interactions, fostering a culture of credibility and reliability.

Innovation:

Embracing creativity and forward-thinking, we continuously seek inventive solutions and trailblazing ideas, driving growth and staying at the forefront of progress.

Customer:

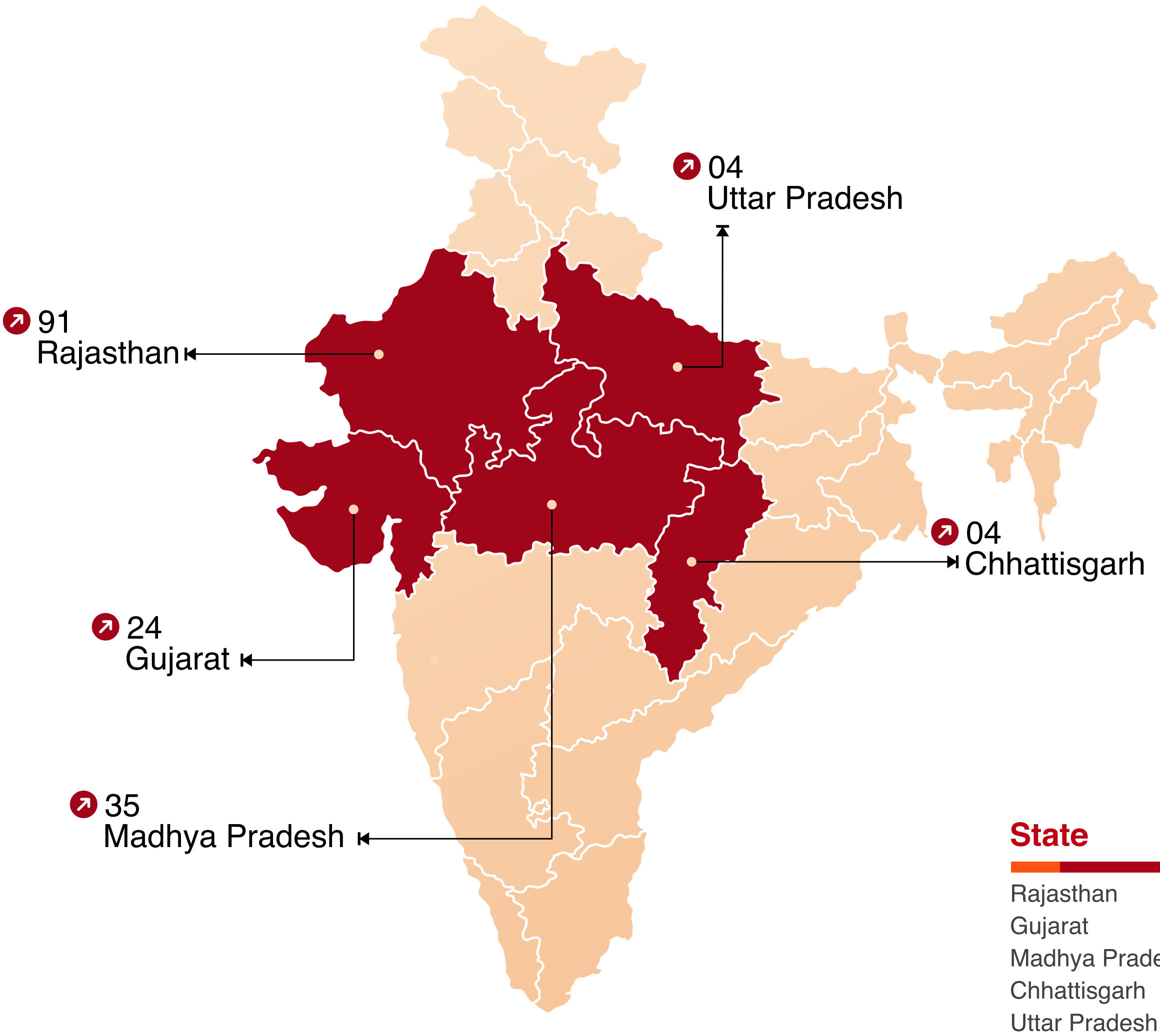
Our commitment to service excellence goes beyond meeting expectations; we are dedicated to a client-focused approach, exceeding expectations and driving satisfaction through personalized experiences.

Sustainability:

Environmental stewardship is integral to our values, driving us to embrace social responsibility, eco-consciousness, and future-oriented practices, ensuring a positive impact on the planet and society.

OUR PRESENCE

Our growing geographical footprint



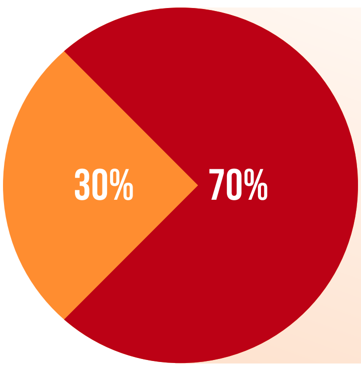
Note: Map not to scale.
For representation purpose only

State

Rajasthan
Gujarat
Madhya Pradesh
Chhattisgarh
Uttar Pradesh

Total Branches: 158

Touchpoints Break-Up



70%
Core (rural)

30
Urban

158
Branches as on March 31, 2025

1434
Number of Employees

BANKS & FINANCIAL INSTITUTIONS

Extending partnerships to strengthen our presence

Our network of lending partnerships is second to none, with over 60 institutions on board. From public and private sector banks to development funds and financial institutions, we work with the best to bring our clients the best.

NBFC:

- a.k.
- Bajaj Finance Limited
- Poonawalla Fincorp
- Chola — Enter a better life
- Protium Finance
- Manappuram Finance Limited
- Tata Capital — Count on us
- IKF Finance
- MAS Financial Services Ltd — The Power of Distribution
- Hinduja Leyland Finance
- Northern Arc
- Shriram Transport Finance Company Limited — A Winning Relationship
- Sundaram Finance — Enduring values. New age thinking.
- Vivriti Capital
- Oiko Credit Maanaveeya Development & Finance Private Limited
- NABKISAN Finance Limited — A Subsidiary of NABARD
- NABSAMRUDDHI Finance Limited — A Subsidiary of NABARD — Formerly Agri Business Finance Limited

PRIVATE BANK AND SMALL FINANCE BANK:

- AU Small Finance Bank
- Bandhan Bank
- CSB Bank
- DCB Bank
- ESAF Small Finance Bank — Joy of Banking
- IDFC First Bank — Always You First
- Kotak Mahindra Bank
- SBM
- Suryoday — A Bank of Smiles
- Federal Bank — Your Perfect Banking Partner
- Dhanlaxmi Bank
- Utkarsh Small Finance Bank — Aapki Ummeed Ka Khaata
- Capital Small Finance Bank
- Equitas Small Finance Bank
- Jana Small Finance Bank

PUBLIC SECTOR BANK:

- केनरा बैंक Canara Bank
- IDBI Bank
- इंडियन बैंक Indian Bank
- Indian Overseas Bank
- SBI
- यूको बैंक UCO Bank
- Union Bank of India
- बैंक ऑफ महाराष्ट्र Bank of Maharashtra भारत सरकार का उद्यम

FINANCIAL INSTITUTIONS:

- sidbi
- STCI Finance Limited

OUR PRODUCT AND SERVICES

Laxmi India Finance Limited is a non-banking financial company (NBFC) providing diverse loan solutions, including MSME loans, vehicle loans, construction loans. With a strong presence across Rajasthan, Gujarat, Madhya Pradesh, and Chhattisgarh, it focuses on financial inclusion by supporting small businesses and entrepreneurs, with over 80% of MSME loans qualifying as Priority Sector Lending under RBI guidelines.

CAR LOAN & MULTI UTILITY VEHICLE LOAN

Get hassle-free financing for new and used cars, SUVs, and MUVs with competitive interest rates and flexible repayment options, making vehicle ownership more accessible.

LIGHT COMMERCIAL VEHICLE

Avail customized loan solutions for small commercial vehicles, including pickup trucks and vans, designed to support business expansion and improve operational efficiency.

HEAVY COMMERCIAL VEHICLE LOAN & CONSTRUCTION LOAN

Secure funding for trucks, buses, and construction equipment with easy approval processes, ensuring smooth operations and business growth in the transport and infrastructure sectors.

TRACTOR LOAN

Empower farmers with affordable financing for new and used tractors, offering flexible repayment terms to meet agricultural needs and boost productivity.

MSME LOAN

Tailored financial solutions for micro, small, and medium enterprises, providing working capital, business expansion funds, and asset financing to foster sustainable growth.

LOAN AGAINST PROPERTY

Unlock the true potential of your residential or commercial property by securing high-value loans with competitive interest rates for personal or business financial needs.

NOTICE OF 28th ANNUAL GENERAL MEETING

NOTICE is hereby given that the **28th Annual General Meeting** of the members of **Laxmi India Finance Limited (Formerly known as Laxmi India Finance Private Limited)** will be held on **Thursday, June 19, 2025 at 10.00 A.M.** at the registered office of the Company situated at **2, DFL, Gopinath Marg, M.I. Road, Jaipur-302001, Rajasthan** to transact the following business:

Ordinary Business:

1. To adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2025, together with the report of the Board of Directors and Auditors thereon.

2.To approve the re-appointment of Mrs. Prem Devi Baid (DIN: 00774922) Whole-Time Director, who retires by rotation and being eligible, offers herself for re-appointment.

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

"RESOLVED THAT pursuant to the provisions of Section 152, and other applicable provisions of the Companies Act, 2013, read with The Companies (Appointment and Qualification of Directors)Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereto for the time being in force) and in accordance with the Articles of Association of the Company, and based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors of the company ,the consent of the members of the Company be and is hereby accorded for re-appointment of Mrs. Prem Devi Baid (DIN: 00774922) Whole-time Director of the Company, retiring by rotation and who being eligible offers herself for re-appointment.

RESOLVED FURTHER THAT Company Secretary and Chief Compliance Officer of the company, be and is hereby authorized to do all such acts, deeds, and things as may be necessary or expedient to give effect to this resolution."

Special Business:

ITEM NO. 03: TO APPROVE THE LIMIT FOR ISSUANCE OF NON- CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS

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

"RESOLVED THAT pursuant to the provisions of Section 42, 71, and 180 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debenture) Rules, 2014 applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021and all other applicable laws, rules, regulations, directions, guidelines, circulars and notifications issued by the Reserve Bank of India ("RBI") and Securities and Exchange Board of India ("SEBI") in this regard, , the Listing Agreement entered into with the Stock Exchange, where the securities of the Company may be listed (including any statutory modification(s), clarifications, exemptions thereto or re-enactments thereof, for the time being in force), and pursuant to the enabling provisions of Articles of Association of the Company and subject to such other approval(s), consent(s), sanction(s), permission(s) as may be required from any appropriate statutory and regulatory authorities ,and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approval(s), consent(s), sanction(s) permission(s) as may be applicable , the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as"**the Board**" which term shall be deemed to include any committee thereof which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this resolution) to offer/invite/issue and allot in one or more series/tranches Non-Convertible Debentures whether secured/unsecured and listed including but not limited to subordinate debentures, bonds, and/or other debt securities as per Section 2(30) of the Companies Act, 2013 on private placement basis during a period of one year from the date of passing of Special Resolution by the Members for an amount not exceeding **Rs. 200,00,00,000/- (Rupees Two Hundred Crores Only**) for raising debt for the general corporate purposes of the Company and for meeting/fulfilling the funding requirements for expanding the growth of the loan portfolio of the Company and for such other purposes as may be agreed, on such terms and conditions, as may be decided by the Board, to such person(s), including but not limited to one or more company(ies), bodies corporate, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds and individuals, as the case may be, or such other person(s) as the Board may in its absolute discretion decide and on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including, without limitation, as to when the said debentures are to be issued, the face value of debentures to be issued, the consideration for the issue, mode of payment, coupon rate, redemption period, utilization of the issue proceeds and all matters connected therewith or incidental thereto.

RESOLVED FURTHER THAT the aggregate amount of funds to be raised by issue of NCDs, subordinate debts, bonds, and/or other debt securities etc shall not exceed the overall borrowing limits of the company as approved by the Board from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to the above Resolution and for matters connected therewith or incidental thereto."

ITEM NO. 04: TO APPROVE THE APPOINTMENT OF MR. BRIJ MOHAN SHARMA (DIN: 09646943) AS AN INDEPENDENT DIRECTOR ON THE BOARD OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, read with Schedule IV and other applicable provisions, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re- enactment(s) thereof for the time being in force) and pursuant to enabling provisions of Articles of Association of the Company and in accordance with the Company's Nomination, Remuneration and Compensation Policy and the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, bearing reference number RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 ("Scale Based Regulations"), and based on the recommendation of the Nomination and Remuneration Committee, and approval of the Board of Directors of the company, Mr. BrijMohan Sharma (DIN: 09646943), who was appointed as an Additional Director (Independent) with effect from September 28, 2024 and whose terms of office expires at this Annual General Meeting and in respect of whom the company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of a director has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5(Five) consecutive years with effect from September 28, 2024 till September 27, 2029 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

ITEM NO. 05: TO APPROVE THE APPOINTMENT OF MR. KALYANARAMAN CHANDRACHOODAN (DIN- 07712306) AS AN INDEPENDENT DIRECTOR ON THE BOARD OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, read with Schedule IV and other applicable provisions, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re- enactment(s) thereof for the time being in force) and pursuant to enabling provisions of Articles of Association of the Company and in accordance with the Company's Nomination, Remuneration and Compensation Policy and the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, bearing reference number RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 ("Scale Based Regulations"), and based on the recommendation of the Nomination and Remuneration Committee, and approval of the Board of Directors of the company, Mr. Kalyanaraman Chandrachoodan (DIN: 07712306), who was appointed as an Additional Director (Independent) with effect from February 10, 2025 and whose terms of office expires at this Annual General Meeting and in respect of whom the company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of a director has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5(Five) consecutive years with effect from February 10, 2025 till February 09, 2030 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

ITEM NO. 06: TO APPROVE THE REVISION IN THE CEILING LIMIT OF THE REMUNERATION PAYABLE TO MR. DEEPAK BAID, MANAGING DIRECTOR OF THE COMPANY

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

"**RESOLVED THAT** in supersession of the resolution passed in the Extra Ordinary General Meeting held on November 29, 2024 and pursuant to the provisions of sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment(s), modification(s) or re-enactments(s) thereof for the time being in force), Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India ("RBI") and in accordance with the Nomination, Remuneration and Compensation Policy of the Company and enabling provisions of Articles of Association of Company and all other applicable laws, rules and Acts (if any) and all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals as may be applicable and based on the recommendation of Nomination and Remuneration Committee (NRC), and Board of Directors, consent of the members of the Company be and is hereby accorded to approve the revision in ceiling limit of remuneration of Mr. Deepak Baid, Managing Director (DIN:03373264), as set out below with effect from April 01, 2025 for the period of three years i.e., from April 1, 2025 to March 31, 2028 with liberty to the Board of Directors to alter and vary the terms and conditions of appointment/remuneration as it may deem fit, subject to the same not exceeding the limits as provided in this resolution.

A) Fixed Remuneration:

Mr. Deepak Baid shall be entitled to a fixed remuneration up to a maximum of Rs. 5,00,00,000/- (Rupees Five Crores Only) per annum as shall be approved by the Board of Directors from time to time on the recommendation of Nomination and Remuneration Committee and in accordance with Nomination, Remuneration and Compensation Policy of the Company.

B) Performance Linked Variable Pay:

In addition to Fixed Remuneration as mentioned above, Mr. Deepak Baid shall also be entitled to performance linked Variable Pay of such amount as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors for each Financial Year or part thereof, subject to achievement of Business and Profitability Targets as may be stipulated by the Nomination and Remuneration Committee and Board of Directors of the Company.

The total Performance linked variable pay to Mr. Deepak Baid in a financial year shall not exceed 200% of the Total Fixed Remuneration of such financial year.

C) Perquisites:

Mr. Deepak Baid shall also be entitled to the below-mentioned perquisites as per the HR policy of the Company.

Club Fees: Fees of club subject to the maximum of two clubs will be allowed. Admission and life membership fees shall not be allowed.

Leave Travel Concession: Leave Travel Concession (LTC) is available once a year for the employee, his spouse, and children, covering both domestic and international travel. It includes travel expenses as well as hotel accommodation, with provisions for one domestic and one international trip per year.

Car: Facility of car shall be provided for business use of the Company. The Company shall bill the use of car for private purposes separately.

Medical Insurance: Medical insurance coverage is provided for the employee and his family and any medical expenditure in excess of the claim shall also be borne by the Company.

Gratuity: As per the rules of the Company, payable in accordance with the approved fund at the rate of 15 days of salary for each completed year of service.

Servants: Reimbursement is provided for domestic servants, with a maximum of two servants eligible for reimbursement.

Gardener: The company shall pay the salary of 1 gardener.

Sitting Fees: No sitting fees shall be paid to Mr. Deepak Baid for attending the Meeting of Board of Directors or any committee thereof.

Mr. Deepak Baid, Managing Director, shall be liable to retire by rotation.

RESOLVED FURTHER THAT notwithstanding anything contained to the contrary in the Companies Act, 2013 wherein any financial year the Company has no profits or has inadequate profit, the company will pay remuneration by way of salary and perquisites as stated above as minimum remuneration to Mr. Deepak Baid.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation granted by the Central Government in the Companies Act, 2013 or any other relevant Statutory enactment(s) thereof in this regard the Board of Directors may vary/ increase the remuneration including salary, commission, perquisites, allowances etc. within above prescribed limit or ceiling without any further reference to the members for their approval.

RESOLVED FURTHER THAT the Company Secretary and Chief Compliance Officer of the Company be and is hereby authorized to take all the necessary steps for giving effect to the foregoing resolution including filing of the necessary forms with the Registrar of Companies and settle any question, difficulty or doubt that may arise with regard to or in relation to the foregoing and do all such acts, deeds and things as they may in their absolute discretion deem necessary, proper or desirable for giving effect to the foregoing."

ITEM NO. 07: TO APPROVE THE REVISION IN THE CEILING LIMIT OF THE REMUNERATION PAYABLE TO MRS. ANEESHA BAID, WHOLE-TIME DIRECTOR OF THE COMPANY

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

"**RESOLVED THAT** in supersession of the resolution passed in the Extra Ordinary General Meeting held on November 29, 2024 and pursuant to the provisions of sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment(s), modification(s) or re-enactments(s) thereof for the time being in force), Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India ("RBI") and in accordance with the Nomination, Remuneration and Compensation Policy of the Company and enabling provisions of Articles of Association of Company and all other applicable laws, rules and Acts (if any) and all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals as may be applicable and based on the recommendation of Nomination and Remuneration Committee (NRC), and Board of Directors, consent of the members of the Company be and is hereby accorded to approve the revision in ceiling limit of remuneration of Mrs. Aneesha Baid, Whole-time Director (DIN:07117678) of the Company, as set out below with effect from April 01, 2025 for the period of three years i.e., from April 1, 2025 to March 31, 2028, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment/remuneration as it may deem fit subject to the same not exceeding the limits as provided in this resolution.

A) Fixed Remuneration:

Mrs. Aneesha Baid shall be entitled to a fixed remuneration up to a maximum of Rs. 5,00,00,000/- (Rupees Five Crores Only) per annum as shall be approved by the Board of Directors from time to time on the recommendation of Nomination and Remuneration Committee and in accordance with Nomination, Remuneration and Compensation Policy of the Company.

B) Performance Linked Variable Pay:

In addition to Fixed Remuneration as mentioned above, Mrs. Aneesha Baid shall also be entitled to performance linked Variable Pay of such amount as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors for each Financial Year or part thereof, subject to achievement of Business and Profitability Targets as may be stipulated by the Nomination and Remuneration Committee and Board of Directors of the Company.

The total Performance linked variable pay to Mrs. Aneesha Baid in a financial year shall not exceed 200% of the Total Fixed Remuneration of such financial year.

C) Perquisites:

Mrs. Aneesha Baid shall also be entitled to the below-mentioned perquisites as per the HR policy of the Company.

Club Fees: Fees of club subject to the maximum of two clubs will be allowed. Admission and life membership fees shall not be allowed.

Leave Travel Concession: Leave Travel Concession (LTC) is available once a year for the employee, her spouse, and children, covering both domestic and international travel. It includes travel expenses as well as hotel accommodation, with provisions for one domestic and one international trip per year.

Car: Facility of car shall be provided for business use of the Company. The Company shall bill the use of car for private purposes separately.

Medical Insurance: Medical insurance coverage is provided for the employee and her family and any medical expenditure in excess of the claim shall also be borne by the Company.

Gratuity: As per the rules of the Company, payable in accordance with the approved fund at the rate of 15 days of salary for each completed year of service.

Servants: Reimbursement is provided for domestic servants, with a maximum of two servants eligible for reimbursement.

Gardener: The company shall pay the salary of 1 gardener.

Sitting Fees: No sitting fees shall be paid to Mrs. Aneesha Baid for attending the Meeting of Board of Directors or any committee thereof.

Mrs. Aneesha Baid, Whole Time Director, shall be liable to retire by rotation.

RESOLVED FURTHER THAT notwithstanding anything contained to the contrary in the Companies Act, 2013 wherein any financial year the Company has no profits or has inadequate profit, the company will pay remuneration by way of salary and perquisites as stated above as minimum remuneration to Mrs. Aneesha Baid.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation granted by the Central Government in the Companies Act, 2013 or any other relevant Statutory enactment(s) thereof in this regard the Board of Directors may vary/ increase the remuneration including salary, commission, perquisites, allowances etc. within above prescribed limit or ceiling without any further reference to the members for their approval.

RESOLVED FURTHER THAT the Company Secretary and Chief Compliance Officer of the Company be and is hereby authorized to take all the necessary steps for giving effect to the foregoing resolution including filing of the necessary forms with the Registrar of Companies and settle any question, difficulty or doubt that may arise with regard to or in relation to the foregoing and do all such acts, deeds and things as they may in their absolute discretion deem necessary, proper or desirable for giving effect to the foregoing."

ITEM NO. 08: TO APPROVE THE REVISION IN THE CEILING LIMIT OF THE REMUNERATION PAYABLE TO MRS. PREM DEVI BAID, WHOLE-TIME DIRECTOR OF THE COMPANY

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

"**RESOLVED THAT** in supersession of the resolution passed in the Extra Ordinary General Meeting held on November 29, 2024 and pursuant to the provisions of sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment(s), modification(s) or re-enactments(s) thereof for the time being in force), Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India ("RBI") and in accordance with the Nomination, Remuneration and Compensation Policy of the Company and enabling provisions of Articles of Association of Company and all other applicable laws, rules and Acts (if any) and all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals as may be applicable and based on the recommendation of Nomination and Remuneration Committee (NRC), and Board of Directors, consent of the members of the Company be and is hereby accorded to approve the revision in ceiling limit of remuneration of Mrs. Prem Devi Baid (DIN:00774922), as set out below with effect from April 01, 2025 for the period of three years, i.e., April 1, 2025 to March 31, 2028 with liberty to the Board of Directors to alter and vary the terms and conditions of appointment/remuneration as it may deem fit, subject to the same not exceeding the limits as provided in this resolution.

A) Fixed Remuneration:

Mrs. Prem Devi Baid shall be entitled to a fixed remuneration up to a maximum of Rs. 5,00,00,000/- (Rupees Five Crores Only) per annum as shall be approved by the Board of Directors from time to time on the recommendation of Nomination and Remuneration Committee and in accordance with Nomination, Remuneration and Compensation Policy of the Company.

B) Performance Linked Variable Pay:

In addition to Fixed Remuneration as mentioned above, Mrs. Prem Devi Baid shall also be entitled to performance linked Variable Pay of such amount as may be recommended by the Nomination and Remuneration Committee and approved by the Board Of Directors for each Financial Year or part thereof, subject to achievement of Business and Profitability Targets as may be stipulated by the Nomination and Remuneration Committee and Board of Directors of the Company.

The total Performance linked variable pay to Mrs. Prem Devi Baid in a financial year shall not exceed 200% of the Total Fixed Remuneration of such financial year.

C) Perquisites:

Mrs. Prem Devi Baid shall also be entitled to the below-mentioned perquisites as per the HR policy of the Company.

Club Fees: Fees of club subject to the maximum of two clubs will be allowed. Admission and life membership fees shall not be allowed.

Leave Travel Concession: Leave Travel Concession (LTC) is available once a year for the employee and her children, covering both domestic and international travel. It includes travel expenses as well as hotel accommodation, with provisions for one domestic and one international trip per year.

Car: Facility of car shall be provided for business use of the Company. The Company shall bill the use of car for private purposes separately.

Medical Insurance: Medical insurance coverage is provided for the employee and her family and any medical expenditure in excess of the claim shall also be borne by the Company.

Gratuity: As per the rules of the Company, payable in accordance with the approved fund at the rate of 15 days of salary for each completed year of service.

Servants: Reimbursement is provided for domestic servants, with a maximum of two servants eligible for reimbursement.

Gardener: The company shall pay the salary of 1 gardener.

Sitting Fees: No sitting fees shall be paid to Mrs. Prem Devi Baid for attending the Meeting of Board of Directors or any committee thereof.

Mrs. Prem Devi Baid, Whole Time Director, shall be liable to retire by rotation.

RESOLVED FURTHER THAT notwithstanding anything contained to the contrary in the Companies Act, 2013 wherein any financial year the Company has no profits or has inadequate profit, the company will pay remuneration by way of salary and perquisites as stated above as minimum remuneration to Mrs. Prem Devi Baid.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation granted by the Central Government in the Companies Act, 2013 or any other relevant Statutory enactment(s) thereof in this regard the Board of Directors may vary/ increase the remuneration including salary, commission, perquisites, allowances etc. within above prescribed limit or ceiling without any further reference to the members for their approval.

RESOLVED FURTHER THAT the Company Secretary and Chief Compliance Officer of the Company be and is hereby authorized to take all the necessary steps for giving effect to the foregoing resolution including filing of the necessary forms with the Registrar of Companies and settle any question, difficulty or doubt that may arise with regard to or in relation to the foregoing and do all such acts, deeds and things as they may in their absolute discretion deem necessary, proper or desirable for giving effect to the foregoing."

By Order of the Board of Directors
For Laxmi India Finance Limited
(Formerly known as Laxmi India Finance Private Limited)

Mr. Sourabh Mishra
Company Secretary and Chief Compliance Officer
M. No.: A51872

Date: May 19, 2025
Place: Jaipur
Registered Office: 2, DFL, Gopinath Marg,
M.I. Road, Jaipur, 302001 (Rajasthan)
CIN: U65929RJ1996PLC073074

Website: www.lifc.in
E-mail: cs@lifc.in
Tel.: 0141-4031166

NOTES:

1. A member entitled to attend and vote at the annual general meeting ('AGM' / 'Meeting') is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the company. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. If a proxy is appointed for more than fifty members, the proxy shall choose any fifty members and confirm the same to the company not later than 48 hours before the commencement of the meeting. In case, the proxy fails to do so, only the first fifty proxies received by the company shall be considered as valid.

2. The instrument appointing the proxy (ies) in order to be effective, should be duly stamped, filled, signed and must be deposited at the registered office of the Company not later than 48 (forty-eight) hours before the commencement of the meeting (Proxy Form is annexed hereto).

3. During the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the meeting and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged, during the business hours of the Company, provided that not less than 3 (three) days of notice in writing is given to the Company.

4. Brief profile and other information about the Directors seeking appointment or re-appointment and details regarding fixation of remuneration of Directors including Managing Director or Whole Time Director as required under Secretarial Standard on General Meetings ('SS-2') issued by The Institute of Company Secretaries of India, is annexed to this Notice as **Annexure-A** and explanatory statements to this notice.

5. The Explanatory statement pursuant to provisions of Section 102 of the Companies Act, 2013("Act"), as amended, read with the rules made thereunder, the Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India, setting out the material facts in respect of the special business as stated under **Item No. 3 to 8**, are annexed hereto and forms part of this Notice.

6. The Notice is being sent to all the Members, whose names appear in the Register of Members as on **May 16, 2025.**

7. Body corporate can be represented at the meeting by such person(s) as are authorised. The scan copy/physical copy of relevant Board Resolution/ Authority letter etc. together with their respective specimen signatures as required under section 113 of the Companies Act, 2013, authorizing such person(s) to attend the meeting and vote on their behalf at the meeting should be sent to the Company Secretary at cs@lifc.in, prior to the meeting or can be submitted at the time of meeting.

8. All relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the registered office of the Company on all working days, during business hours (except Saturday(s), Sunday(s) and Public Holidays) from the date of circulation of this notice up to the date of the Meeting and during the continuance of the AGM.

9. The Register of Directors and Key Managerial Personnel (KMP) and their shareholding and Register of Contracts or Arrangements in which directors are interested, maintained under section 170 and 189 of the Companies Act, 2013 respectively will be available for inspection by the members during the AGM.

10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.

11. Pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. SH-14 as the case may be. Members are requested to submit the said details to their DP as the shares are held by them in dematerialized form.

12. Members/Proxies/Authorized Representatives attending the meeting should bring the attendance slip annexed herewith duly filled and signed.

13. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

14. A copy of Audited Financial Statements of the Company for the Financial Year ended on March 31, 2025 together with the Board's report and Auditor's report thereon is enclosed herewith.

15. Members seeking any information with regard to the Accounts or any other matter to be placed at AGM are requested to write to the Company at least 7 days in advance at cs@lifc.in, so as to enable the management to keep the information ready at the meeting.

16. The Notice of 28th AGM and Audited Financial Statements of the Company for the Financial Year ended on March 31, 2025 together with the Board's report and Auditor's report thereon and other documents attached thereto shall be sent only by e-mail to the members, debenture trustees and to all the persons entitled to receive the same at their e-mail ids registered with the Company/ Depository Participant, unless the member has specifically requested for a hard copy of the Annual Report. The same has also been uploaded on the website of the Company at Annual Report | Finance Report | Loan Statement | LIFC.

17. With reference to Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India for the convenience of recipients of notice, the complete particulars of the venue of the meeting including route map and prominent landmark for easy location are as given under:

Venue of the meeting: 2, DFL Gopinath Marg M.I. Road Jaipur Rajasthan 302001
Route Map: The Red Balloon Mark indicate the venue of AGM

By Order of the Board of Directors
For Laxmi India Finance Limited
(Formerly known as Laxmi India Finance Private Limited)

Mr. Sourabh Mishra
Company Secretary and Chief Compliance Officer
M. No.: A51872

Date: May 19, 2025
Place: Jaipur
Registered Office: 2, DFL, Gopinath Marg,
M.I. Road, Jaipur, 302001 (Rajasthan)
CIN: U65929RJ1996PLC073074
Website: www.lifc.in
E-mail: cs@lifc.in
Tel.: 0141-4031166

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

The following statement sets out the material facts concerning the special business mentioned in the accompanying notice to be transacted at the Meeting

Item No. 3

Your Company has been issuing debentures, which may be referred to as one of the option for raising money from time to time, for the general corporate purposes of the Company and for meeting/fulfilling the funding requirements for expanding the growth of the loan portfolio of the Company and for such other purposes as may be agreed, on such terms and conditions, as may be decided by the Board and in due compliance with the applicable provisions of the Companies Act, 2013 (the 'Act'), Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and Guidelines as issued by Reserve Bank of India etc. Accordingly, the Company, proposes to issue Non-convertible Debentures including bonds, and/or other debt securities as per Section 2(30) of the Act to various person(s) on private placement basis, at such terms and conditions and at such price(s) in compliance with the requirements of regulatory authorities, if any, and as may be finalized by the Board and/or Committee of Board. The amount to be raised by way of issue of listed, secured/unsecured redeemable Non-convertible Debentures on a private placement basis shall not exceed **Rs. 200,00,00,000/- (Rupees Two Hundred Crores Only)** in aggregate, in one or more series/ tranches on private placement basis.

It may be noted that Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 42 of the Act, allows a Company to pass a Special Resolution once in a year for all the offer or invitation for Non-Convertible Debentures to be made during the year on private placement basis in one or more tranches.

It is to be noted that the Members of the Company have passed a Special resolution at their Extra-Ordinary General Meeting held on May 29, 2024, to approve the limit for issuance of non-convertible debentures on private placement basis under Section 42 and 71 of the Act upto an amount not exceeding **Rs. 200,00,00,000/- (Rupees Two Hundred Crores Only)** in aggregate in one or more tranches.

Hence, as per the aforesaid provision, the validity of the previous special resolution passed by the Members of the Company on May 29, 2024, expires on May 28, 2025.

Therefore, the consent of the Members is sought in connection with the aforesaid issue of debentures/bonds from time to time and they are requested to enable and authorize the Board (including any Committee of the Board) to issue Non-convertible Debentures on private placement basis upto Rs. 200,00,00,000/- (Rupees Two Hundred Crores Only) as stipulated above, in one or more tranches, during the period of one year from the date of passing of the Resolution set out at **Item No. 3** of this Notice, within the overall borrowing limits of the Company, as approved by the Board.

The Board of Directors accordingly recommends the Resolution as set out at **Item No. 3** of the Notice for the approval of the Members as Special Resolution.

None of the Directors, and Key Managerial Personnel of the Company or their relatives, are in any way concerned or interested financially or otherwise, in the resolution set out at **Item No. 3** of the accompanying notice.

Item No. 4

Mr. BrijMohan Sharma (DIN: 09646943) was appointed as an Additional Director (Independent Category) by the Board of Directors of the company with effect from September 28, 2024, in accordance with the provisions of Section 161 of the Companies Act, 2013. Further, pursuant to the provisions of 161(1) of the Companies Act, 2013 ("the Act") an Additional Director can hold office only up to the date of the next Annual General Meeting (AGM) or the last date on which the AGM should have been held, whichever is earlier.

Accordingly, the tenure of Mr. BrijMohan Sharma (DIN: 09646943), who was appointed as an Additional Director (Independent Category) by the Board with effect from September 28, 2024, will expire at the ensuing AGM. The company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of a director and has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and is eligible to be appointed as an Independent Director. In view of the above, and pursuant to the provisions of Section 150(2), 152(2) and other applicable provisions of the Companies Act, 2013, it is proposed to regularize the appointment of Mr. BrijMohan Sharma by appointing him as an Independent Director of the Company for a term of five consecutive years, commencing from September 28, 2024 and ending on September 27, 2029, subject to the approval of the shareholders at the ensuing AGM.

The Board is of the view that the appointment of Mr. BrijMohan Sharma (DIN: 09646943) on the Board is desirable and would be beneficial to the Company owing to his distinguished career of over 40 years in the banking and financial services sector, including senior leadership roles in prominent public sector banks. His comprehensive expertise in banking operations, credit, corporate banking, and strategic management will add substantial value to the Board's functioning. He has also been recognized by PFRDA with the "Splendid 7" award for outstanding performance in the Atal Pension Yojana and hence, it recommends the Resolution as set out at **Item No. 4** of the Notice for approval by the members of the Company.

The members are hereby informed that company has received a declaration from him stating that he meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013, and has confirmed that he is in compliance of sub-rule (1) and sub-rule (2) of Rule 6 of The Companies (Appointment and Qualifications of Directors) Rules, 2014 with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. He has also given his consent to continue as Director of the Company, if so appointed by the members and he is not disqualified from being appointed as Director, in terms of provisions of section 164 of the Act and also submitted declarations, undertaking as prescribed under Master Direction – Reserve Bank of India (Non- Banking Financial Company-Scale Based Regulation) Directions, 2023.He has further affirmed that he is not subject to any disqualification or debarment by SEBI or any other regulatory authority, in accordance with circular no. LIST/COMP/14/2018-19 issued by BSE Limited on June 20, 2018.

In the opinion of the Board, Mr. BrijMohan Sharma (DIN: 09646943) is a person of integrity, fulfills the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management.

A copy of the letter of appointment as an Independent Director setting out the terms and conditions is available for inspection by the Members at the registered office of the Company on all working days, during business hours (except Saturday(s), Sunday(s) and Public Holidays) up to the date of the AGM and during the continuance of AGM.

The brief resume of Mr. BrijMohan Sharma (DIN: 09646943), nature of expertise in functional areas, disclosure of relationship with other Directors, Directorships and Memberships of Committees of the Board and other details as required under Secretarial Standard on General Meetings ("SS-2") issued by The Institute of Company Secretaries of India ("ICSI") is set out at **Annexure A** to this notice.

Save and except Mr. BrijMohan Sharma (DIN: 09646943), being appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives or any other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution as set out at **Item No. 4** of the accompanying notice.

The Board of Directors recommends the resolution as set out in **Item No. 4** of the notice for the approval by the members as an Ordinary Resolution.

Item No. 5

Mr. Kalyanaraman Chandrachoodan (DIN: 07712306) was appointed as an Additional Director (Independent Category) by the Board of Directors of the company with effect from February 10, 2025, in accordance with the provisions of Section 161 of the Companies Act, 2013. Further, pursuant to the provisions of Sections 149, 150, 152, and 161(1) of the Companies Act, 2013 ("the Act") read with relevant rules made thereunder and Schedule IV of the Act, an Additional Director can hold office only up to the date of the next Annual General Meeting (AGM) or the last date on which the AGM should have been held, whichever is earlier.

Accordingly, the tenure of Mr. Kalyanaraman Chandrachoodan (DIN: 07712306) who was appointed as an Additional Director (Independent Category) by the Board with effect from February 10, 2025 will expire at the ensuing AGM. The company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of a director and has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and is eligible to be appointed as an Independent Director. In view of the above, and pursuant to the provisions of Section 150(2), 152(2) and other applicable provisions of the Companies Act, 2013, it is proposed to regularize the appointment of Mr. Kalyanaraman Chandrachoodan by appointing him as an Independent Director of the Company for a term of five consecutive years, commencing from February 10, 2025 and ending on February 09, 2030, subject to the approval of the shareholders at the ensuing AGM.

The Board is of the view that the appointment of Mr. Kalyanaraman Chandrachoodan (DIN: 07712306) on the Board is desirable and would be beneficial to the Company in view of his extensive experience of nearly 40 years in banking regulation, supervision, compliance, and payment systems. His leadership roles with the RBI, SBI, IMF, and other financial institutions, both in India and internationally, are expected to bring valuable insights and strengthen the Company's governance and regulatory oversight and hence, it recommends the said Resolution as set out at **Item No. 5** of the Notice for approval by the members of the Company.

The members are hereby informed that company has received a declaration from him stating that he meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013, and has confirmed that he is in compliance of sub-rule (1) and sub-rule (2) of Rule 6 of The Companies (Appointment and Qualifications of Directors) Rules, 2014 with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. He has also given his consent to continue as Director of the Company, if so appointed by the members and he is not disqualified from being appointed as Director, in terms of provisions of section 164 of the Act and also submitted declarations, undertaking as prescribed under Master Direction – Reserve Bank of India (Non- Banking Financial Company-Scale Based Regulation) Directions, 2023.He has further affirmed that he is not subject to any disqualification or debarment by SEBI or any other regulatory authority, in accordance with circular no. LIST/COMP/14/2018-19 issued by BSE Limited on June 20, 2018.

In the opinion of the Board, Mr. Kalyanaraman Chandrachoodan (DIN: 07712306) is a person of integrity, fulfills the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management.

A copy of the letter of appointment as an Independent Director setting out the terms and conditions is available for inspection by the Members at the registered office of the Company on all working days, during business hours (except Saturday(s), Sunday(s) and Public Holidays) up to the date of the AGM and during the continuance of AGM.

The brief resume of Mr. Kalyanaraman Chandrachoodan (DIN: 07712306) nature of expertise in functional areas, disclosure of relationship with other Directors, Directorships and Memberships of Committees of the Board and other details as required under Secretarial Standard on General Meetings ("SS-2") issued by The Institute of Company Secretaries of India ("ICSI") is set out at **Annexure A** to this notice.

Save and except Mr. Kalyanaraman Chandrachoodan (DIN: 07712306) being appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives or any other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution as set out at **Item No.5** of the notice.

The Board of Directors recommends the resolution as set out in **Item No. 5** of the notice for the approval by the members as an Ordinary Resolution.

Item No. 6

Pursuant to the provisions of Section 196 and all other applicable provisions, if any of the Companies Act, 2013 read with rules notified thereunder and pursuant to exemptions granted to Private Companies vide notification issued by the Government of India, Ministry of Corporate Affairs dated 05th June, 2015, Mr. Deepak Baid (DIN:03373264) based on the recommendation of the Nomination and Remuneration Committee, was re-appointed as Managing Director of the Company, in the Board Meeting held on May 06, 2023 for a period of five years effective from September 28, 2023 on the terms and conditions as approved and mentioned in his letter of appointment as placed before the Board in the same meeting.

Mr. Deepak Baid, Managing Director of the Company, is an entrepreneur with over 20 years of experience in the financial services sector. As the Managing Director of Laxmi India Finance Limited (Formerly known as Laxmi India Finance Private Limited), he has led the company's transformation into a leading NBFC, expanding its operations from 4 to 158 branches across multiple states. Under his leadership, the company diversified its portfolio to include MSME, tractor, two-wheeler, commercial vehicle, business and personal loans. He successfully managed strategic mergers, rebranded the company, and relocated its office to Jaipur. Before this, Mr. Deepak Baid founded Deepak Finance and Leasing Company (DFL) in 1993, focusing on vehicle financing. Mr. Deepak Baid holds key directorships in several prominent companies. He has been a Director at Deepak Hitech Motors Private Limited since 2011, driving strategy and growth in the automotive sector, and at Dreamland Buildmart Private Limited, contributing to the real estate and construction industries and has been recently appointed in Hirak Vinimay Private Limited. The Company has achieved overall growth under the leadership and guidance of Mr. Deepak Baid. His entrepreneurial spirit and involvement in industry and social organizations such as Jain International Trade Organization (JITO) further underline his leadership stature.

Further his nature of expertise in functional areas, disclosure of relationship with other Directors, Directorships and Memberships of Committees of the Board and other details as required under Secretarial Standard on General Meetings ("SS-2") issued by The Institute of Company Secretaries of India ("ICSI") is set out at **Annexure A** to this notice.

Considering the contribution made by Mr. Deepak Baid and based on the recommendation of the Nomination and Remuneration Committee, and as per Nomination, Remuneration and Compensation Policy of the Company, the Board of Directors of the Company in their meeting held on May 19, 2025 approve the revision in ceiling limit of the remuneration payable to Mr. Deepak Baid, Managing Director (DIN: 03373264), for the period of three years w.e.f, April 1, 2025 to March 31, 2028, subject to the approval of shareholders at the ensuing Annual General Meeting.

The members are further informed that the proposed revision in ceiling limit of remuneration supersedes the earlier resolution passed by the members at the Extra Ordinary General Meeting held on November 29, 2024.

Further Section II, of Part II of Schedule V of the Companies Act, 2013 specifies the limits of remuneration that can be paid by company having inadequate profits in any financial year to its managerial person or other director. However, a company can pay remuneration to its managerial person or other director in excess of the limits specified under Item (A) of Section II if the approval for payment of such excess remuneration is taken from the shareholders of the company for a period not exceeding three years.

Accordingly, the approval of the members of the Company is being sought to approve the revision in the ceiling limit of the remuneration payable to Mr. Deepak Baid, Managing Director (DIN: 03373264), for the period of three years w.e.f, April 1, 2025 to March 31, 2028.

Further, the statement as required under Section II, of Part II of Schedule V of the Companies Act, 2013 with reference to **Item no. 6** of the notice is as follows-

I. General Information

1) Nature of Industry	: Laxmi India Finance Limited (Formerly known as Laxmi India Finance Private Limited) 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 February 07, 2025, classified as NBFC - Investment and Credit Company (NBFC-ICC) under NBFCs-Middle Layer (NBFCs-ML) 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, commercial vehicles (HCV, LCV, MUV, SUV), Tractors, Two-wheelers, Personal and Business Loan.
2) Date or expected date of commencement of commercial production	The company was incorporated on May 10, 1996 with Registration No. 073074 in the state of New Delhi. Further the company has commenced its business on the same date, i.e. May 10, 1996.
3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable.

4) Financial performance based on given indicators:

(Amount in Lakhs except per share data)

PARTICULARS	**Year ended 31st March, 2025**	**Year ended 31st March, 2024**
Total Revenue	24803.77	17,501.9
Total Expenditure (**excluding Finance Cost & Depreciation)**	8,415.47	6,043.42
Profit Before Finance Cost & Depreciation	**16,388.30**	**11,458.48**
Less: Finance Cost	11,462.74	8,342.05
Less: Depreciation	190.05	152.98
Profit Before Tax	**4,735.51**	**2,963.45**
Total Tax Expenses (Current & Deferred)	1,135.07	716.88
Profit After Taxation	**3,600.44**	**2,246.57**
Other Comprehensive Income (Net of Tax)	-9.42	15.23

PARTICULARS	Year ended 31st March, 2025	Year ended 31st March, 2024
Total Comprehensive Income for the period	**3,591.02**	**2,261.80**
APPROPRIATION: -		
Dividend on Equity Shares		
Dividend on Preference Shares	-	-
Tax on Dividend	-	-
Transfer to General Reserve	-	-
Transfer to Statutory Reserve Fund	720.088	449.39
EPS: -	-	**-**
Basic	8.78	6.11
Diluted	8.78	5.66

5) Foreign Investment or Collaborations: NIL

II. Information about the Appointee - Mr. Deepak Baid, Managing Director

(1) Background Details	Mr. Deepak Baid is an entrepreneur with over 20 years of experience in the financial services sector. He is holding a B.Com degree. As the Managing Director of Laxmi India Finance Limited (Formerly known as Laxmi India Finance Private Limited), he has led the company's transformation into a leading NBFC, expanding its operations from 4 to 158 branches across multiple states.
(2) Past Remuneration	FY 2024-2025: 2,76,00,000 FY 2023-2024: 2,87,50,000 FY 2022-2023: 2,76,00,000
(3) Recognition or awards	NIL
(4) Job Profile and his suitability	Mr. Deepak Baid is an entrepreneur with over 20 years of experience in the financial services sector. Mr. Deepak Baid was re-appointed as Managing Director of the Company in the Board Meeting held on May 06, 2023 for a period of five years effective from September 28, 2023. Mr. Deepak Baid holds key directorships in several prominent companies such as Deepak Hitech Motors Private Limited, Hirak Vinimay Private Limited and Dreamland Buildmart Private Limited. He is also actively involved in several social initiatives and industry bodies, including Jain International Trade Organization (JITO). The Company has achieved overall growth under the leadership and guidance of Mr. Deepak Baid.
(5) Remuneration Proposed	Mr. Deepak Baid shall be entitled to a fixed remuneration up to a maximum of Rs. 5,00,00,000/- (Rupees Five Crores Only) per annum as shall be approved by the Board of Directors from time to time on the recommendation of the Nomination and Remuneration Committee, and in accordance with the Nomination, Remuneration and Compensation Policy of the Company.
(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details	The remuneration proposed to be paid to Mr. Deepak Baid is in line with peers in comparable company, keeping in view his job profile, his unmarkable contribution to the company, the size of operations and complexity of business of company.

would be with respect to the country of his origin)	
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any	Mr. Deepak Baid has no pecuniary relationship with the Company other than his remuneration and he is the Promoter and Managing Director of the Company, holding 73,84,952 equity shares of the company i.e. 17.66% of the Paid-up capital of the company. Mr. Deepak Baid is related to the below-mentioned managerial personnel of the Company. 1. Mrs. Aneesha Baid (Whole Time Director)- Spouse of Mr. Deepak Baid 2. Mrs. Prem Devi Baid (Whole Time Director)- Mother of Mr. Deepak Baid.

III. Other Information

(1) Reasons for loss or inadequate profits	The Company has borrowed funds from financial institutions, banks etc. for enhancing lending capacity and market presence, these funds are crucial for the long-term growth of the Company. The managerial personnel have played a pivotal role in navigating the Company through this transformative phase. Their expertise and leadership are critical for the successful implementation of the expansion project and for steering the Company towards achieving its long-term objectives. The proposed remuneration is essential to recognize their contributions and ensure continuity in leadership.
(2) Steps taken or proposed to be taken for improvement	The Company is focusing on the Lending Capacity and efforts to streamline the operational costs.
(3) Expected increase in productivity and profits in measurable terms	In view of the steps taken by the Company as stated above, the Company believes that there will be significant increase in productivity and profitability in the years to come.

Mr. Deepak Baid is interested in the resolution set out at item no. 6 of the notice. Mrs. Aneesha Baid and Mrs. Prem Devi Baid Whole Time Directors of the company being related to Mr. Deepak Baid be deemed to be interested in the resolution set out at item no. 6 of the notice. The other relatives of Mr. Deepak Baid may be deemed to be interested in the resolution set out at item no. 6 of the notice to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other directors and Key Managerial Personnel or their relatives is, in any way concerned or interested financially or otherwise in the aforesaid resolution.

The Board of Directors recommends the said resolution as set out in **Item No. 6** of the Notice for the approval by the members as **Special Resolution.**

Item No. 7

Pursuant to the provisions of Section 196 and all other applicable provisions, if any of the Companies Act, 2013 read with rules notified thereunder and pursuant to exemptions granted to Private Companies vide notification issued by the Government of India, Ministry of Corporate Affairs dated 05th June, 2015, Mrs. Aneesha Baid (DIN:07117678) based on the recommendation of the Nomination and Remuneration Committee, was appointed as Whole Time Director of the Company , in the 25th Annual General Meeting held on September 19, 2022 for a period of 5 years effective from August 06, 2022 on terms and conditions decided as per the resolution passed in the Board Meeting held on May 06, 2022.

Mrs. Aneesha Baid is the Whole Time Director of Laxmi India Finance Limited (Formerly known as Laxmi India Finance Private Limited). With over 9 years of experience, Mrs. Aneesha Baid is involved in human resource management of the Company. Mrs. Aneesha Baid holds directorship in other companies such as Prem Dealers Private Limited and Hirak Vinimay Private Limited. She was also previously associated as a director with Trilochana Dealtrade Private Limited.

Further her nature of expertise in functional areas, disclosure of relationship with other Directors, Directorships and Memberships of Committees of the Board and other details as required under Secretarial Standard on General Meetings ("SS-2") issued by The Institute of Company Secretaries of India ("ICSI") is set out at **Annexure A** to this notice.

Considering the contribution made by Mrs. Aneesha Baid and based on the recommendation of the Nomination and Remuneration Committee and as per Nomination, Remuneration and Compensation Policy of the Company, the Board of the Company in their meeting held on May 19, 2025 approved the revision in ceiling limit of remuneration payable to Mrs. Aneesha Baid, Whole Time Director of the Company, with effect from April 01, 2025 to March 31, 2028 subject to the approval of the members of the Company.

The members are further informed that the proposed revision in ceiling limit of remuneration supersedes the earlier resolution passed by the members at the Extra Ordinary General Meeting held on November 29, 2024.

Further Section II, of Part II of Schedule V of the Companies Act, 2013 specifies the limits of remuneration that can be paid by company having inadequate profits in any financial year to its managerial person or other director. However, a company can pay remuneration to its managerial person or other director in excess of the limits specified under Item (A) of Section II if the approval for payment of such excess remuneration is taken from the shareholders of the company for a period not exceeding three years.

Accordingly, the approval of the members of the Company is being sought to approve the payment of remuneration to Mrs. Aneesha Baid (DIN: 07117678), for a period of three years w.e.f April 01, 2025 to March 31, 2028.

Further, the statement as required under Section II, Part II of Schedule V of the Companies Act, 2013 with reference to **Item no. 7** is as follows-

I. General Information

1) Nature of Industry	: Laxmi India Finance Limited (Formerly known as Laxmi India Finance Private Limited) 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 February 07, 2025, classified as NBFC - Investment and Credit Company (NBFC-ICC) under NBFCs-Middle Layer (NBFCs-ML) 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, commercial vehicles (HCV, LCV, MUV, SUV), Tractors, Two-wheelers, Personal and Business Loan.
2) Date or expected date of commencement of commercial production	: The company was incorporated on May 10, 1996 with Registration No. 073074 in the state of New Delhi. Further the company has commenced its business on the same date, i.e. May 10, 1996.
3) In case of new Companies, expected date of	: Not applicable.

commencement of activities as per project approved by financial institutions appearing in the prospectus	

4) Financial performance based on given indicators:

(Amount in Lakhs except per share data)

PARTICULARS	**Year ended 31st March, 2025**	**Year ended 31st March, 2024**
Revenue from Operations	24,571.26	17,313.75
Other Income	232.51	188.15
Total Expenditure (**excluding Finance Cost & Depreciation)**	8,415.47	6,043.42
Profit Before Finance Cost & Depreciation	**16,388.30**	**11,458.48**
Less: Finance Cost	11,462.74	8,342.05
Less: Depreciation	190.05	152.98
Profit Before Tax	**4,735.51**	**2,963.45**
Total Tax Expenses (Current & Deferred)	1,135.07	716.88
Profit After Taxation	**3,600.44**	**2,246.57**
Other Comprehensive Income (Net of Tax)	-9.42	15.23
Total Comprehensive Income for the period	**3,591.02**	**2,261.80**
APPROPRIATION: -		
Dividend on Equity Shares	-	-
Dividend on Preference Shares	-	-
Tax on Dividend	-	-
Transfer to General Reserve	-	-
Transfer to Statutory Reserve Fund	720.088	449.39
EPS: -		
Basic	8.78	6.11
Diluted	8.78	5.66

5) Foreign Investment or Collaborations: NIL

II. Information about the Appointee – Mrs. Aneesha Baid, Whole- Time Director

(1) Background Details	Mrs. Aneesha Baid holds a Bachelor of Commerce (B. Com) degree and has been a vital part of the company's growth and operational efficiency. With over 9 years of experience, Mrs. Aneesha Baid is involved in human resource management of the Company.
(2) Past Remuneration	FY 2024-2025: 1,72,50,000; FY 2023-2024: 1,79,68,750; FY 2022-2023: 1,72,50,000
(3) Recognition or awards	N/A
(4) Job Profile and her suitability	Mrs. Aneesha Baid is the Whole Time Director of Laxmi India Finance Limited (Formerly known as Laxmi India Finance Private Limited). With over 9 years of experience, Mrs. Aneesha Baid is involved in human resource management of the Company. Mrs. Aneesha Baid holds

	directorship in other companies such as Prem Dealers Private Limited and Hirak Vinimay Private Limited. She was also previously associated as a director with Trilochana Dealtrade Private Limited.
(5) Remuneration Proposed	Mrs. Aneesha Baid shall be entitled to a fixed remuneration up to a maximum of Rs. 5,00,00,000/- (Rupees Five Crores Only) per annum as shall be approved by the Board of Directors from time to time on the recommendation of the Nomination and Remuneration Committee and in accordance with the Nomination, Remuneration and Compensation Policy of the Company.
(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed to be paid to Mrs. Aneesha Baid is in line with peers in comparable company, keeping in view her job profile, her unmarkable contribution to the company, the size of operations and complexity of business of company.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mrs. Aneesha Baid has no pecuniary relationship with the Company, other than her remuneration and she is the Promoter and Whole Time Director of the Company, holding 22,61,902 equity shares of the company i.e. 5.41% of the Paid-up capital of the company. Mrs. Aneesha Baid is related to below-mentioned managerial personnel. 1. Mr. Deepak Baid (Managing Director)- Spouse of Mrs. Aneesha Baid 2. Mrs. Prem Devi Baid (Whole Time Director)- Mother-in-Law of Mrs. Aneesha Baid.

III. Other Information

(1) Reasons for loss or inadequate profits	The Company has borrowed funds from financial institutions, banks etc. for enhancing lending capacity and market presence, these funds are crucial for the long-term growth of the Company. The managerial personnel have played a pivotal role in navigating the Company through this transformative phase. Their expertise and leadership are critical for the successful implementation of the expansion project and for steering the Company towards achieving its long-term objectives. The proposed remuneration is essential to recognize their contributions and ensure continuity in leadership.
(2) Steps taken or proposed to be taken for improvement	The Company is focusing on the Lending Capacity and efforts to streamline the operational costs.
(3) Expected increase in productivity and profits in measurable terms	In view of the steps taken by the Company as stated above, the Company believes that there will be significant increase in productivity and profitability in the years to come.

Mrs. Aneesha Baid is interested in the resolution set out at item no. 7 of the notice. Mr. Deepak Baid, Managing Director and Mrs. Prem Devi Baid, Whole Time Director of the company being related to Mrs. Aneesha Baid, be deemed to be interested in the resolution set out at item no. 7 of the notice. The other relatives of Mrs. Aneesha Baid may be deemed to be interested in the resolution set out at item no. 7 of the notice to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other directors and Key Managerial Personnel or their relatives is, in any way concerned or interested financially or otherwise in the aforesaid resolution.

The Board of Directors recommends the said resolution as set out in **Item No. 7** of the notice for the approval by the members as **Special Resolution.**

Item No. 8

Pursuant to the provisions of Section 196 and all other applicable provisions, if any of the Companies Act, 2013 read with rules notified thereunder and pursuant to exemptions granted to Private Companies vide notification issued by the Government of India, Ministry of Corporate Affairs dated 05th June, 2015, Mrs. Prem Devi Baid (DIN: 00774922) based on the recommendation of the Nomination and Remuneration Committee, was appointed as Whole Time Director of the Company , in the 25th Annual General Meeting held on September 19, 2022 for a period of 5 years effective from August 06, 2022 on terms and conditions decided as per the resolution passed in the Board Meeting held on May 06, 2022.

Mrs. Prem Devi Baid is an accomplished entrepreneur with over 13 years of experience, having played a pivotal role in the growth and development of several family-owned businesses in India. She has been associated with Laxmi India Finance Limited (Formerly known as Laxmi India Finance Private Limited) since 2011, with a core focus on the Company's Corporate Social Responsibility (CSR) initiatives and strategic planning. In addition to her role at Laxmi India Finance Limited, she holds directorship positions in several companies, including Deepak Hitech Motors Private Limited, Dreamland Buildmart Private Limited, and Prem Dealers Private Limited. With a strong focus on sustainable business growth and community welfare, she has played a key role in expanding the family business empire.

Further her nature of expertise in functional areas, disclosure of relationship with other Directors, Directorships and Memberships of Committees of the Board and other details as required under Secretarial Standard on General Meetings ("SS-2") issued by The Institute of Company Secretaries of India ("ICSI") is set out at **Annexure A** to this notice.

Considering the contribution made by Mrs. Prem Devi Baid and based on the recommendation of the Nomination and Remuneration Committee and as per Nomination, Remuneration and Compensation Policy of the Company, the Board of the Company in their meeting held on May 19, 2025 approved the revision in ceiling limit of remuneration payable to Mrs. Prem Devi Baid, Whole Time Director of the Company, with effect from April 01, 2025 to March 31, 2028, subject to the approval of the members of the Company.

The members are further informed that the proposed revision in ceiling limit of remuneration supersedes the earlier resolution passed by the members at the Extra Ordinary General Meeting held on November 29, 2024.

Further Section II, of Part II of Schedule V of the Companies Act, 2013 specifies the limits of remuneration that can be paid by company having inadequate profits in any financial year to its managerial person or other director. However, a company can pay remuneration to its managerial person or other director in excess of the limits specified under Item (A) of Section II if the approval for payment of such excess remuneration is taken from the shareholders of the company for a period not exceeding three years.

Accordingly, the approval of the members of the Company is being sought to approve the payment of remuneration to Mrs. Prem Devi Baid (DIN: 00774922), for a period of three years w.e.f April 01, 2025 to March 31, 2028.

Further, the statement as required under Section II, Part II of Schedule V of the Companies Act, 2013 with reference to **Item no. 8** is as follows-

I. General Information

1) Nature of Industry	: Laxmi India Finance Limited (Formerly known as Laxmi India Finance Private Limited) 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 February 07, 2025, classified as NBFC - Investment and Credit Company (NBFC-ICC) under NBFCs-Middle Layer (NBFCs-ML) 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, commercial vehicles (HCV, LCV, MUV, SUV), Tractors, Two-wheelers, Personal and Business Loan.
2) Date or expected date of commencement of commercial production	:The company was incorporated on May 10, 1996 with Registration No. 073074 in the state of New Delhi. Further the company has commenced its business on the same date, i.e. May 10, 1996.
3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	: Not applicable.

4) Financial performance based on given indicators:

(Amount in Lakhs except per share data)

PARTICULARS	Year ended 31st March, 2025	Year ended 31st March, 2024
Revenue from Operations	24,571.26	17,313.75
Other Income	232.51	188.15
Total Expenditure (**excluding Finance Cost & Depreciation)**	8,415.47	6,043.42
Profit Before Finance Cost & Depreciation	**16,388.30**	**11,458.48**
Less: Finance Cost	11,462.74	8,342.05
Less: Depreciation	190.05	152.98
Profit Before Tax	**4,735.51**	**2,963.45**
Total Tax Expenses (Current & Deferred)	1,135.07	716.88
Profit After Taxation	**3,600.44**	**2,246.57**
Other Comprehensive Income (Net of Tax)	-9.42	15.23
Total Comprehensive Income for the period	**3,591.02**	**2,261.80**
APPROPRIATION: -		
Dividend on Equity Shares	-	-
Dividend on Preference Shares	-	-
Tax on Dividend	-	-
Transfer to General Reserve	-	-
Transfer to Statutory Reserve Fund	720.088	449.39
EPS: -		

Basic	8.78	6.11
Diluted	8.78	5.66

5) Foreign Investment or Collaborations: NIL

II. Information about the Appointee – Mrs. Prem Devi Baid, Whole- Time Director

(1) Background Details	Mrs. Prem Devi Baid is an accomplished entrepreneur with over 13 years of experience, having played a pivotal role in the growth and development of several family-owned businesses in India. She has been associated with Laxmi India Finance Limited (formerly Laxmi India Finance Private Limited) since 2011, with a core focus on the Company's Corporate Social Responsibility (CSR) initiatives and strategic planning.
(2) Past Remuneration	FY 2024-2025: 1,38,00,000 FY 2023-2024: 1,43,75,000 FY 2022-2023: 1,24,58,333
(3) Recognition or awards	N/A
(4) Job Profile and her suitability	Mrs. Prem Devi Baid is an accomplished entrepreneur with over 13 years of experience, having played a pivotal role in the growth and development of several family-owned businesses in India. She has been associated with Laxmi India Finance Limited (Formerly known as Laxmi India Finance Private Limited) since 2011, with a core focus on the Company's Corporate Social Responsibility (CSR) initiatives and strategic planning. In addition to her role at Laxmi India Finance Limited, she holds directorship positions in several companies, including Deepak Hitech Motors Private Limited, Dreamland Buildmart Private Limited, and Prem Dealers Private Limited. With a strong focus on sustainable business growth and community welfare, she has played a key role in expanding the family business empire.
(5) Remuneration Proposed	Mrs. Prem Devi Baid shall be entitled to a fixed remuneration up to a maximum of Rs. 5,00,00,000/- (Rupees Five Crores Only) per annum as shall be approved by the Board of Directors from time to time on the recommendation of the Nomination and Remuneration Committee and in accordance with the Nomination, Remuneration and Compensation Policy of the Company.
(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed to be paid to Mrs. Prem Devi Baid is in line with peers in comparable company, keeping in view her job profile, her unmarkable contribution to the company, the size of operations and complexity of business of company.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mrs. Prem Devi Baid has no pecuniary relationship with the Company, other than her remuneration and she is the Promoter and Whole Time Director of the Company, holding 14,13,070 equity shares of the company i.e. 3.38% of the Paid-up capital of the company. Mrs. Prem Devi Baid is related to below-mentioned managerial personnel. 1. Mr. Deepak Baid (Managing Director)- Son of Mrs. Prem Devi Baid.

	2. Mrs. Aneesha Baid (Whole Time Director)-Daughter-in-Law of Mrs. Prem Devi Baid.

III. Other Information

(1) Reasons for loss or inadequate profits	The Company has borrowed funds from financial institutions, banks etc. for enhancing lending capacity and market presence, these funds are crucial for the long-term growth of the Company. The managerial personnel have played a pivotal role in navigating the Company through this transformative phase. Their expertise and leadership are critical for the successful implementation of the expansion project and for steering the Company towards achieving its long-term objectives. The proposed remuneration is essential to recognize their contributions and ensure continuity in leadership.
(2) Steps taken or proposed to be taken for improvement	The Company is focusing on the Lending Capacity and efforts to streamline the operational costs.
(3) Expected increase in productivity and profits in measurable terms	In view of the steps taken by the Company as stated above, the Company believes that there will be significant increase in productivity and profitability in the years to come.

Mrs. Prem Devi Baid is interested in the resolution set out at item no. 8 of the notice. Mr. Deepak Baid, Managing Director and Mrs. Aneesha Baid, Whole Time Director of the company being related to Mrs. Prem Devi Baid, be deemed to be interested in the resolution set out at item no. 8 of the notice. The other relatives of Mrs. Prem Devi Baid may be deemed to be interested in the resolution set out at item no. 8 of the notice to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other directors and Key Managerial Personnel or their relatives is, in any way concerned or interested financially or otherwise in the aforesaid resolution.

The Board of Directors recommends the said resolution as set out in **Item No. 8** of the notice for the approval by the members as **Special Resolution.**

Annexure- A

Information pursuant to clause 1.2.5 of Secretarial Standard on General Meetings (SS-2") issued by the Institute of Company Secretaries of India with respect to Directors being appointed or re-appointed and fixation of remuneration of Directors including Managing Director or Whole Time Director as set out in the Notice of Annual General Meeting

Name of the Director	Mr. Deepak Baid	Mrs. Aneesha Baid	Mrs. Prem Devi Baid	Mr. Kalyanaraman Chandrachoodan	Mr. BrijMohan Sharma
DIN	03373264	07117678	00774922	07712306	09646943
Date of Birth	08/11/1980	10/10/1981	02/02/1950	06-01-1956	23/06/1963
Nationality	Indian	Indian	Indian	Indian	Indian
Age	44 years	43 years	75 years	69 years	61 years
Date of first Appointment on the Board	February 04, 2011	December 31, 2016	February 04, 2011	February 10, 2025	September 28, 2024
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Deepak Baid is related to the below-mentioned managerial personnel of the Company: 1. Mrs. Aneesha Baid (Whole Time Director)- Spouse of Mr. Deepak Baid 2. Mrs. Prem Devi Baid (Whole Time Director)- Mother of Mr. Deepak Baid	Mrs. Aneesha Baid is related to below-mentioned managerial personnel. 1.Mr. Deepak Baid (Managing Director)- Spouse of Mrs. Aneesha Baid 2. Mrs. Prem Devi Baid (Whole Time Director) - Mother-in-Law of Mrs. Aneesha Baid.	Mrs. Prem Devi Baid is related to below-mentioned managerial personnel. 1. Mr. Deepak Baid (Managing Director) - Son of Mrs. Prem Devi Baid. 2. Mrs. Aneesha Baid (Whole Time Director) - Daughter-in-Law of Mrs. Prem Devi Baid.	Not related to Directors, and Key Managerial Personnel	Not related to Directors, and Key Managerial Personnel
Experience	Mr. Deepak Baid is an entrepreneur with over 20 years of experience in the financial services sector.	With over 9 years of experience, Mrs. Aneesha Baid is involved in human resource management of the Company.	Mrs. Prem Devi Baid has over 13 years of experience with the Company, with a key focus on overseeing its Corporate Social Responsibility	Mr. Kalyanaraman Chandrachoodan has overall 33 years of experience with Reserve Bank of India. He has successfully handled the gamut of Central Banking	Mr. BrijMohan Sharma brings a wealth of experience to the banking and financial services sector, with a distinguished career spanning 40 years. He began his journey in 1983 with the erstwhile

			(CSR) initiatives.	Operations (Regulations, Supervision, and Payment Systems).	Oriental Bank of Commerce, and over the decades has accumulated a diverse portfolio of roles and responsibilities.
Qualification(s)	He holds a Bachelor of Commerce (B. Com) degree.	She holds a Bachelor of Commerce (B. Com) degree	She is Secondary School Graduate.	He holds a (MSc) degree from Delhi University, a Diploma in Management (IGNOU) and is also a Certified Associate of the Indian Institute of Bankers (CAIIB).	He holds a B. Com & M. Com degree and is also a Certified Associate of the Indian Institute of Bankers (CAIIB).
Terms and conditions of appointment or re-appointment	NA	NA	NA	The appointment of Mr. Kalyanaraman Chandrachoodan (DIN: 07712306) as Independent Director of the Company for a period of 5(Five) consecutive years from February 10, 2025 to February 09, 2030 be and is hereby approved by the members of the Company.	The appointment of Mr. Brij Mohan Sharma (DIN: 09646943) as Independent Director of the Company for a period of 5(Five) consecutive years from September 28, 2024 to September 27, 2029 be and is hereby approved by the members of the Company.
Remuneration sought to be paid	Ceiling limit of Rs. 5 crore per annum and other terms as mentioned in the resolution No. 6 of this notice.	Ceiling limit of Rs. 5 crore per annum and other terms as mentioned in resolution No. 7 of this notice.	Ceiling limit of Rs. 5 crore per annum and other terms as mentioned in resolution No. 8 above.	Sitting fees as approved by the Board of Directors from time to time as per the provisions of the Companies Act, 2013.	Sitting fees as approved by the Board of Directors from time to time as per the provisions of the Companies Act, 2013.
Remuneration last drawn	Rs. 2,76,00,000	Rs. 1,72,50,000	Rs. 1,38,00,000	NA	Rs 4,20,000 as Sitting Fees.
The number of Meetings of the Board attended during	8	4	2	0	4

the year (Financial Year 2024-25)					
Board Membership of other Companies as on March 31, 2025	1. Dreamland Buildmart Private Limited 2. Deepak Hitech Motors Private Limited 3. Hirak Vinimay Private Limited	1. Hirak Vinimay Private Limited 2. Prem Dealers Private Limited	1. Prem Dealers Private Limited 2. Dreamland Buildmart Private Limited 3. Deepak Hitech Motors Private Limited	1. Auriolus Finvest Private Limited	1. T.T. Limited
Shareholding in the company	73,84,952 equity shares of the company i.e. 17.66% of the Paid-up capital of the company.	22,61,902 equity shares of the company i.e. 5.41% of the Paid-up capital of the company.	14,13,070 equity shares of the company i.e.3.38 % of the Paid-up capital of the company.	NA	NA
Chairmanships/Memberships of the Committees of other Boards	NIL	NIL	NIL	NIL	NIL

FORM NO. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: Laxmi India Finance Limited
(Formerly known as Laxmi India Finance Private Limited)
CIN: U65929RJ1996PLC073074
Registered Office: 2, DFL, Gopinath Marg M.I. Road, Jaipur-302001, Rajasthan

Name of the member (s): …………………………………………………………………………...

Registered address: ………………………………………………………………………………

…………………………………………………………………….. E-mail Id: ……………………………

Client Id: …………………………………………………………………………………………

DP ID: ……………………………………………………………………………………………….

I/We, being the member (s) of ………… shares of the Laxmi India Finance Limited (Formerly known as Laxmi India Finance Private Limited), hereby appoint

Name: ……………………………………………………………………………………………………

Address: …………………………………………………………………………………………………

………………………………………………………………….

E-mail Id……………………………………………. Signature: ………………………………………

or failing him/her

Name: ……………………………………………………………………………………………………

Address: …………………………………………………………………………………………………

………………………………………………………………….

E-mail Id……………………………………………. Signature: ………………………………………

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th AGM of the Company, to be held on **Thursday, June 19, 2025 at 10:00 A.M.** at the registered office of the Company situated at 2, DFL, Gopinath Marg, M.I. Road, Jaipur-302001, Rajasthan, India and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS	FOR	AGAINST
1. TO ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2025 TOGETHER WITH THE REPORT OF BOARD OF DIRECTORS AND AUDITORS THEREON.		
2.TO APPROVE THE RE-APPOINTMENT OF MRS. PREM DEVI BAID (DIN: 00774922) WHOLE-TIME DIRECTOR, WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HERSELF FOR RE-APPOINTMENT		
3.TO APPROVE THE LIMIT FOR ISSUANCE OF NONCONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS		
4.TO APPROVE THE APPOINTMENT OF MR. BRIJ MOHAN SHARMA (DIN: 09646943) AS AN INDEPENDENT DIRECTOR ON THE BOARD OF THE COMPANY		
5. TO APPROVE THE APPOINTMENT OF MR. KALYANARAMAN CHANDRACHOODAN (DIN- 07712306) AS AN INDEPENDENT DIRECTOR ON THE BOARD OF THE COMPANY		
6.TO APPROVE THE REVISION IN THE CEILING LIMIT OF THE REMUNERATION PAYABLE TO MR. DEEPAK BAID, MANAGING DIRECTOR OF THE COMPANY		
7.TO APPROVE THE REVISION IN THE CEILING LIMIT OF THE REMUNERATION PAYABLE TO MRS. ANEESHA BAID, WHOLE-TIME DIRECTOR OF THE COMPANY		
8.TO APPROVE THE REVISION IN THE CEILING LIMIT OF THE REMUNERATION PAYABLE TO MRS. PREM DEVI BAID, WHOLE-TIME DIRECTOR OF THE COMPANY		

Signed this…...........… day of……........… 2025

Please Affix Revenue Stamp of Re. 1

Signature of shareholder………………………

Signature of Proxy holder(s)………………………………….

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

ATTENDANCE SLIP

Name of the Company: Laxmi India Finance Limited
(Formerly known as Laxmi India Finance Private Limited)
Registered Address: 2, DFL, Gopinath Marg M.I. Road, Jaipur-302001, Rajasthan
CIN: U65929RJ1996PLC073074 **Email:** info@lifc.in
Telephone: 0141-4031166 **Website:** www.lifc.co.in

28th Annual General Meeting
Date: Thursday, June 19, 2025 at 10:00 A.M.

DP ID No ……………….……Client ID …………………....
Name of First Named Member/Proxy/Authorized Representative ……………………………………………
Name of Joint Member(s), if any:………………………………………………………………………………
No. of Shares held. ………………………………………………………………………………………………

I/we certify that I/we am/are member(s)/proxy for the member(s) of the company.

I/we hereby record my/our presence at the 28th Annual General Meeting of the company held on **Thursday, June 19, 2025 at 10:00 A.M.** at the Registered Office of the Company situated at 2, DFL, Gopinath Marg, M.I. Road, Jaipur-302001, Rajasthan.

Signature of First holder/Proxy/Authorized Representative…………………….

Signature of 1st Joint holder……………………………
Signature of 2nd Joint holder………………………...

Note(s):

1. Please sign this attendance slip and hand it over to the Attendance Verification Counter at the Meeting Venue.
2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting.

Notes:

BOARD'S REPORT

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

Your Board of Directors **("Board")** are pleased to present the **28th (Twenty Eighth)** Board Report of the business and operations of Laxmi India Finance Limited **("the Company** or **Laxmi India** or **LIFL")** 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, 2025.

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

The Company's financial performance for the Financial Year ended **March 31, 2025** and corresponding figures of FY ended **March 31, 2024** are summarized in the following table:

(Amount in Lakhs except per share data)

PARTICULARS	Year ended 31st March, 2025	Year ended 31st March, 2024
Revenue from Operations	24,571.26	17,313.75
Other Income	232.51	188.15
Total Expenditure (**excluding Finance Cost & Depreciation)**	8,415.47	6,043.42
Profit Before Finance Cost & Depreciation	**16,388.30**	**11,458.48**
Less: Finance Cost	11,462.74	8,342.05
Less: Depreciation	190.05	152.98
Profit Before Tax	**4,735.51**	**2,963.45**
Total Tax Expenses (Current & Deferred)	1,135.07	716.88
Profit After Taxation	**3,600.44**	**2,246.57**
Other Comprehensive Income (Net of Tax)	-9.42	15.23
Total Comprehensive Income for the period	**3,591.02**	**2,261.80**
APPROPRIATION: -		
Dividend on Equity Shares	-	-
Dividend on Preference Shares	-	-
Tax on Dividend	-	-
Transfer to General Reserve	-	-
Transfer to Statutory Reserve Fund	720.088	449.39
EPS: -		
Basic	8.78	6.11
Diluted	8.78	5.66

KEY INDICATORS

- Gross income for the year increased by **41.72%** to Rs. **24803.77** Lakhs as compared to Rs. **17501.90** Lakhs in 2023-24.
- Profit before tax for the year is Rs. **4,735.51**Lakhs as compared to Rs. **2,963.45** Lakhs in 2023-24, showing a significant growth of **37.42 %.**
- Profit after tax for the year is Rs. **3,600.44** Lakhs as compared to Rs. **2,246.57** Lakhs in 2023-24, showing a significant growth of **37.60 %.**

Performance of NBFC Sector in India

The share of NBFCs in systemic credit has steadily increased from 17% in FY19 to a projected 20% by FY27. This trend reflects the growing role of NBFCs in the Indian credit landscape, particularly in addressing credit demand in underserved segments such as microfinance, vehicle loans, and small and medium enterprises. SCBs continue to hold the majority share of systemic credit, maintaining a consistent level of 67–68% between FY19 and FY24, with a slight increase projected to 70% in FY25 through FY27. The proportion of systemic credit derived from market instruments (EC, CP, and CD) has declined from 16% in FY19 to a projected 10% by FY27. NBFCs have shown a steady growth in their credit portfolio, which has risen from Rs 24.6 trillion in Mar'20 to Rs 40.3 trillion in Mar'24 is estimated to reach ₹45.0 trillion by Mar'25.

In spite of pandemic-induced disruptions, NBFCs showed resilience and sustained credit growth. Nonetheless, the pace of growth eased to 6.9% in Mar'22, probably because of the pandemic's lagged effect, increased liquidity tightness, and increased regulatory vigilance to contain credit risk.

There is a strong rebound seen in Mar'23 with NBFC credit sharply increasing to Rs 34.0 trillion and achieving a strong 17.4% Y-o-Y growth. The upward trend persisted through Mar'24, with credit again accelerating to Rs 40.3 trillion, with an annual growth of 18.5% registering the strongest Y-o-Y growth in the period under consideration. The consistent increase in gross credit and the robust Y-o-Y growth rates hint at the evolving role of NBFCs as critical credit providers within the Indian financial ecosystem. The projected Y-o-Y growth of 11.6% by Mar'25 suggests a stable yet slightly decelerating expansion trajectory.

2. BRIEF DESCRIPTION AND STATE OF COMPANY'S AFFAIRS

Your Company is registered as a non-deposit taking Non-Banking Financial Company (NBFC) pursuant to the Certificate of Registration No. B-10.00318 dated February 07, 2025, issued by the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934. It is classified as an NBFC – Investment and Credit Company (NBFC-ICC) under the Middle Layer (NBFCs-ML) in accordance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.With over 20 years of experience in the asset finance business, the Company is primarily engaged in offering a range of lending products including MSME loans, vehicle loans, construction loans, and other credit solutions tailored to meet the diverse financial needs of its customers.

The Company has a network of 158 branches across the states of Rajasthan, Madhya Pradesh, Uttar Pradesh, Gujarat and Chhattisgarh.

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 2024-25 aggregated to **Rs. 71,853 Lakhs** as compared to **Rs. 52,500 Lakhs** in Financial Year 2023-24.

b. Assets Under Management (AUM)

During the period under review, the AUM of the Company stood at **Rs. 1,27,702 Lakhs** as on March 31, 2025 against **96,100 Lakhs** as on March 31, 2024.

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 focus on Commercial Vehicle, Light Commercial Vehicle and Two-Wheeler Loans and developing new products and expanding new horizons. 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 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 increasing its footprints by opening new branches and making it more accessible to its customers.

The Company's total income grew by **41.72 % to Rs. 24,803.77 Lakhs** from **Rs. 17,622.23 Lakhs** during the reporting period. Judicious pricing decisions coupled with alterations in the product mix designed to provide the optimum risk benefit led to an increase in yields during the Financial Year 2024-25.

d. Capital Adequacy

During the financial year under review, the paid-up share capital of the Company increased from Rs. 1986.27 lakhs to Rs. 2090.71 lakhs.

As a result of increased net worth, your Company was able to enhance the Capital to Risk Weighted Assets (CRAR) to **20.80 %** as on March 31, 2025, 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 **19.98 %** and Tier II capital adequacy ratio stood at **0.82 %** respectively.

3. CHANGE IN THE NATURE OF BUSINESS

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

4. DIVIDEND

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

5. 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.

6. 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. 720.09 Lakhs** in the statutory reserves fund i.e. aggregating to 20% of its net profit for the Financial Year 2024-25. Further, your Board of Directors does not propose to transfer any amount to general reserves of the Company.

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 the 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)	Rated	7005
2.	Assignment	Unrated	5115
3.	Non-Convertible Debentures	Rated	3000

No Interest payment or principal repayment of the Term Loans was due and unpaid as on March 31, 2025. 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. 5,115 Lakhs** under Direct Assignment route. In the previous year, the company had assigned a loan portfolio having a total principal amount of **Rs. 6,411 Lakhs** under Direct Assignment route.

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

As on March 31, 2025, the debt-to-equity ratio of the Company stood at **4.41 times** against **3.87 times** as on March 31, 2024. 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**

During the Financial year 2024-25, your company has issued 3000 rated, listed, unsubordinated, secured, transferable, redeemable, taxable, non – convertible debentures (‘NCDs”) denominated in Indian Rupees having a face value of Rs. 1,00,000 (Rupees One Lakhs) each aggregating to Rs. 30,00,00,000/- (Rupees Thirty Crores) on a private placement basis and these NCDs are listed on the Wholesale Debt Market segment of BSE Limited.

As specified in the term sheet, the funds raised from NCDs were utilized to originate small business loans and used commercial vehicle loans. Details of the end use of funds were furnished to the Stock Exchange on a quarterly basis.

The brief details of NCDs issued on a private placement basis during the year 2024-25 are mentioned below:

Sr. No.	ISIN	Date of Issue	Date of Allotment	Secured/ Unsecured	Coupon Rate	Listed/ Unlisted	No. of Debentures	Maturity date	Issue price (in Rs)	Amount (in lakh)
1	INE06WU07064	June 27, 2024	June 28, 2024	Secured	11.487%	Listed	3000	June 28, 2027	1,00,000	3000

The Company has been regular in making payments of principal and interest on all the NCDs issued by the Company on a private placement basis. There are no NCDs which have not been claimed by investors or not paid by the Company after the date on which the NCDs became due for redemption. The assets of the Company which are available by way of security are sufficient to discharge the claims of the debt security holders as and when they become due.

8. CAPITAL STRUCTURE

During the financial year 2024–25, the following changes took place in the Share Capital Structure of the Company:

a) Authorised share capital

The Board of Directors, at its meeting held on November 13, 2024, approved the sub-division of the Company’s existing authorised share capital and consequential amendment of the capital clause in the memorandum of association (“MOA”) of the company subject to the approval of the shareholders. Subsequently, the shareholders, at the Extra-Ordinary General Meeting held on November 16, 2024, approved the sub-division of the authorised share capital of the Company from Rs. 30,00,00,000 (Rupees Thirty Crore), divided into 3,00,00,000 (Three Crore) equity shares having face value of Rs.10 (Rupees Ten) each, to Rs. 30,00,00,000 (Rupees Thirty Crore), divided into 6,00,00,000 (Six Crore) equity shares having face value of Rs. 5 (Rupees Five) each.

b) Issued, Subscribed and Paid -Up share capital

Issue of Equity Shares to the Existing Members of the Company by way of Right Issue on Proportionate Basis

As on March 31,2024 Issued, Subscribed and Paid-up Share Capital of the company was Rs. 19,86,27,880/- (Rupees Nineteen Crore Eighty-Six Lakh Twenty-Seven Thousand Eight Hundred & Eighty) divided into 1,98,62,788 (One Crore Ninety-Eight Lakh Sixty-Two Thousand Seven Hundred and Eighty-Eight) equity shares having face value of Rs. 10 (Ten) each.

During the financial year 2024–25, your company has approved the issue of 13,24,186 (Thirteen Lakh Twenty Four Thousand One Hundred and Eighty Six) Equity Shares on rights basis to the members existing as on record date i.e. 28.06.2024 at a price of Rs.190 per share (comprising a face value of Rs.10 and a premium of Rs.180 per share), for an aggregate cash consideration of Rs. 25,15,95,340/- (Rupees Twenty-Five Crores Fifteen Lakh Ninety-Five Thousand Three Hundred and Forty) in the Board Meeting held on July 08,2024.Further in the Business Operation Committee Meeting of Board of Directors held on August 16, 2024, your Company has allotted 10,44,362 (Ten Lakh Forty-Four Thousand Three Hundred and Sixty-Two) equity shares at a price of Rs.190 per share (comprising a face value of Rs.10 and a premium of Rs.180 per share), for an aggregate cash consideration of Rs.19,84,28,780 (Rupees Nineteen Crores Eighty Four Lakh Twenty Eight Thousand Seven Hundred and Eighty) to existing shareholders who has applied under the rights issue, in proportion to their shareholding in the paid-up share capital of the Company, pursuant to the Letter of Offer dated July 8, 2024. Out of 10,44,362 equity shares 97,474 (Ninety-Seven Thousand Four Hundred and Seventy-Four) equity shares were allotted to Mr. Deepak Baid (Managing Director and Promoter) of the company.

Further, the Board of Directors, at its meeting held on November 13, 2024, approved the sub-division of the Company's existing issued, subscribed and paid-up share capital. Subsequently, the shareholders, at the Extra-Ordinary General Meeting held on November 16, 2024, approved the sub-division of the existing issued, subscribed and paid-up share capital of the Company from Rs. 20,90,71,500 (Rupees Twenty Crore Ninety Lakh Seventy-One Thousand and Five Hundred), divided into 2,09,07,150 (Two Crore Nine Lakh Seven Thousand One Hundred and Fifty) equity shares having face value Rs.10 (Rupees Ten) each, to Rs. 20,90,71,500 (Rupees Twenty Crore Ninety Lakh Seventy-One Thousand and Five Hundred), divided into 4,18,14,300 (Four Crore Eighteen Lakh Fourteen Thousand and Three Hundred) equity shares having face value Rs. 5 (Five) each.

After the above-mentioned changes in the capital structure the Authorized, Issued, Subscribed and Paid-up Share Capital of the Company as on **March 31, 2025,** stood at:

- **Authorised share capital:** 6,00,00,000 (Six Crore) equity shares having face value of Rs. 5 (Five) each amounting to Rs. 30, 00, 00,000/- (Rupees Thirty Crores).
- **Issued, Subscribed and Paid-up Share Capital:** 4,18,14,300 (Four Crore Eighteen Lakh Fourteen Thousand and Three Hundred) equity shares having face value of Rs. 5(Five) each amounting to Rs. 20,90,71,500/- (Rupees Twenty Crore Ninety Lakh Seventy-One Thousand and Five Hundred).

As on March 31, 2025, all the issued Equity shares were held in dematerialized mode. Neither of the shares of the Company are in physical mode. No Equity Shares were issued with differential rights as to dividend, voting or otherwise.

9. 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, 2025.

Particulars	Name of credit Rating Agency	Date of obtaining Rating	Rating valid upto	Rating
Non-Convertible Debentures (NCD)	Acuite Ratings & Research Limited	August 02, 2024	March 08, 2025	A-
Bank Loan	Acuite Ratings & Research Limited	August 02, 2024	March 08, 2025	A-

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 **1434** employees on the rolls of the company as on March 31, 2025 as compared to **1144** as on March 31, 2024.

11. NETWORK EXPANSION (BRANCHES)

The Company is experiencing rapid growth and is continuously expanding its business in the states of Rajasthan, Gujarat, Madhya Pradesh, Chhattisgarh and Uttar Pradesh. During the financial year, the Company opened new branches as follows: **2 branches in Rajasthan, 11 branches in Madhya Pradesh, 7 branches in Gujarat, and 4 branches in Uttar Pradesh**. As of the close of the financial year ending 31st March 2025, the Company operates a total of **158 branches** across these five states. Additionally, during the period under review, the Company closed 1 branch in Gujarat. The details of branches are as mentioned below:

State	Branches
Rajasthan	91
Gujarat	24
Madhya Pradesh	35
Chhattisgarh	4
Uttar Pradesh	4
Total	**158**

Apart from the above branches, we have 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:

HRMS

Loan Origination System (LOS)

AIMS

Dialler

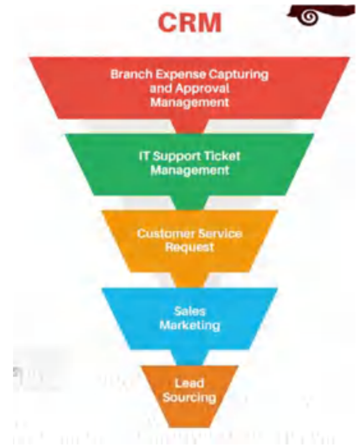
Business 360 MS Dynamic

Laxmi Mitra

Syno LMS

Credit App


SALES APP
04
Paper Less Digital Loan Journey
03
Lead Management System
02
Tracking Customer Loans
01
Intergration Cabilities


CRM
Branch Expense Capturing and Approval Management
IT Support Ticket Management
Customer Service Request
Sales Marketing
Lead Sourcing


MESSAGING & WHATSAPP CHATBOT
• EMI Reminder
• EMI Bounce Alert
• Promotional offer
• New Updates


VENDOR SUITE (LEGAL & TECHNICAL)
Portal For NBFC To Track Vendor TAT
Allocation Of Property Valuation Verification Tasks
Generate Final Report Of Valuation
Internal Approval and Decisioning


VISITOR APP
VISITOR MANAGEMENT
Simplify check-in/out and capture visitor details like name and contact number.
APPOINTMENT BOOKING
Schedule visits with required information.
CUSTOMER DETAILS CAPTURE
Securely collect visitor information for record-keeping.
ALERT NOTIFICATIONS
Keep staff informed of arrivals and changes.
FEEDBACK COLLECTION
Gather visitor feedback for improvement

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 the 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)

As on March 31, 2025, 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.

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

1.Mr. Yaduvendra Mathur who was appointed as Independent Director on the Board of the company for a term of 5(Five) years with effect from May 06, 2022 in the 25th Annual General Meeting held on September 19, 2022 is no longer associated with the company due to his demise on May 04, 2024.

2. Mr. Kishore Kumar Sansi who was re-appointed as Independent Director on the Board of the company for a second term of 5 (Five) consecutive years effective from September 28, 2023 in the 26th Annual General Meeting held on September 19, 2023 resigned from his position as Independent Director with effect from May 06, 2024 due to his other engagements and preoccupations.

3. The Board of Directors of the Company, through a resolution passed by circulation on September 28, 2024, approved the appointment of Mr. BrijMohan Sharma (DIN: 09646943) as an Additional Director (Independent) on the Board of the Company, with effect from September 28, 2024, and he shall hold office upto the date of ensuing Annual General Meeting of the Company. Mr. BrijMohan Sharma was appointed as an Additional Director (Independent) on the Board owing to his distinguished career of over 40 years in the banking and financial services sector, including senior leadership roles in prominent public sector banks. His comprehensive expertise in banking operations, credit, corporate banking, and strategic management will add substantial value to the Board's functioning. He has also been recognized by PFRDA with the "Splendid 7" award for outstanding performance in the Atal Pension Yojana.

4. The Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee through a resolution passed on November 28, 2024, approved the re-appointment of Mr. Anil Balkrishna Patwardhan (DIN: 09441268) as an Independent Director on the Board of the Company for a second term of 5 (Five) consecutive years with effect from December 23, 2024 and the same was approved by the shareholders in their Extra Ordinary General Meeting held on November 29, 2024. Mr. Anil Balkrishna Patwardhan was reappointed as Independent Director on the Board of the Company based on performance evaluation during his first term of three years and valuable contributions during his first term. With 40 years of experience in Credit, Corporate/SME, and International Finance, his continued association is considered beneficial to the Company. He possesses all the requisite qualities to be an Independent Director of the Company.

5. Pursuant to the recommendation of the Nomination & Remuneration Committee, and approval of Board of Directors , and pursuant to the approval granted by Registrar Of Companies dated October 08, 2024 for conversion of the Company from a private limited company to a public limited company, the appointment of Mr. Deepak Baid (DIN: 03373264) as the Managing Director of the Company, for a period of five years from September 28, 2023 to September 27, 2028 was ratified by the members of the company in the Extra Ordinary General Meeting held on November 29, 2024.

6. The Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee through a resolution passed on February 10, 2025, approved the appointment of Mr. Kalyanaraman ChandraChoodan (DIN: 07712306) as an Additional Director (Independent) on the Board of the Company, with effect from February 10, 2025, and he shall hold office upto the date of ensuing Annual General Meeting of the Company. Mr. Kalyanaraman ChandraChoodan was appointed as an Additional Director (Independent) on the Board in view of his extensive experience of nearly 40 years in banking regulation, supervision, compliance, and payment systems. His leadership roles with the RBI, SBI, IMF, and other financial institutions, both in India and internationally, are expected to bring valuable insights and strengthen the Company's governance and regulatory oversight.

The following changes took place in the composition of the Board of the Company after the end of the financial year under review and up to the date of the Board Report:

1.The Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee through a resolution passed on May 19, 2025, approved the reappointment of Mrs. Prem Devi Baid (DIN: 00774922), Whole-Time Director, liable to retire by rotation and being eligible, offering herself for re-appointment subject to the approval of shareholders at the ensuing Annual General Meeting.

2. The Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee through a resolution passed on May 19, 2025, approved the appointment of Mr. Brijmohan Sharma (DIN: 09646943) as an Independent Director on the Board of the company, subject to the approval of shareholders at the ensuing Annual General Meeting.

3. The Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee through a resolution passed on May 19, 2025, approved the appointment of Mr. Kalyanaraman ChandraChoodan (DIN: 07712306) as an Independent Director on the Board of the company, subject to the approval of shareholders at the ensuing Annual General Meeting.

b) Key Managerial Personnel

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

- Mr. Sourabh Mishra, Company Secretary and Compliance Officer of the Company, was appointed as the Chief Compliance Officer ("CCO") by the Board of Directors at their meeting held on February 10, 2025. The appointment was made based on the recommendation of the Nomination and Remuneration Committee and in accordance with the Company's Nomination, Remuneration and Compensation Policy. This appointment was in line with the framework prescribed under the RBI Circular No. DoS.CO.PPG. /SEC.01/11.01.005/2022-23 dated April 11, 2022, which mandates the appointment of a Chief Compliance Officer for Middle Layer NBFCs.

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, 2025:

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 & Chief 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 the 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 and paid the relevant fees. With regard to proficiency of the Independent Directors, ascertained from the online proficiency self-assessment test conducted by the IICA, as notified under sub section (1) of Section 150 of the Companies Act, 2013, the Company has taken on record the declarations/disclosures submitted by Independent Directors that either they are exempt from appearing in the test or they have passed the exam as required by the 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 (including proficiency) for being an Independent Directors of the Company.

d) Statement on Compliance with Code of Conduct by Board of Directors and Senior Management Personnel

Your Company has adopted a Code of Conduct for its Board of Directors and Senior Management Personnel, in accordance with the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Code reflects the Company's commitment to upholding the highest standards of ethical conduct, integrity, compliance, and accountability. It serves as a guiding framework to reinforce our core values and promote a culture of transparency and responsible governance. During the financial year under review, the Board of Directors and Senior Management Personnel have fully complied with the Code of Conduct, both in letter and in spirit. The code of conduct is available on the website of the company at Code-of-conduct-for-BOD-and-SMP.pdf.

e) Separate Meeting of Independent Directors

In compliance with Schedule IV of the Companies Act, 2013 a separate meeting of Independent Directors was held on **Thursday, March 20, 2025** for FY 2024-25, 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.

f) 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, including those proposed for appointment/re-appointment during the financial year under review. 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.

15. FIT AND PROPER CRITERIA

The company has adopted a Fit and Proper Policy, in accordance with Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023, for ascertaining the Fit and Proper criteria of Directors at the time of appointment and on a continuing basis.

Accordingly, 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 Companies Act, 2013.

16. NUMBER OF THE MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met **8 (Eight)** 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 2024-25, the Company held **8 (Eight)** 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 04, 2024	7	6
2.	Friday, June 07, 2024	5	3
3.	Monday, July 08, 2024	5	3
4.	Wednesday, August 07, 2024	5	3
5.	Wednesday, November 13, 2024	6	5
6.	Thursday, November 28, 2024	6	4
7.	Sunday, December 15, 2024	6	5
8.	Monday, February 10, 2025	6	6

17. 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. As on 31st March, 2025, the Board has 12 (Twelve) Committees, namely:

- Audit Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- IT Strategy Committee
- Asset Liability Management Committee
- Corporate Social Responsibility Committee
- Internal Complaint Committee
- Identification Committee

- Review Committee
- IPO Committee
- Stakeholder Relationship Committee
- Committee of the Executives (“COE”)

Furthermore, the Board has established a management sub-committee to support day-to-day operations, enable swift decision-making and promote delegation of authority. Currently, there is one such sub-committee, namely:

- Business Operation Committee

During the year under review, all recommendations made by the committees were accepted by the Board of Directors.

In accordance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, a detailed report on Corporate Governance forming part of this Annual Report is annexed herewith as **Annexure-II** which adheres to Corporate Governance Standards and provides comprehensive information on the various Committees constituted by the Company. The report outlines the composition of each Committee, terms of reference, the frequency of its meetings, the meetings held during the Financial Year under review, and the attendance records for those meetings.

The Composition of Audit Committee pursuant to the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 issued by the Reserve Bank of India and provisions of Section 177 of the Companies Act, 2013 is provided hereunder:

Name of Members	Designation in the company	Member of Committee since	Position held in the Committee
*Mr. Surendra Mehta	Independent Director	23.12.2021	Member
Mr. Anil Balkrishna Patwardhan	Independent Director	23.12.2021	Chairman
Mr. Deepak Baid	Managing Director	23.12.2021	Member
*Mr. BrijMohan Sharma	Additional Director (Independent)	13.11.2024	Member

* During the year, the committee was reconstituted in the Board Meeting held on November 13, 2024, in which Mr. BrijMohan Sharma was appointed as Member of Audit Committee and Mr. Surendra Mehta ceases to be a member of the Committee.

All the recommendations of the Audit Committee were duly approved and accepted by the Board during the Financial Year 2024-25.

18. POLICY ON DIRECTORS’ APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Board of Directors adopted a policy of Nomination and Remuneration which includes the criteria for determining qualifications, positive attributes and Independence of Directors. Further during the Financial Year 2024-25, due to transition of the company from Base Layer to Middle Layer NBFC, Board of Directors in their meeting held on August 07,2024 updated the existing Nomination & Remuneration Policy to incorporate the Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs (“Compensation Guidelines”) as outlined in the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. Consequently, the policy will now be known as the **“Nomination, Remuneration & Compensation Policy”.**

Pursuant to the provisions of Section 134(3)(e) of the Act, the Company's Nomination, Remuneration and Compensation Policy (NRC Policy) on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act is available on the website of the company at https://lifc.co.in/wp-content/uploads/2024/12/Nomination-Remuneration-Compensation-Policy-1.pdf.

Further, the Company has also adopted a 'Fit and Proper' Policy for ascertaining the 'Fit and Proper' criteria of Directors at the time of appointment and on a continuing basis, pursuant to the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by Reserve Bank of India.

19. ANNUAL PERFORMANCE EVALUATION

Pursuant to the provisions of section 178 of the Companies Act, 2013, Securities and Exchange Board of India Guidance Note on Board Evaluation and Guide to Board Evaluation issued by The Institute of Company Secretaries of India, the Board of Directors has carried out an annual performance evaluation of its own performance, its Committees and the Directors individually including Independent Directors based out of the criteria and framework adopted by the Board. A structured questionnaire covering various aspects of evaluation of performance of the Board, its Committees and individual Directors (including independent directors) is put forth for completion of the evaluation process. The Nomination and Remuneration Committee has carried out evaluation of every director's performance. The Board approved the evaluation results as collated by the Nomination and Remuneration Committee ("NRC").

During the year under review, a separate meeting of Independent Directors was held on **Thursday, March 20, 2025** for the Financial Year 2024-25 without the attendance of Non-Independent Directors and members of the Management. At this meeting, the Independent Directors inter alia evaluated the performance of Non-Independent Directors and the Board as a whole, and the performance of Chairperson (i.e. Managing Director who is the generally elected Chairperson of the Board Meeting) taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness flow of information between the Management and the Board which is necessary for the Board to effectively and reasonably perform its duties.

The criteria for performance evaluation of Committees, Board as a whole, Chairpersons, Independent Directors and other Directors provide certain parameters like:

- Participation at the Board / Committee meetings;
- Commitment (including guidance provided to senior management outside of Board/ Committee meetings);
- Effective deployment of knowledge and expertise;
- Updated knowledge/ information pertaining to business of the company;
- Effective management of relationship with stakeholders;
- Integrity and maintaining of confidentiality;
- Independence of behavior and judgment;
- Impact and influence;
- Ability to contribute to and monitor corporate governance practice; and
- Adherence to the code of conduct for independent directors

The Directors expressed their satisfaction on the parameters of evaluation, the implementation of the evaluation exercise and the outcome of the evaluation process.

20. CONVERSION INTO PUBLIC LIMITED COMPANY FROM PRIVATE LIMITED COMPANY

Your company was incorporated as a Private Company which put some restrictions on the company limiting its scope of working. In view of the Company's expanding business and future growth prospects, the Board of Directors considered it appropriate to convert the Company into a Public Limited Company in order to enhance transparency and strengthen public confidence. Consequently, during the year under review, your Company was converted into Public Limited Company and subsequently the name of the Company was changed from **"Laxmi India Finance Private Limited"** to **"Laxmi India Finance Limited"** by deletion of the word "Private" from the name of the Company and consequently adopted new set of Articles of Association of the company and altered the name clause contained in Memorandum of Association of the company. These changes were approved by the Board of Directors in their meeting held on July 08, 2024 which was subsequently approved by the shareholders in the Extra-Ordinary General Meeting held on August 09, 2024.

21. INITIAL PUBLIC OFFER (IPO)

During the year under review, your Company intends to list its equity shares on one or more stock exchanges to enable shareholders to have a formal marketplace for dealing with the Company's equity shares. For this purpose, the Board of Directors in their meeting held on November 28, 2024 has approved the proposal for an **Initial Public Offer** comprising a fresh issue of up to 1,26,00,000 (One Crore Twenty-Six Lakh) Equity shares of the face value of Rs. 5/- (Five) and an offer for sale by existing and eligible shareholder(s) of the Company, who intimate their decision to the Board of Directors of the Company ("**Selling Shareholders**") and the said proposal was subsequently approved by the shareholders of the Company in their extra ordinary general meeting held on November 29, 2024.

In connection with the proposed Initial Public Offer (IPO), the Board of Directors, at its meeting held on December 15, 2024, approved and adopted the Draft Red Herring Prospectus (DRHP) and authorised its filing with the Securities and Exchange Board of India (SEBI), the relevant stock exchanges, and other applicable regulatory authorities. Pursuant to this approval, the DRHP was subsequently filed on December 18, 2024.

22. STATUTORY AUDITORS AND THEIR REPORT

Pursuant to the provisions of section 139 and 141 of the Companies Act, 2013 read with rules made thereunder and based on the recommendation of Audit Committee and Board of Directors, M/s. S.C. Bapna and Associates, Chartered Accountants, (Firm's Registration Number : 115649W) were appointed as Statutory Auditors of the Company, vide Ordinary Resolution passed in the 27th Annual General Meeting held on 29th June, 2024 for a consecutive period of 3 (Three) years till the conclusion of 30th Annual General Meeting to be held in the calendar year 2027 at a remuneration as may be mutually agreed by the Board of Directors and Statutory Auditors from time to time.

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 and RBI Guidelines.

There are no qualifications or adverse remarks in the Auditors' Report on the Financial Statements for the Financial Year 2024-25 which require any clarification/explanation. The Notes on financial statements are self-explanatory and need no further explanation.

23. 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 2024-25 in their Board meeting held on May 04, 2024.

The Secretarial Audit Report in Form MR-3 issued by the Secretarial Auditor is annexed to this Report and marked as **Annexure - V.**

The Report contains one observation relating to a delay in disclosure under Regulation 51 read with Schedule III Part B of SEBI (LODR) Regulations, 2015. The observation pertains to the intimation regarding the appointment of Mr. Brijmohan Sharma as an Additional Director (Independent) on the Board of the Company, which was filed after the prescribed period of twenty-four hours from the occurrence of the event.

Management's Explanation: The delay was inadvertent and occurred as the event coincided with a non-working day (Saturday), which impacted the timely filing of the disclosure. The Company remains committed to regulatory compliance and has taken note of the observation to avoid recurrence of such delays in the future.

24. 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.

25. 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 04, 2024 to conduct internal audit for the Financial Year 2024-25 on such remuneration and by such scope, functioning, periodicity and methodology for conducting the internal audit as may be decided by the Managing Director in consultation with the Internal Auditor. However, Mr. Amit Saini tendered his resignation from the position of Internal Auditor, which became effective from October 1, 2024 and due to this , the Board of Directors, at its meeting held on December 15, 2024, appointed Mrs. Priya Kadyan, Chartered Accountant, as the Internal Auditor of the Company to conduct internal audit 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.

26. 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 the company was not required to maintain cost records.

27. LAXMI INDIA FINANCE LIMITED EMPLOYEES STOCK OPTION SCHEME-2023

The Company had adopted the "Employee Stock Option Scheme–2023" ("ESOS-2023"), which was duly approved by the members at the Annual General Meeting held on September 19, 2023, under the name "Laxmi India Finance Private Limited Employees Stock Option Scheme–2023".

During the financial year under review, the Company was in the process of preparing for an Initial Public Offering (IPO) of its equity shares. As a part of this process and to ensure compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the members of the Company approved a revision to the ESOS-2023 in their meeting held on November 29, 2024. This revision was based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company. Further due to conversion of company from a private limited to public limited company and consequent change in name of the company, the scheme was renamed as **Laxmi India Finance Limited Employees Stock Option Scheme-2023.**

The Nomination & Remuneration Committee, being the administrator under the Scheme, inter-alia, administers and monitors the Scheme in accordance with the provisions of the Act and rules made thereunder. During the year under review, **393283 options** were granted to eligible employees under the Scheme. The details of the Options under the scheme are summarized below:

Options Granted	786566*
Options Vested	-
Options Exercised	-
The total number of shares arising as a result of exercise of option	-
Options Lapsed	36010*

Exercise Price	46
Variations of Terms of Options	No such variation in terms of options
Money realized by exercise of options	-
Total number of options in force as on 31st March, 2025	750556*

*We have given impact of Sub-division of equity shares of the company in the above table.

Employee-wise details of options granted to

a) Key Managerial Personnel:

Sr. No.	Name of Key Managerial Personnel as at 31st March, 2025	No. of Options Granted
1	Mr. Sourabh Mishra – Company Secretary and Chief Compliance Officer	9912
2	Mr. Gopal Krishan Sain – Chief Financial Officer	29280

b) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year: **NIL**

c) Identified employees who were granted Options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: **NIL**

28. 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 annual return of the Company for the Financial Year ended on March 31, 2025 in the prescribed Form MGT-7 is available on the Company's website at Annual Returns | Finance Report | Loan Statement | LIFC

29. 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 in the **Annexure-VI** annexed to this Report.

30. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 ("POSH Act")

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 1 (One) time during the financial year 2024-25 on Friday, March 07, 2025. The composition and attendance details of the Internal Complaints Committee are given below:

Name of Members	**Designation in the Company**	**Position held**	**No. of Committee Meeting held and attended by Member**	
			Entitled to Attend	**Attended**
Mrs. Prem Devi Baid (DIN: 00774922)	Whole Time Director	Presiding Officer	1	1
Mrs. Aneesha Baid (DIN: 07117678)	Whole Time Director	Internal Member	1	1
Ms. Jyoti Kanwar	Employee	Internal Member	1	1
Ms. Anuradha Dubey	Employee	Internal Member	1	1
Mrs. Purnima Golechha	External Member	External Member	1	1

31. 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-VIII.**

32. 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://lifc.co.in/wp-content/uploads/2024/12/Whistle-Blower-Vigil-Mechanism-Policy-1.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.

33. 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.

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

Pursuant to 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. - 5 & 6** to the Audited Financial Statements of the Company.

35. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions entered into by the Company during the financial year 2024-25 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-III.** All the related party transactions as required under Ind-AS-24 are reported in the **Note no- 47** 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://lifc.co.in/wp-content/uploads/2024/12/Related-Party-Transaction-Policy-1.pdf and also forming integral part of the Annual Report as **Annexure- IV.**

36. CORPORATE SOCIAL RESPONSIBILITY INITATIVES

Your Company recognizes Corporate Social Responsibility ("CSR") as a strategic approach to create shared value and contributing to social and environmental well-being through impactful initiatives. Our endeavour is to focus on reaching diverse segments of the society, with socially relevant projects, that benefit these communities and in small ways enhance the quality of their lives.

Composition of Corporate Social Responsibility Committee

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 composition of CSR Committee is as follows:

Name of Member	Position held
Mr. Deepak Baid	Chairman
Mrs. Aneesha Baid	Member
Mr. Surendar Mehta	Member

Corporate Social Responsibility 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://lifc.co.in/wp-content/uploads/2024/12/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 2024-25.

37. RBI GUIDELINES

The Company was registered with Reserve Bank of India (RBI) as a Base Layer Non-Banking Financial Company. During the financial year under review, Board of Directors in their meeting held on August 07,2024 acknowledged that the company has exceeded an asset size of Rs. 1000 crore and therefore has transitioned from Base Layer NBFC to Middle Layer NBFC as per RBI Master Directions. The Company has complied with and continues to comply with all applicable laws, rules, circulars and regulations, including 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, the Company falls under the category of Middle Layer ('NBFC-ML') Pursuant to the Scale Based Regulations, the RBI has classified your Company as NBFC in Middle Layer ("ML"). Your Company has ensured full compliance with various requirements prescribed under SBR for NBFC-ML within the specified timelines including adopting policy for enhanced regulatory framework, Internal Capital Adequacy Assessment Process Policy (ICAAP).

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.

38. 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.

39. 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.

40. 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.

41. 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.

42. 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 were pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) therefore, it is not applicable on the company.

43. 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-VIII.** 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.

44. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to inform that the audited financial statements for the financial year ended March 31, 2025, 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.

45. 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	10	245	242	13
2.	Ground - 2 Staff behaviour	1	2	3	0
3.	Ground - 3 Loan Documents/NOC Required	0	17	17	0
4.	Ground - 4	0	0	0	0
5.	Ground – 5	0	0	0	0
6.	Others	4	77	80	1
	Total	15	341	342	14

46. CORPORATE GOVERNANCE

Your Company believes that a good corporate governance system is necessary to ensure its long-term success. Your Company ensures good governance through the implementation of effective policies and procedures, which are mandated and regularly reviewed by the Board or the Committees of the Board of Directors of the Company. The Company's Board approved Policies has been uploaded on the Company's website and can be accessed at https://lifc.co.in/policies/.

Further pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 your Company is required to frame internal guidelines on corporate governance with the approval of the board of directors of the Company and accordingly your Company has put in place this policy on Corporate Governance ("Corporate Governance Policy") which can be accessed at Corporate-Governance-Policy-1.pdf

In accordance with Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, the Company falls under the category of Middle Layer ('NBFC-ML') based on which the Company shall endeavour to make disclosure in accordance with the requirement of Paragraph C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In compliance with these requirements, the **Report on Corporate Governance** forms an integral part of this Annual Report and is annexed herewith as **Annexure-II**.

47. EMPLOYEE REMUNERTION

Pursuant to Section 2(52) of the Act read with Rule 2A of the Companies (Specification of Definitions Details) Rules, 2014, public companies which have not listed their equity shares on a recognised stock exchange but have listed their non-convertible debt securities issued on private placement basis in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, shall not be considered as listed Company in terms of the Act. Hence, provisions of section 197(12) of the Act read with rules 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are not applicable on the Company.

48. OTHER DISCLOSURES

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

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
For Laxmi India Finance Limited
(Formerly Known as Laxmi India Finance Private Limited)

	Sd/-	**Sd/-**
Date: May 19, 2025	**Deepak Baid**	**Aneesha Baid**
Place: Jaipur	Managing Director	Whole Time Director
Reg. Office: 2, DFL, Gopinath Marg,	DIN:03373264	DIN: 07117678

MI Road, Jaipur – 302001, Rajasthan
CIN: U65929RJ1996PLC073074
Email: info@lifc.in **Website:** www.lifc.co.in

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 improving 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. The 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 2024-25:

S. No.	Areas/Subjects under Schedule VII	CSR Projects undertaken by the company during the FY 2024-25
1.	Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects;	• Supported the distribution of mid-day meals, books, stationery items and sweaters to children through the Gurukul Educational Society. • Provided furniture for students at Rajkiya Uchh Madhamik Vidyalaya, Sirsinghpura. • Contributed towards painting and beautification of PEEO / Mahatma Gandhi Government School, Asalpur, Jaipur. • Contributed speakers to school situated at Rajkiya Uchh Prathmik Vidyalaya, Khuntiya. • Contributed to the repair of the school roof and the painting of school walls to support the creation of a safe and conducive learning environment at *Rajkiya Uchh Prathmik Vidyalaya*, Mohana Ki Dhaani, Sursinghpura. • Contributed towards promotion of education to JITO Administrative Training Foundation (JATF) • Contributed towards setting up seating arrangements for temple pilgrims, with particular attention to the comfort and needs of senior citizens.

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, medicines and donations to elderly individuals through the Mother Teresa Foundation. • Contributed towards organizing health checkups and distributing foods to those in need through Terapanth Yuvak Parishad.
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 towards various activities under HSS Fair 2024.

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 2024-25 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://lifc.co.in/wp-content/uploads/2025/02/Board-and-Committees-1.pdf

(b) **CSR Policy:** https://lifc.co.in/wp-content/uploads/2024/12/Corporate-Social-Responsibility-Policy.pdf

(c) CSR projects: https://lifc.co.in/wp-content/uploads/2025/01/CSR-Annual-Action-Plan-2024-25.pdf

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. 2,301.88 Lakhs
(b)Two percent of average net profit of the Company as per sub-section (5) of section 135: Rs. 46.04 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: Nil

(e) Total CSR obligation for the financial year [(b) +(c)-(d)]: Rs. 46.04 Lakhs

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Rs 46.67 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. 46.67 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
46.67	**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	46.04
(ii)	Total amount spent for the financial year	46.67
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.64
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	0.64

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 Limited
(Formerly known as Laxmi India Finance Private Limited)

	Sd/-	**Sd/-**
Date: May 19, 2025	**Deepak Baid**	**Aneesha Baid**
Place: Jaipur	Managing Director and Chairman of CSR Committee	Whole Time Director and Member of CSR Committee
	DIN:03373264	DIN: 07117678

Registered Office: 2, DFL, Gopinath Marg, MI Road, Jaipur – 302001, Rajasthan
CIN: U65929RJ1996PLC073074
Email: info@lifc.in **Website:** www.lifc.co

ANNEXURE-II

REPORT ON CORPORATE GOVERNANCE

Pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, the Company falls under the category of Middle Layer (hereinafter referred to as 'NBFC-ML') based on which the Company shall endeavour to make full disclosure in accordance with the requirement of Paragraph C of Schedule V of SEBI LODR. Accordingly, this report is prepared in accordance with the relevant provisions of Paragraph C of Schedule V of SEBI LODR to the extent applicable.

1.COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company remains committed to its long-term goals, grounded in financial discipline, ethical conduct, transparency, and trust. Governance practices are deeply embedded in the organization's culture, ensuring fair consideration of all stakeholder interests. Guided by a diverse and experienced Board, supported by its committees and robust governance mechanisms, the Company discharges its fiduciary responsibilities effectively. All operations are conducted in a compliant and well-governed manner, with a continued focus on maximizing stakeholder value. The Company believes that a good corporate governance system is necessary to ensure its long-term success. The Company ensures good governance through the implementation of effective policies and procedures, which are mandated and reviewed by the Board or the Committees of the Board of Directors of the Company. The Company's Board approved policies has been uploaded on the Company's website and can be accessed at https://lifc.co.in/policies/

Further pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 your Company is required to frame internal guidelines on corporate governance with the approval of the board of directors of the Company and accordingly your Company has put in place this policy on Corporate Governance ("Corporate Governance Policy") which can be accessed at Corporate-Governance-Policy-1.pdf

2. BOARD OF DIRECTORS

The Board of Directors of the company comprises of distinguished professionals with expertise across key areas such as Accountancy, Banking, Finance, Information Technology, Economics, Management, Risk Management, and Business Strategy. The Board plays a pivotal role in providing strategic direction and oversight. It meets regularly to deliberate on policy formulation, strategic planning, performance evaluation, governance matters, and key business and regulatory issues.

a) Composition of the Board

Our company has an optimal mix of Executive and Non-Executive Independent Directors on its Board to ensure high quality of governance and effective functioning of the board and is in conformity with provisions of the Companies Act 2013, rules made thereunder and RBI Master Directions. As on March 31, 2025, 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. All the Directors possesses requisite qualifications and experience in general corporate management, risk management, banking, finance, economics, analytics, human resource management, compliance, payment system and other allied fields which enable them to contribute effectively to the Company by providing valuable guidance and expert advice to the management and enhancing the quality of the Board's decision-making processes. The brief profiles of the directors can be accessed at https://lifc.co.in/promoters-directors/

The following table lays down the composition and category of Directors including their date of appointment, DIN, other directorships including names of listed companies where they serve as directors, Committee positions held by them in other Companies and their shareholding as on March 31, 2025 in the Company:

Name of Directors, Designation and DIN	Category (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Director Since	No. of Shares and convertible instruments held	Total no. of Directorships and Committee Positions held			Directorships in other listed Companies	
				[1]Directorship	[2]Committee Membership	[2]Committee Chairpersonhip	Name of Equity Listed Companies	Category of Directorship
Mr. Deepak Baid Managing Director DIN:03373264	Promoter Executive Director	04/02/2011	73,84,952	4	2	NIL	NIL	NIL
Mrs. Aneesha Baid Whole Time Director DIN:07117678	Promoter Executive Director	31/12/2016	22,61,902	2	1	NIL	NIL	NIL
Mrs. Prem Devi Baid Whole Time Director DIN:00774922	Promoter Executive Director	4/02/2011	14,13,070	3	NIL	NIL	NIL	NIL
Mr. Surendra Mehta Independent Director DIN:00298751	Non-Executive Independent Director	31/12/2016	NIL	1	1	1	NIL	NIL
Mr. Anil Balkrishna Patwardhan Independent Director DIN:09441268	Non-Executive Independent Director	23/12/2021	NIL	-	1	1	NIL	NIL
Mr. BrijMohan Sharma Additional Director (Independent) DIN:09646943	Non-Executive Additional Director (Independent)	28/09/2024	NIL	1	1	NIL	T.T. Limited	Independent Director
Mr. Kalyanaraman Chandrachoodan Additional Director (Independent) DIN:07712306	Non-Executive Additional Director (Independent)	10/02/2025	NIL	1	NIL	NIL	NIL	NIL

Notes:

1.The total number of Directorships of a Director excludes his/her Directorships in the Company, Section 8 Companies and Foreign Companies.

2.Audit Committee and Stakeholders Relationship Committee have been considered for Chairpersonship/ Membership of Directors.

None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director by the Ministry of Corporate Affairs, the Securities and Exchange Board of India, the Reserve Bank of India or any such statutory authority.

b) Declaration From Independent Directors

The Company has received declarations from all its Independent Directors affirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013, along with the applicable rules framed thereunder. Based on these declarations and the accompanying disclosures, the Board has reviewed and taken them on record. Upon such review, the Board is satisfied with the veracity of the submissions and has concluded that all Independent Directors are individuals of integrity, possessing the requisite expertise, proficiency, and experience necessary to qualify and continue as Independent Directors of the Company. Furthermore, the Board affirms that they remain independent of the management.

Further the Independent Directors has declared that they are not appointed as an Independent Director on the Board of more than 3 (Three) NBFCs (NBFC-ML or NBFC-UL) pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

c) Fit and Proper Criteria

The company has adopted a Fit and Proper Policy, in accordance with Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023, for ascertaining the Fit and Proper criteria of Directors at the time of appointment and on a continuing basis.

Accordingly, 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 Companies Act, 2013.

d) Relationship between our Directors

There is no relationship between the Directors inter-se except Mr. Deepak Baid, Managing Director being the son of Mrs. Prem Devi Baid, Whole Time Director of the company and spouse of Mrs. Aneesha Baid, Whole Time Director of the Company.

e) Presence/Attendance of Directors in the meeting

The attendance of each Director at Board meetings held during the Financial Year 2024-25 and the Annual General Meeting (AGM') held on June 29, 2024 are as below:

S. No.	Name of Director	Board Meeting			Attended AGM held on June 29,2024
		No of Meeting entitled to attend	No of Meeting attended	%	
1.	Mr. Deepak Baid (DIN:03373264)	8	8	100	YES

2.	Mrs. Aneesha Baid (DIN: 07117678)	8	4	50	YES
3.	Mrs. Prem Devi Baid (DIN: 00774922)	8	2	25	YES
4.	Mr. Surendra Mehta (DIN:00298751)	8	8	100	YES
5.	[1]Mr. Kishore Kumar Sansi (DIN:07183950)	1	1	100	NA
6.	Mr. Anil Balkrishna Patwardhan (DIN:09441268)	8	8	100	NO
7.	[2]Mr. BrijMohan Sharma (DIN: 09646943)	4	4	100	NA
8.	[2]Mr. Kalyanaraman Chandrachoodan (DIN: 07712306)	-	-	-	NA
9.	[1]Mr. Yaduvendra Mathur (DIN:00307650)	1	-	-	NA

[1] Mr. Kishore Kumar Sansi resigned from his position as Independent Director with effect from May 06, 2024. Additionally, Mr. Yaduvendra Mathur is no longer associated with the company due to his demise on May 04, 2024 and due to this he was not present in the Board Meeting held on May 04, 2024.

[2]Mr. BrijMohan Sharma was appointed on the Board of the Company as Additional Director (Independent) with effect from September 28, 2024 and Mr. Kalyanaraman Chandrachoodan was appointed on the Board of the Company as Additional Director (Independent) with effect from February 10, 2025.

f) Changes in Composition of the Board

The following changes took place in the composition of the Board of Directors during the previous financial year:

SI.NO.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment/re-appointment)	Effective Date
1.	[1]Mr. Kishore Kumar Sansi (DIN: 07183950)	Non-Executive Independent Director	Reappointment	September 28, 2023
2.	[2]Mr. Deepak Baid (DIN: 03373264)	Promoter Managing Director	Reappointment	September 28, 2023

Notes:

1. The Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee through a resolution passed on August 12, 2023, approved the re-appointment of Mr. Kishore Kumar Sansi (DIN: 07183950) as an Independent Director on the Board of the Company for a second term of 5 consecutive years with effect from September 28, 2023 to September 27, 2028 and the same was approved by the shareholders in the Annual General Meeting held on September 19, 2023. Mr. Kishore Kumar Sansi was reappointed as Independent Director on the Board of the company based on performance evaluation during his first term of five years and valuable contributions during his first term.

2. The Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee through a resolution passed on May 06, 2023, approved the re-appointment of Mr. Deepak Baid (DIN: 03373264) as Managing Director on the Board of the Company for a second term of 5 consecutive years with effect from September 28, 2023 to September 27, 2028. Mr. Deepak Baid was reappointed as Managing Director on the Board of the company owing to his years of experience.

Further, in the opinion of the Board his dynamic vision, strategic focus and entrepreneurial skills will continue to accelerate the growth of company business in demanding markets and competitive scenarios.

The following changes took place in the composition of the Board of Directors during the financial year under review:

SI.NO.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment/re-appointment)	Effective Date
1.	[1]Mr. Yaduvendra Mathur (DIN: 00307650)	Non-Executive Independent Director	Death	May 04, 2024
2.	[2]Mr. Kishore Kumar Sansi (DIN: 07183950)	Non-Executive Independent Director	Resignation	May 06, 2024
3.	[3]Mr. BrijMohan Sharma (DIN: 09646943)	Non-Executive Additional Director (Independent)	Appointment	September 28, 2024
4.	[4]Mr. Anil Balkrishna Patwardhan (DIN:09441268)	Non-Executive Independent Director	Re-appointment	December 23, 2024
5.	[5]Mr. Kalyanaraman Chandrachoodan (DIN: 07712306)	Non-Executive Additional Director (Independent)	Appointment	February 10, 2025

Notes:

1.Mr. Yaduvendra Mathur who was appointed as Independent Director on the Board of the company for a term of 5(Five) years with effect from May 06, 2022 in the 25th Annual General Meeting held September 19, 2022 is no longer associated with the company due to his demise on May 04, 2024.

2. Mr. Kishore Kumar Sansi who was re-appointed as Independent Director on the Board of the company for a second term of 5 (Five) consecutive years effective from September 28, 2023 in the 26th Annual General Meeting held on September 19, 2023 resigned from his position as Independent Director with effect from May 06, 2024 due to his other engagements and preoccupations and as confirmed by the director there were no other material reasons of his resignation other than those provided by the director.

3. The Board of Directors of the Company, through a resolution passed by circulation on September 28, 2024, approved the appointment of Mr. BrijMohan Sharma (DIN: 09646943) as an Additional Director (Independent) on the Board of the Company, with effect from September 28, 2024, and he shall hold office upto the date of ensuing Annual General Meeting of the Company. Mr. BrijMohan Sharma was appointed as an Additional Director (Independent) on the Board owing to his distinguished career of over 40 years in the banking and financial services sector, including senior leadership roles in prominent public sector banks. His comprehensive expertise in banking operations, credit, corporate banking, and strategic management will add substantial value to the Board's functioning. He has also been recognized by PFRDA with the "Splendid 7" award for outstanding performance in the Atal Pension Yojana.

4. The Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee through a resolution passed on November 28, 2024, approved the re-appointment of Mr.

Anil Balkrishna Patwardhan (DIN: 09441268) as an Independent Director on the Board of the Company for a second term of 5 consecutive years with effect from December 23, 2024 and the same was approved by the shareholders in their Extra Ordinary General Meeting held on November 29, 2024. Mr. Anil Balkrishna Patwardhan was reappointed as Independent Director on the Board of the Company based on performance evaluation during his first term of three years and valuable contributions during his first term. With 40 years of experience in Credit, Corporate/SME, and International Finance, his continued association is considered beneficial to the Company. He possesses all the requisite qualities to be an Independent Director of the Company.

5. The Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee through a resolution passed on February 10, 2025, approved the appointment of Mr. Kalyanaraman ChandraChoodan (DIN: 07712306) as an Additional Director (Independent) on the Board of the Company, with effect from February 10, 2025, and he shall hold office upto the date of ensuing Annual General Meeting of the Company. Mr. Kalyanaraman ChandraChoodan was appointed as an Additional Director (Independent) on the Board in view of his extensive experience of nearly 40 years in banking regulation, supervision, compliance, and payment systems. His leadership roles with the RBI, SBI, IMF, and other financial institutions, both in India and internationally, are expected to bring valuable insights and strengthen the Company's governance and regulatory oversight.

g) Core Skills/ Expertise/ Competencies of the Board of the Company

The Board comprises members with the appropriate qualifications, experience, and competencies that enable them to contribute effectively to the deliberations and decision-making processes during Board and Committee meetings. In this context, the following matrix outlines the key skills, expertise, and competencies identified as essential for the Company's effective functioning, considering the nature of its business and industry, along with those currently represented within the Board:

Core Skills/ Expertise/ Competencies	**Board of Directors**						
	1	**2**	**3**	**4**	**5**	**6**	**7**
	Mr. Deepak Baid	**Mrs. Aneesha Baid**	**Mrs. Prem Devi Baid**	**Mr. Surendra Mehta**	**Mr. Anil Balkrishna Patwardhan**	**Mr. BrijMohan Sharma**	**Mr. Kalyanaraman Chandrachoodan**
Technical Skills							
Accounting and Finance	√			√	√	√	√
Legal and Compliance	√			√	√	√	√
Information Technology and Digital	√	√		√	√	√	√
Strategic Development and Execution	√	√	√	√	√	√	√
Industry Experience							
Financial Services sector in India	√	√	√	√	√	√	√

Knowledge of NBFC Sector	√	√	√	√	√	√	√
Personal Attribute							
Analytical skills to diagnose situation	√	√	√	√	√	√	√
Innovative thinker/ Visionary	√	√	√	√	√	√	√
Mentor	√	√	√	√	√	√	√

h) Meeting of Independent Directors

In compliance with Schedule IV of the Companies Act, 2013 a separate meeting of Independent Directors was held on **Thursday, March 20, 2025** for FY 2024-25, 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.

3. COMMITTEES OF THE BOARD AND THEIR COMPOSITION

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. As on 31st March, 2025, the Board has 12 (Twelve) Committees, namely:

- Audit Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- IT Strategy Committee
- Asset Liability Management Committee
- Corporate Social Responsibility Committee
- Stakeholder Relationship Committee
- Identification Committee
- Review Committee
- IPO Committee
- Internal Complaint Committee
- Committee of the Executives ("COE")

During the Financial Year 2024-25, no instances have been observed where the Board has not accepted the recommendations of any of its committee.

Furthermore, the Board has established a management sub-committee to support day-to-day operations, enable swift decision-making, and promote delegation of authority. Currently, there is one such sub-committee, namely:

- Business Operation Committee

a) AUDIT COMMITTEE

The Audit Committee ('AC' or 'Committee') of the Board is constituted in compliance with the requirements of Regulation 94 of Chapter – XI Governance Guidelines of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 issued by the Reserve Bank of India and provisions of section 177 of Companies Act, 2013 read with the rules made thereunder.

Composition and Attendance:

As on March 31,2025, 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. BrijMohan Sharma 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.

During the year under review, 6 (Six) Audit Committee Meetings were convened and were held on Friday, May 03, 2024, Friday, June 07, 2024, Tuesday, August 06, 2024, Tuesday, November 12, 2024, Sunday, December 15, 2024 and Saturday, February 08, 2025.

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 Committee members	Designation in the company	Member of Committee since	Position held in the Committee	No. of Meetings of the Committee		No. of shares held in NBFC
				Entitled to attend	Attended	
*Mr. Surendra Mehta	Independent Director	23.12.2021	Member	4	4	NIL
Mr. Anil Balkrishna Patwardhan	Independent Director	23.12.2021	Chairman	6	6	NIL
Mr. Deepak Baid	Managing Director	23.12.2021	Member	6	6	73,84,952
*Mr. BrijMohan Sharma	Additional Director (Independent)	13.11.2024	Member	2	2	NIL

* During the year, the committee was reconstituted in the Board Meeting held on November 13, 2024, in which Mr. BrijMohan Sharma was appointed as Member of Audit Committee and Mr. Surendra Mehta ceases to be a member of the Committee.

Brief Terms of reference of the Committee:

During the financial year under review, the terms of reference of the Audit Committee (AC), as outlined in its Charter, were revised in Board Meeting held on November 13,2024 to align the Committee's governance practices with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This revision was undertaken to ensure that the functioning of the Audit Committee remains consistent with SEBI LODR norms, in view of the Company's ongoing preparations for public listing.

The brief terms of reference of Audit Committee are as follows:

- Oversight of financial reporting and disclosures to ensure accuracy and compliance.
- Recommendation and remuneration of statutory auditors and monitoring their independence and performance.
- Review and approval of financial statements (quarterly, half-yearly, and annual) and related disclosures.
- Evaluation of internal control systems, risk management, and internal audit effectiveness.
- Approval and review of related party transactions, including those involving subsidiaries.
- Monitoring use of funds raised through public issues and other financial arrangements.
- Oversight of whistle-blower and vigil mechanisms and addressing issues of fraud or irregularity.
- Review of inter-corporate loans/investments, asset valuations, and significant transactions.
- Review of compliance matters and functioning as a Compliance Committee.
- Approval of CFO appointment and assessment of finance function adequacy.
- Consideration of mergers, demergers, and other corporate restructuring proposals.

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

b) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC' or 'Committee') of the Board is constituted in compliance with the requirements of Regulation 94 of Chapter – XI Governance Guidelines of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 issued by the Reserve Bank of India and section 178 of the Companies Act, 2013 read with the rules made thereunder.

Composition and Attendance:

As on March 31, 2025, the Nomination and Remuneration Committee of the Company comprised of 3 (Three) members, in accordance with provisions of Section 178 of the Companies Act, 2013 read with rules thereto. The Committee is chaired by Mr. Surendra Mehta and Mr. Anil Balkrishna Patwardhan and Mr. BrijMohan Sharma are its members.

During the year under review 3 (Three) NRC meetings were convened and held on Friday, May 03, 2024, Thursday, November 28, 2024 and Saturday, February 08, 2025.

The required quorum was present for all the Nomination and Remuneration Committee meetings. The Composition and attendance details of the members of the Nomination and Remuneration Committee are given below:

Name of Committee Members	Designation in the Company	Member of the Committee since	Position held in the Committee	No. of Meetings which Committee Member was entitled to attend		No. of shares held in NBFC
				Entitled to attend	Attended	
Mr. Surendra Mehta	Independent Director	23.12.2021	Chairman	3	3	NIL

*Mr. Anil Balkrishna Patwardhan	Independent Director	22.10.2024	Member	2	2	NIL
*Mr. Yaduvendra Mathur	Independent Director	06.05.2022	Member	1	-	NIL
*Mr. Kishore Kumar Sansi	Independent Director	12.08.2023	Member	1	1	NIL
*Mr. Brijmohan Sharma	Additional Director (Independent)	22.10.2024	Member	2	2	NIL

* During the year, the committee was re-constituted by passing circular resolution on October 22, 2024, in which Mr. Brij Mohan Sharma and Mr. Anil Balkrishna Patwardhan were appointed as members of the committee and Mr. Yaduvendra Mathur ceases to be a member of the committee due to his demise on May 04, 2024 and Mr. Kishore Kumar Sansi ceases to be a member of the Committee due to his resignation with effect from May 06, 2024.

Brief Terms of reference of the Committee:

During the financial year under review, the terms of reference of the Nomination and Remuneration Committee (NRC), as outlined in its Charter, were revised in Board Meeting held on November 13,2024 to align the Committee's governance practices with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015. This revision was undertaken to ensure that the functioning of the Nomination and Remuneration Committee remains consistent with SEBI LODR norms, in view of the Company's ongoing preparations for public listing.

The brief terms of reference of the Nomination and Remuneration Committee are as follows:

- The Committee is responsible for formulating criteria for determining qualifications, positive attributes, and independence of directors, and recommending a policy relating to the remuneration of directors, key managerial personnel, and other employees.
- It evaluates the balance of skills, knowledge, and experience on the Board for the appointment of Independent Directors and prepares a description of the role and capabilities required. The Committee may use external agencies, consider a diverse range of candidates, and take into account their time commitments.
- It also formulates criteria for evaluating the performance of the Board and Independent Directors and devises a policy on Board diversity.
- The Committee identifies and recommends individuals qualified to be appointed as directors or in senior management positions and advises the Board on their appointment and removal.
- Based on performance evaluation reports, it decides whether to extend or continue the term of Independent Directors.
- It recommends the overall remuneration payable to senior management and ensures that the Remuneration Policy is reasonable and sufficient to attract and retain talent, links remuneration to performance, and maintains a balance between fixed and incentive-based pay aligned with Company goals.
- The Committee performs functions as required under SEBI's Share Based Employee Benefits and Sweat Equity Regulations, including administration of employee stock option plans, determining eligibility, grant dates, exercise price, number of options, and interpreting the scheme and related agreements.
- It frames policies and systems to prevent violations of securities laws, including insider trading and unfair trade practices regulations.
- Additionally, it performs any other duties delegated by the Board or required under the Companies Act, SEBI Listing Regulations, or other applicable laws and regulations.

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Board of Directors adopted a policy of Nomination and Remuneration which includes the criteria for determining qualifications, positive attributes and Independence of Directors. Further during the Financial Year 2024-25, due to transition of the company from Base Layer to Middle Layer NBFC, Board of Directors in their meeting held on August 07,2024 updated the existing Nomination & Remuneration Policy to incorporate the Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs ("Compensation Guidelines") as outlined in the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. Consequently, the policy will now be known as the **"Nomination, Remuneration & Compensation Policy".**

Pursuant to the provisions of Section 134(3)(e) of the Act, the Company's Nomination, Remuneration and Compensation Policy (NRC Policy) on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act is available on the website of the company at https://lifc.co.in/wp-content/uploads/2024/12/Nomination-Remuneration-Compensation-Policy-1.pdf.

c) RISK MANAGEMENT COMMITTEE

The Company has constituted its Risk Management Committee ('RMC' or 'Committee') in compliance with the requirements of Regulation 39 of Chapter – VI Governance Guidelines of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19,2023 issued by the Reserve Bank of India. The object of the Risk Management Committee is to frame, implement and monitor the risk management plans for the Company, including identification therein for elements of risk 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 VII.**

Composition and attendance:

The Risk Management committee met 4 (Four)times during the financial year 2024-25 on Tuesday, April 09, 2024, Tuesday, August 06, 2024, Tuesday, November 12, 2024 and Monday, February 10, 2025 to discharge its functions. The Composition and attendance details of the members of the Risk Management Committee are given below:

Name of Committee Members	Designation in the Company	Member of the Committee since	Position held in the Committee	No. of Meetings which Committee Member was entitled to attend		No. of shares held in NBFC
				Entitled to attend	Attended	
Mr. Deepak Baid	Managing Director	19.05.2019	Member	4	4	73,84,952
Mr. Anil Balkrishna Patwardhan	Independent Director	12.08.2023	Member	4	3	NIL
*Mr. Surendra Mehta	Independent Director	19.05.2019	Chairman	4	4	NIL

*Mr. Kishore Kumar Sansi	Independent Director	12.08.2023	Chairman	1	1	NIL

*During the year committee was reconstituted in the Board Meeting held on August 07, 2024 in which Mr. Surendra Mehta was redesignated as Chairman of the Committee and Mr. Kishore Kumar Sansi ceases to be a member of the committee due to his resignation with effect from May 06, 2024.

Brief Terms of reference of the Committee:

During the financial year under review, the terms of reference of the Risk Management Committee (RMC), as outlined in its Charter, were revised in Board Meeting held on November 13, 2024 to align the Committee's governance practices with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This revision was undertaken to ensure that the functioning of the Risk Management Committee remains consistent with SEBI LODR norms, in view of the Company's ongoing preparations for public listing.

The brief terms of reference of the Risk Management Committee are as follows:

- Formulation of a detailed risk management policy which shall include:
  a) a framework for identification of internal and external risks specifically faced by the Company, 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 Risk Management Committee;
  b) measures for risk mitigation including systems and processes for internal control of identified risks;
  c) business continuity plan.
- Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitoring and overseeing the implementation of the risk management policy, including evaluation of the adequacy of risk management systems;
- Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee; and
- To carry out any other function as may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the Listing Regulations, the Master Directions, the listing agreements to be entered into between the Company and the respective stock exchanges on which the Equity Shares of the Company are proposed to be listed and/or any other applicable laws.
- 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;
- Assessment of the Company's risk profile and key areas of risk in particular;
- Recommendation to the Board and adopting risk assessment and rating procedures;
- Examining and determining the sufficiency of the Company's internal process for reporting on and managing key risk areas;
- Assessing and recommending to the Board acceptable level of risk;

d) IT STRATEGY COMMITTEE

The Company has constituted this committee in accordance with the Master Direction – Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023 notified on November 07, 2023 (effective from April 01, 2024) as amended from time to time, issued by the Reserve Bank of India. 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 2024-25 on Thursday, May 02, 2024, Monday, August 05, 2024, Thursday, November 14, 2024 and Saturday, February 08, 2025 to discharge its functions. The Composition and attendance details of the members of the IT Strategy committee are given below:

Name of Committee Members	Designation in the Company	Member of the Committee since	Position held in the Committee	No. of Meetings which Committee Member was entitled to attend		No. of shares held in NBFC
				Entitled to attend	Attended	
Mr. Surendra Mehta	Independent Director	31.08.2021	Chairman	4	4	NIL
*Mr. Sunil Kumar Verma	Chief Information Officer (CIO)	31.08.2021	Member	3	3	NIL
*Mr. Yaduvendra Mathur	Independent Director	12.08.2023	Chairman	1	-	NIL
*Mr. Hemant Singh Chouhan	Chief Technology Officer (CTO)	06.08.2022	Member	2	2	NIL
*Mr. Hari Shankar Yadav	IT Member	12.08.2023	Member	3	3	NIL
*Mr. Deepak Baid	Managing Director	10.02.2024	Member	4	4	73,84,952
*Mr. Anil Balkrishna Patwardhan	Independent Director	07.08.2024	Member	2	1	NIL

*During the year, the committee was reconstituted in the Board Meeting held on August 07, 2024 in which Mr. Anil Balkrishna Patwardhan was appointed as member of the committee, Mr. Surendra Mehta was redesignated as Chairman of the Committee and Mr. Yaduvendra Mathur ceases to be a member of the Committee due to his demise on May 04, 2024. The Committee was further re-constituted in the Board Meeting held on November 28, 2024 in which Mr. Sunil Kumar Verma, Mr. Hemant Singh Chouhan and Mr. Hari Shankar Yadav ceases to be a member of the Committee.

Brief Terms of reference of the Committee:

The brief terms of reference of the IT Strategy Committee are as follows:

- 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).

e) Asset Liability Management Committee (ALCO)

The Company has constituted the Asset Liability Management Committee in accordance with guidelines on Liquidity Risk Management 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 dated October 19, 2023 issued by the Reserve Bank of India .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 Thursday, May 02, 2024, Monday, August 05, 2024, Thursday, November 14, 2024 and Monday, February 10, 2025 to discharge its functions. The Composition and attendance details of the members of the Asset Liability Management Committee are given below:

Name of Committee Members	Designation in the Company	Member of the Committee since	Position held in the Committee	No. of Meetings which Committee Member was entitled to attend		No. of shares held in NBFC
				Entitled to attend	Attended	
Mr. Deepak Baid	Managing Director	19.05.2019	Chairman	4	4	73,84,952
Mrs. Aneesha Baid	Whole Time Director	19.05.2019	Member	4	4	22,61,902
Mr. Surendra Mehta	Independent Director	19.05.2019	Member	4	4	NIL

Brief Terms of reference of the Committee:

The brief terms of reference of the Asset Liability Management Committee are as follows:

- Understanding business requirement and devising appropriate pricing strategy
- Management of profitability by maintaining relevant Net interest margin (NIM);
- Ensuring Liquidity through maturity matching;
- Ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the Company;

- Management of balance sheet in accordance with internal policies and applicable regulatory requirements
- Ensure the efficient implementation of balance sheet management policies as directed by ALCO;
- Review reports on liquidity, market risk and capital management

f) Corporate Social Responsibility (CSR) Committee

The Board of the Company has constituted a Corporate Social Responsibility ("CSR") Committee in accordance with the applicability of provisions of Section 135 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, to govern the activities and implementation of CSR by the Company.

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://lifc.co.in/wp-content/uploads/2024/12/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.

Composition and Attendance:

During the financial year 2024-25, 01 (One) meeting of CSR Committee was held on Thursday, May 02, 2024. The Composition and attendance details of the members of the CSR Committee are given below:

Name of Committee Members	Designation in the Company	Member of the Committee since	Position held in the Committee	No. of Meetings which Committee Member was entitled to attend		No. of shares held in NBFC
				Entitled to attend	Attended	
Mr. Deepak Baid	Managing Director	04.06.2018	Chairman	1	1	73,84,952
Mrs. Aneesha Baid	Whole Time Director	04.06.2018	Member	1	1	22,61,902
Mr. Surendra Mehta	Independent Director	04.06.2018	Member	1	1	NIL

Brief Terms of reference of the Committee:

During the financial year under review, the terms of reference of the Corporate Social Responsibility Committee (CSR), as outlined in its Charter, were revised in Board Meeting held on November 13, 2024 to align the Committee's governance practices with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This revision was undertaken to ensure that the functioning of the Corporate Social Responsibility Committee remains consistent with SEBI LODR norms, in view of the Company's ongoing preparations for public listing.

The brief terms of reference of the Corporate Social Responsibility Committee are as follows:

- Formulate and recommend the CSR Policy and annual action plan in line with Schedule VII of the Companies Act, 2013.
- Recommend CSR activities and the amount of expenditure to be incurred.
- Monitor implementation of CSR projects and ensure compliance with applicable laws.
- Coordinate with and review the performance of implementing agencies.

- Identify and monitor ongoing (multi-year) CSR projects and recommend modifications if needed.
- Review CSR expenditure and submit the annual CSR report to the Board.
- Monitor administrative overheads to ensure they remain within prescribed limits.
- Ensure proper utilization and tracking of CSR funds.
- Recommend setting off excess CSR spending, if applicable.
- Liaise with management on CSR programs and sustainability matters.
- Identify CSR-related risks and ensure adequate resource allocation.
- Assess effectiveness of CSR initiatives and recommend improvements.
- Report regularly to the Board on relevant CSR matters.
- Perform any other duties as directed by the Board or required under applicable law.

g) Stakeholder Relationship Committee

During the financial year under review, as the Company continued to make significant progress towards its proposed Initial Public Offering (IPO), it undertook steps to align its governance practices with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended. In compliance with Section 178 of the Companies Act, 2013 ("the Act"), read with the applicable rules and Regulation 20 of SEBI LODR, the Company is required to constitute a Stakeholders Relationship Committee to specifically oversee matters pertaining to the interests of shareholders, debenture holders, and other security holders. Accordingly, the Board of Directors, at its meeting held on November 28, 2024, approved the constitution of the Stakeholders Relationship Committee.

Composition and Attendance:

During the Financial Year 2024-25, no meeting of Stakeholders Relationship Committee was held. The Composition details of the members of the Stakeholders Relationship Committee are given below:

S. No.	Name of Committee Members	Member of the Committee since	Position held in the Committee	Designation in the Company
1.	Surendra Mehta	28.11.2024	Chairman	Independent Director
2.	Aneesha Baid	28.11.2024	Member	Whole-time Director
3.	Deepak Baid	28.11.2024	Member	Managing Director

Brief Terms of reference of the Committee:

The brief terms of reference of the Stakeholders Relationship Committee are as follows:

- consider and look into various aspects of interest of shareholders, debenture holders and other security holders.
- consider and resolve the grievances of security holders of the Company including compliance related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new/duplicate certificates, general meetings etc;
- formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time.
- giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities.
- issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.
- monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of shares and debentures;
- reference to statutory and regulatory authorities regarding investor grievances;
- reviewing the measures taken for effective exercise of voting rights by the shareholders,
- reviewing adherence to the service standards adopted by the Company with respect to all the services rendered by the Registrar and Share Transfer Agent;
- to dematerialize or rematerialize the issued shares;

- reviewing the measures and initiatives taken by the Company to reduce the quantum of unclaimed dividends;
- Ensuring timely receipt of dividend warrants/ Annual Reports/ Statutory Notices by the Shareholders of the Company; and
- Carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations as referred by the Board from time to time or any other applicable law, as and when amended from time to time.

h) Identification Committee

The Board of Directors of the Company, at its meeting held on February 10, 2025, approved the constitution of an Identification Committee in accordance with the guidelines issued by the Reserve Bank of India (RBI) under the Master Directions on Treatment of Wilful Defaulters and Large Defaulters, bearing reference no. RBI/DoR/2024-25/122 DOR.FIN.REC. No.31/20.16.003/2024-25 dated July 30, 2024. The primary objective of the Identification Committee is to identify wilful defaulters and evaluate the supporting evidence of wilful default, in compliance with the above-mentioned RBI guidelines.

Composition and Attendance:

During the Financial Year 2024-25, no meeting of the Identification Committee was held. The Composition details of the members of the Identification Committee are given below:

The Committee shall consist of an officer not more than one rank below the Managing Director/Chief Executive Officer as chairperson and two senior officials, not more than two ranks below the chairperson of the committee, as members.

S. No.	Name of Committee Members	Member of the Committee since	Position held in the Committee	Designation in the Company
1.	Mr. Gopal Krishan Sain	10.02.2025	Chairman	Chief Financial Officer
2.	Mr. Sanjay Ojha	10.02.2025	Member	National Collection Head
3.	Mr. Shivam Bajaj	10.02.2025	Member	VP-Risk

Brief Terms of reference of the Committee:

The brief terms of reference of the Identification Committee are as follows:

- Identification of Wilful Defaulter: The Committee shall identify and classify a person as a "wilful defaulter" based on mechanism specified in the directions for identification and classification of Wilful Defaulters and the identification of the "wilful defaulter" by the committee should be made keeping in view the track record of the borrowers and should not be decided based on isolated transactions/incidents.
- Criteria for Categorizing Wilful Default: The default to be categorized as wilful must be intentional, deliberate, calculated and meeting the conditions set out in the Directions.
- Examination of Evidence: The evidence of wilful default shall be examined by an identification committee.
- Issuance of Show Cause Notice: Identification Committee shall issue show-cause notice to the borrower, guarantor, promoter, director, or those responsible for managing the entity's affairs upon confirmation of wilful default. They are required to submit their response within 21 days. The Committee must also provide all materials and information used to issue the notice to wilful defaulter.
- Proposal to Review Committee: After considering the submissions and where satisfied, the Identification Committee shall make a proposal to the Review Committee for classification as a wilful defaulter by explaining the reasons in writing.

- Opportunity of Written Representation: An opportunity shall be provided to borrower/ guarantor/ promoter/ director/persons who are in charge and responsible for the management of the affairs of the entity for making a written representation to Review Committee within 15 days of such a proposal from the Identification Committee.
- Non-Qualification for Wilful Default Classification: If the Identification Committee determines that the borrower, guarantor, promoter, director, or responsible persons do not meet the criteria for wilful default, the case will not be referred to the Review Committee.

i) Review Committee

The Board of Directors of the Company, at its meeting held on February 10, 2025, approved the constitution of a Review Committee in accordance with the guidelines issued by the Reserve Bank of India (RBI) under the Master Directions on Treatment of Wilful Defaulters and Large Defaulters, bearing reference no. RBI/DoR/2024-25/122 DOR.FIN.REC. No.31/20.16.003/2024-25 dated July 30, 2024. The Review Committee has been constituted to examine and evaluate the recommendations made by the Identification Committee with respect to the classification of individuals or entities as wilful defaulters, ensuring adherence to the provisions of the above-mentioned RBI guidelines.

Composition and Attendance:

During the Financial Year 2024-25, no meeting of the Review Committee was held. The Composition details of the members of the Review Committee are given below:

S. No.	Name of Committee Members	Member of the Committee since	Position held in the Committee	Designation in the Company
1.	Mr. Deepak Baid	10.02.2025	Chairman	Managing Director
2.	Mr. BrijMohan Sharma	10.02.2025	Member	Additional Director (Independent)
3.	Mr. Surendra Mehta	10.02.2025	Member	Independent Director

Brief Terms of reference of the Committee:

The brief terms of reference of the Review Committee are as follows:

- Consideration of Proposal: The Review Committee shall consider the proposal along with written representation received from the Identification Committee.
- Opportunity for Personal Hearing: The Review Committee shall provide an opportunity for a personal hearing to the borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity. However, if the opportunity is not availed or if the personal hearing is not attended by the borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity, the Review Committee shall, after assessing the facts or material on record, including written representation, if any, consider the proposal of the Identification Committee and take a decision.
- Issuance of Reasoned Order: The Review Committee shall pass a reasoned order and the same shall be communicated to the wilful defaulter.

j) IPO Committee

During the financial year under review, the Company initiated plans to raise capital through an Initial Public Offering (IPO) of its equity shares, comprising a fresh issue to support its growth initiatives and an offer for sale by the promoters and members of the promoter group. Given the strategic significance and complexity of the IPO process, the Board of Directors, at its meeting held on November 28, 2024, approved the constitution of a dedicated IPO Committee. The Committee has been formed with clearly defined terms of reference to ensure effective oversight, governance, and timely decision-making throughout this critical phase. The IPO Committee is entrusted with the responsibility of managing key aspects of the public issue, including the preparation, review, and submission of the Draft Red Herring Prospectus (DRHP), Red Herring Prospectus (RHP), and Prospectus with regulatory authorities such as the Securities and Exchange Board of India (SEBI) and the stock exchanges.

Composition and Attendance:

During the financial year 2024-25, 02 (Two) meetings of IPO Committee were held on Monday, November 29, 2024 and Wednesday, December 11, 2024.The required quorum was present for all the IPO Committee meetings. The Composition and attendance details of the members of the IPO Committee are given below:

S.NO.	Name of Committee Members	Member of the Committee since	Position held in the Committee	Designation in the Company	No. of Meetings which Committee Member was entitled to attend		No. of shares held in NBFC
					Entitled to Attend	Attended	
1.	Deepak Baid	28.11.2024	Chairman	Managing Director	2	2	73,84,952
2.	Aneesha Baid	28.11.2024	Member	Whole-time Director	2	2	22,61,902
3.	Surendra Mehta	28.11.2024	Member	Independent Director	2	2	NIL

Brief Terms of reference of the Committee:

The brief terms of reference of the IPO Committee are as follows:

- Approve IPO-related documents and disclosures.
- Handle dematerialization and depository admissions (CDSL/NSDL).
- Finalize pricing, terms, and Pre-IPO placements with BRLMs.
- Decide IPO structure, size, reservations, and rounding rules.
- Appoint and manage all intermediaries and advisors.
- Submit and amend filings with SEBI, stock exchanges, and authorities.
- Approve advertisements, policies, codes of conduct, and governance measures.
- Obtain necessary regulatory, lender, and statutory approvals.
- Determine price band, final price, discounts, bid dates, and lot sizes.
- Manage listing, allotment, investor allocation, and related compliance.
- Open accounts for IPO proceeds and refunds; handle issuance and dispatch.
- Approve financial disclosures and tax certifications for Offer Documents.
- Execute all agreements and contracts related to the IPO. Undertake filings with ROC and update company records.
- Take all necessary actions, sign documents, and ratify past acts in connection with the IPO.

k) Committee of the Executives ("COE")

During the financial year under review, the Board of directors in its meeting held on November 13, 2024 has constituted a committee known as "Committee of the Executives (COE)," in compliance of Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs), bearing reference no. DOS.CO.FMG.SEC. No.7/23.04.001/2024-25 dated July 15, 2024 for overseeing the effectiveness of fraud risk management, review and monitor fraud cases, including root cause analysis, and suggest mitigating measures for strengthening internal controls, risk management framework and minimizing fraud incidence.

Composition

During the Financial Year 2024-25, no meeting of Committee of the Executives was held. The Composition details of the members of the Committee of the Executives are given below:

S. No.	Name of Committee Members	Member of the Committee since	Position held in the Committee	Designation in the Company
1.	Mr. Deepak Baid	13.11.2024	Chairman	Managing Director
2.	Mr. Shivam Bajaj	13.11.2024	Member	VP-Risk
3.	Mr. Gopal Krishan Sain	13.11.2024	Member	Chief Financial Officer

Board Delegated Committee

a) 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 56 (Fifty-Six) times and meetings were held on April 08, 2024, April 17, 2024, April 29, 2024, May 03, 2024, May 15, 2024, May 29, 2024, June 05, 2024, June 06, 2024, June 15, 2024, June 25, 2024, June 27, 2024, June 28, 2024, June 28, 2024, July 02, 2024, July 04, 2024, July 22, 2024, August 08, 2024, August 14, 2024, August 16, 2024, August 29, 2024, September 10, 2024, September 23, 2024, September 24, 2024, September 26, 2024, September 30, 2024,October 17, 2024,October 22, 2024, November 13, 2024, November 20, 2024, November 27, 2024, November 28, 2024, November 30, 2024, December 05, 2024, December 09, 2024, December 14, 2024, December 24, 2024, December 30, 2024, December 31, 2024, January 06, 2025, January 18, 2025, January 31, 2025, February 11, 2025, February 21, 2025, February 24, 2025, February 26, 2025, February 27, 2025, February 28, 2025, March 03, 2025, March 05, 2025, March 11, 2025, March 15, 2025, March 17, 2025, March 20, 2025, March 21, 2025, March 24, 2025, March 27, 2025. The Composition and attendance details of the members of the Business Operation Committee are given below:

SI.NO.	Name of Committee Members	Designation in the Company	Member of the Committee since	Position held in the Committee	Number of Meetings of the Committee		No. of shares held in the NBFC
					Entitled to attend	Attended	
1	Mr. Deepak Baid	Managing Director	08.06.2020	Chairman	56	56	73,84,952
2	Mrs. Aneesha Baid	Whole Time Director	08.06.2020	Member	56	56	22,61,902
3	Mrs. Prem Devi Baid	Whole Time Director	08.06.2020	Member	56	56	14,13,070

Brief Terms of reference of the Committee:

The brief terms of reference of the Business Operation Committee are as follows:

- Enter into and execute contracts, agreements, assignments, transfers, and other instruments necessary or convenient for company business, including affixing the company seal when required.
- Demand, receive, and discharge claims or payments due to the company.
- Handle all negotiable instruments like cheques, bills of exchange, and promissory notes as needed for business.
- Borrow money and avail credit facilities using company assets as security and authorize others for documentation.
- Provide information to financial institutions, negotiate terms, and manage loan restructuring or deferment.
- Establish, maintain, regulate, or discontinue company branches or agencies in India or abroad.
- Open, operate, and close bank accounts including online facilities and fixed deposits.
- Allot securities as per applicable laws and conditions.
- Invest company funds in securities or other investments and manage these investments.
- Initiate, defend, or settle legal actions and appoint legal representatives or advisors.
- Make decisions and take action on matters involving government and other authorities.
- Exercise any additional authority delegated by the Board or required by statutory changes.
- Delegate implementation responsibilities to executives, officers, or authorized personnel.
- Authorize CFO, CS, or their delegates to deal with credit rating agencies and appoint advisors.
- Decide on acquisition or disposal of company assets and authorize persons for execution.

4. ANNUAL PERFORMANCE EVALUATION

Pursuant to the provisions of section 178 of the Companies Act, 2013, Securities and Exchange Board of India Guidance Note on Board Evaluation and Guide to Board Evaluation issued by The Institute of Company Secretaries of India, the Board of Directors has carried out an annual performance evaluation of its own performance, its Committees and the Directors individually including Independent Directors based out of the criteria and framework adopted by the Board. A structured questionnaire covering various aspects of evaluation of performance of the Board, its Committees and individual Directors (including independent directors) is put forth for completion of the evaluation process. The Nomination and Remuneration Committee has carried out evaluation of every director's performance. The Board approved the evaluation results as collated by the Nomination and Remuneration Committee ("NRC").

During the year under review, a separate meeting of Independent Directors was held on March 20, 2025 for the Financial Year 2024-25 without the attendance of Non-Independent Directors and members of the Management. At this meeting, the Independent Directors inter alia evaluated the performance of Non-Independent Directors and the Board as a whole, and the performance of Chairperson (i.e. Managing Director who is the generally elected Chairperson of the Board Meeting) taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness flow of information between the Management and the Board which is necessary for the Board to effectively and reasonably perform its duties.

The criteria for performance evaluation of Committees, Board as a whole, Chairpersons, Independent Directors and other Directors provide certain parameters like:

➢ Participation at the Board / Committee meetings;
➢ Commitment (including guidance provided to senior management outside of Board/ Committee meetings);
➢ Effective deployment of knowledge and expertise;
➢ Updated knowledge/ information pertaining to business of the company;
➢ Effective management of relationship with stakeholders;
➢ Integrity and maintaining of confidentiality;
➢ Independence of behavior and judgment;
➢ Impact and influence;
➢ Ability to contribute to and monitor corporate governance practice; and

➢Adherence to the code of conduct for independent directors

The Directors expressed their satisfaction on the parameters of evaluation, the implementation of the evaluation exercise and the outcome of the evaluation process.

5. SENIOR MANAGEMENT PERSONNEL

The Board of Directors in their meeting held on November 28, 2024 on the recommendation of Nomination and Remuneration Committee and in accordance with the Nomination, Remuneration and Compensation Policy of Company, approved the designation of personnel holding the following positions as Senior Management Personnel (SMP) of the company.

The particulars of Senior Management, including the changes therein during the financial year under review are outlined hereinbelow:

S.NO.	Name	Designation	Nature of Change
1	Mr. Kshitij Agarwal	Human Resource, Assistant Vice President	No change
2	Mr. Sanjay Ojha	Collection, National Head	No change
3	Mr. Piyush Somani	Chief Treasury Officer	No change
4	Mr. Rohit Mathur	Collection, National Head Credit, National Head	No change
5	Mr. Kuldeep Singh Sikarwar	Chief Business Officer	No change
6	Mr. Arun Singh Sengar	Operations, Zonal Head	No change
7	Mr. Siddharth Modi	Vice President-IT	No change

6. REMUNERATION TO DIRECTORS

The Non-executive Independent Directors of the Company were paid sitting fees of Rs. 60,000/- (Rupees Sixty Thousand) for every meeting of the Board, Rs. 60,000/- (Rupees Sixty Thousand) for every meeting of the Audit Committee, Rs 30,000/- (Rupees Thirty Thousand) for every meeting of the Nomination and Remuneration Committee, Rs. 30,000/- (Rupees Thirty Thousand) for every meeting of Risk Management Committee and Rs. 30,000/- (Rupees Thirty Thousand) for every meeting of IT Strategy Committee. Further, during the Financial Year, none of the Non-Executive Directors had any other pecuniary relationship/ transaction with the Company.

The Executive Directors of the Company were paid remuneration as approved by the members of the company, on the recommendation of the Board and Nomination and Remuneration Committee and in accordance with the Nomination, Remuneration and Compensation Policy of the Company. The elements of the remuneration package of the Executive Directors include fixed remuneration and perquisites.

The Company has not granted Stock Options under Employees Stock Option Plans to any of its Directors during the Financial Year 2024-25.

The details of the remuneration paid to the Directors during the Financial Year ended on March 31, 2025 is outlined hereinbelow:

(Amount in Rupees)

Sr. No.	Name of Directors	Designation	Gross Salary	Commission	Stock Options	Sitting Fees	Total Amount
1	Mr. Deepak Baid	Managing Director	2,76,00,000	NIL	NIL	NIL	2,76,00,000
2	Mrs. Aneesha Baid	Whole Time Director	1,72,50,000	NIL	NIL	NIL	1,72,50,000

3	Mrs. Prem Devi Baid	Whole Time Director	1,38,00,000	NIL	NIL	NIL	1,38,00,000
4	Mr. Surendra Mehta	Independent Director	NIL	NIL	NIL	9,60,000	9,60,000
5	Mr. Anil Balkrishna Patwardhan	Independent Director	NIL	NIL	NIL	10,20,000	10,20,000
6	Mr. BrijMohan Sharma	Additional Director (Independent)	NIL	NIL	NIL	4,20,000	4,20,000
7	Mr. Kalyanaraman Chandrachoodan	Additional Director (Independent)	NIL	NIL	NIL	NIL	NIL

The Nomination, Remuneration and Compensation Policy is available on the Company's website and can be accessed at Nomination-Remuneration-Compensation-Policy-1.pdf

7. GENERAL MEETINGS

The details of the last three Annual General Meetings, Extra- Ordinary General Meetings held during the year under review and Special Resolutions passed thereat are outlined below:

For the FY	Date	Time	Venue	Special Resolutions Passed
23-24	Saturday, June 29, 2024	11.00 A.M.	2, DFL, Gopinath Marg, M.I. Road, Jaipur-302001, Rajasthan	1. Special Resolution was passed to take approval for the grant of options to issue securities equal to or exceeding one percent of the issued capital of the company during any one financial year to identified employees under Laxmi India Finance Private Limited Employees Stock Option Scheme- 2023.
22-23	Tuesday, September 19, 2023	11.00 A.M.	2, DFL, Gopinath Marg, M.I. Road, Jaipur-302001, Rajasthan	1. 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. Special Resolution was passed for Approval of Laxmi India Finance Private Limited Employee Stock Option Scheme -2023.
21-22	Monday, September 19, 2022	11.00 A.M.	2, DFL, Gopinath Marg, M.I. Road, Jaipur-	1. Special Resolution was passed to approve the limit for issuance of Non-Convertible Debentures on private placement basis under Section

			302001, Rajasthan	42 and 71 of the Companies Act, 2013. 2. Special Resolution was passed to approve the new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013. 3. Special Resolution was passed to approve the Amendments to Clause III B and Clause III C of the Memorandum of Association of the Company. 4. Special Resolution was passed to approve the Amendment to Clause IV of the Memorandum of Association of the Company. 5. Special Resolution was passed to approve the appointment of Mrs. Prem Devi Baid (DIN: 00774922) as Whole-Time Director of the Company (Designated as Executive Director). 6. Special Resolution was passed to approve the appointment of Mrs. Aneesha Baid (DIN: 07117678) as Whole-Time Director of the Company (Designated as Executive Director).

All the resolutions moved at the last three AGMs were passed by the requisite majority of members.

During the financial year 2024-25, four (4) Extra Ordinary General Meetings were held on Wednesday, May 29, 2024, Friday, August 09, 2024, Saturday, November 16, 2024 and Friday, November 29, 2024.

For the FY	Date	Time	Venue	Special Resolutions Passed
24-25	Wednesday, May 29, 2024	11:00 A.M.	2, DFL, Gopinath Marg, M.I. Road, Jaipur-302001, Rajasthan	1) Special Resolution was passed to authorise borrowings by way of issuance of non-convertible debentures on private placement basis
24-25	Friday, August 09, 2024	11:00 A.M.	2, DFL, Gopinath Marg, M.I. Road, Jaipur-302001, Rajasthan	1) Special Resolution was passed to approve the conversion of the company into a public limited company

24-25	Saturday, November 16, 2024	11:00 A.M.	2, DFL, Gopinath Marg, M.I. Road, Jaipur-302001, Rajasthan	1) Special Resolution was passed to authorise the board to borrow money in excess of paid-up capital, free reserves, and securities premium under section 180(1)(c) of the companies act, 2013 2) Special Resolution was passed to authorise the board to sell, lease, charge or otherwise dispose off the whole or substantially the whole of the undertaking of the company both present and future under section 180(1)(a) of the companies act, 2013.
24-25	Friday, November 29, 2024	10:00 A.M.	2, DFL, Gopinath Marg, M.I. Road, Jaipur-302001, Rajasthan	1) Special Resolution was passed to approve the re-appointment of Mr. Anil Balkrishna Patwardhan (Din: 09441268) as an independent director of the company for a second term of five years 2) Special Resolution was passed to approve the initial public offer of equity shares of the company and offer for sale of shares by promoters and members of the promoter group of the company 3) Special Resolution was passed to approve the revision in Employees stock option scheme of the company 4) Special Resolution was passed to approve the remuneration of Mr. Deepak Baid, Managing Director of the company. 5) Special Resolution was passed to approve the remuneration of Mrs. Aneesha Baid, Whole Time Director of the company. 6) Special Resolution was passed to approve the remuneration of Mrs. Prem Devi Baid, whole time director of the company

				7) Special Resolution was passed to approve the ratification of the appointment of Mr. Deepak Baid (Din: 03373264), Managing Director of the company.

8. POSTAL BALLOT

During the Financial Year 2024-25, no resolutions have been passed through postal ballot.

Further, there is no proposal to transact any business that requires the passing of resolution through postal ballot.

9. MEANS OF COMMUNICATION

Your Company is committed to upholding the highest standards of transparency in its communication practices. To achieve this, your Company has implemented the robust procedures to disseminate pertinent information in a systematic manner to its Shareholders, Debenture Holders, Lenders, and other Stakeholders, employing the following channels:

a) **Website Disclosure**: The Company posts its Quarterly and Annual Financial Results on its official website, accessible at Disclosures under Reg. 62 of SEBI LODR - Laxmi India Finance Limited

b) **Newspaper Publication**: The Company's Quarterly and Annual Financial Results have been published in the English national daily newspaper circulating in the whole or substantially the whole of India i.e. Financial Express (English) and Jansatta (Hindi) and same can be access at Disclosures under Reg. 62 of SEBI LODR - Laxmi India Finance Limited

c) **Investor Relations Section**: The Company's website Laxmi India Finance Limited hosts a dedicated section titled 'Investor Relations'. Here, stakeholders can easily access a comprehensive array of information including financial results, financial statements, corporate announcements, Annual Reports, credit ratings, and other disclosures, all prominently displayed for the benefit of Investors and other stakeholders.

10. GENERAL SHAREHOLDER INFORMATION

1	**Annual General Meeting**	**Date:** June 19, 2025 **Time:** 10.:00 AM **Venue:** 2, DFL, Gopinath Marg, M.I. Road, Jaipur-302001, Rajasthan
2	**Financial Year**	The Company follows the Financial Year starting from 01st April to 31st March every year
3	**Dividend payment date**	The Board has not recommended any dividend for the Financial Year 2024-25
4	**Listing on Stock Exchange**	Your company has issued 3000 rated, listed, unsubordinated, secured, transferable, redeemable, taxable, non – convertible debentures ('NCDs") denominated in Indian Rupees having a face value of Rs. 1,00,000 (Rupees One Lakhs) each aggregating to Rs. 30,00,00,000/- (Rupees Thirty Crores) on a private placement basis and these NCDs are listed on the Wholesale Debt Market segment of BSE Limited.

		Further, the Company has paid Annual Listing Fees to BSE Limited, where its Non-convertible Debentures are listed and none of its securities were suspended from trading on the exchange.
5	**Stock Code**	The ISINs/Scrip Codes pertaining to Non-Convertible Debentures, which are listed on Wholesale Debt Market Segment of BSE Limited are as below: **ISIN** — **Scrip Code** INE06WU07064 — 975797
6	**Registrar and Share Transfer Agent**	MUFG INTIME INDIA PRIVATE LIMITED (Formerly known as Link Intime India Private Limited) C-101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai-40008 Website- https://www.cvlindia.com/.com Phone No. +912249186000
7	**Share Transfer System**	All the Equity Shares of the Company are in dematerialized form, hence there are no physical transfer of equity shares. All the Non-Convertible Debentures of the Company are in dematerialized form, hence there are no physical transfer of debentures.
8	**Distribution of Shareholding**	Promoter and promoter Group-89.05% General Public-10.95%
9	**Dematerialization of shares and liquidity**	The Equity Shares of the Company are identified by the **ISIN INE06WU01026**. As of March 31, 2025, all Equity Shares of the company are held in dematerialized form.
10	**Branch Locations**	The Company has strengthened its presence across the 158 states
11	**Address for Correspondence**	Mr. Sourabh Mishra Company Secretary and Chief Compliance Officer Laxmi India Finance Limited (Formerly known as Laxmi India Finance Limited) Address: 2, DF, Gopinath Marg, M.I. Road, Jaipur-302001, Rajasthan **Mail id:** cs@lifc.in, info@lifc.in **Website:** Laxmi India Finance Limited **Tel No.:** 0141-4031166
12	**Credit Ratings**	A-(Acuite ratings)

11. OTHER DISCLOSURES

a) Related Party Transactions

The related party transactions that were entered during the Financial Year were in the ordinary course of business and on an arm's length basis. There were no materially significant transactions made by the Company with the related parties either individually or taken together with the previous transactions which may have a potential conflict with the interest of the Company at large. All the related party transactions are placed before the Audit Committee and subsequently before the Board and/or

Shareholders, as may be applicable for approval and are placed before the Audit Committee for review on quarterly basis. Further, as per the requirements of Ind-AS, the transactions with related parties are disclosed in the **Note No. 47** of the Financial Statements.

The policy on dealing with related party transactions is available on the Company's website and can be accessed at Related-Party-Transaction-Policy-1.pdf

b) Details of non-compliance, penalties, strictures imposed

During the last three financial years, the Company has remained broadly compliant with all applicable laws and regulations governing the capital markets. However, the following instances of non-compliance occurred during FY 2021–22, for which penalties were imposed by the Stock Exchange. The Company has duly paid all the applicable fines:

S. No	Period of Non-Compliance	Regulation Invoked	Amount of Fine (including GST)	Reason / Status of Fine
1	Quarter ended September 30, 2021	Regulation 52(1)	Rs. 5,25,100	Penalty imposed due to delay in submission of financial results. Fine has been paid.
2	Quarter ended September 30, 2021	Regulation 52(4)	Rs. 1,05,020	Penalty imposed due to delay in submission of the report. Fine has been paid.
3	Quarter ended September 30, 2021	Regulation 54(2)	Rs. 1,05,020	Penalty imposed due to delay in submission of the report. Fine has been paid.
4	November, 2021	Regulation 60(2)	Rs. 11,800	Penalty imposed due to delay in intimation of record date. Fine has been paid.
5	August, 2021	Regulation 60(2)	Rs. 11,800	Penalty imposed due to delay in intimation of record date. Fine has been paid.

Except for the aforementioned instances, there were no other cases of non-compliance or any penalties/strictures imposed by the Stock Exchange, SEBI, or any other statutory authority in connection with capital market-related matters during the last three years.

Furthermore, during the financial year 2024–25, there were no instances of non-compliance for which any penalties or strictures were imposed on the Company by the Reserve Bank of India or any other regulatory or statutory authority.

c) Whistle Blower Policy/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://lifc.co.in/wp-content/uploads/2024/12/Whistle-Blower-Vigil-Mechanism-Policy-1.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.

d) Web-link where policy for determining 'material' subsidiaries is disclosed

Since, the Company does not have any Subsidiary, therefore, formulation of Policy for determining 'Material Subsidiaries' is not applicable to the Company.

e) Disclosure of commodity price risks and commodity hedging activities

Not Applicable, since the Company does not have any derivatives denominated in foreign currency.

f) Details of utilization of funds

During the Financial Year 2024-25, the Company has not raised funds through preferential allotment.

g) Remuneration to Statutory Auditors

The details of total fees paid to M/s S.C. Bapna & Associates, Chartered Accountants (FRN: 115649W), Statutory Auditors of the Company during the Financial Year 2024-25 is given below:

Particulars	For the period ended Mar 31, 2025	For the Year ended Mar 31, 2024 (Restated)
Audit fees	7.50	6.00
Tax Audit Fees	0.50	0.50
Limited review & Certifications	8.00	6.50
ITC 50% reversed	1.38	0.41
Total	**17.38**	**13.41**

h) Disclosure in relation to the 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 1 (one) time during the financial year 2024-25 on Friday, March 07, 2025. The composition and attendance details of the Internal Complaints Committee are given below:

Name of Members	Designation in the Company	Position held	No. of Committee Meeting held and attended by Member	
			Held	Attended
Mrs. Prem Devi Baid (DIN: 00774922)	Whole Time Director	Presiding Officer	1	1
Mrs. Aneesha Baid (DIN: 07117678)	Whole Time Director	Internal Member	1	1
Ms. Jyoti Kanwar	Employee	Internal Member	1	1
Ms. Anuradha Dubey	Employee	Internal Member	1	1
Mrs. Purnima Golechha	External Member	External Member	1	1

i)The Company has not provided any Loans and Advances in the nature of loans to firms/companies in which directors are interested.

j) The Company adheres to the Fair Practices Code ('FPC') recommended by sector regulator, the Reserve Bank of India ('RBI') and seeks to promote good and fair practices by setting minimum standards in dealing with customers while doing lending business. Moreover, the comprehensive Know Your Customer (KYC) Guidelines and Anti Money Laundering Standards, issued by the RBI, are also strictly followed.

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

Sd/-
Deepak Baid
Managing Director
DIN:03373264

Sd/-
Aneesha Baid
Whole Time Director
DIN: 07117678

Date: May 19, 2025
Place: Jaipur
Registered Office: 2, DFL, Gopinath Marg, MI Road, Jaipur – 302001, Rajasthan
CIN: U65929RJ1996PLC073074
Email: info@lifc.in **Website:** www.lifc.co

ANNEXURE-III

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 04, 2024	-
2.	Mrs. Prem Devi Baid	Whole Time Director	Rent paid	11 Months	As per Rent Agreement executed between the company and Mrs. Prem Devi Baid	May 04, 2024	-
3.	Mrs. Aneesha Baid	Whole Time Director	Rent paid	11 Months	As per Rent Agreement executed between the company and	May 04, 2024	-

					Mrs. Aneesha Baid		

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

	Sd/-	**Sd/-**
Date: May 19, 2025	**Deepak Baid**	**Aneesha Baid**
Place: Jaipur	Managing Director	Whole Time Director
Reg. Office: 2, DFL, Gopinath Marg, MI Road, Jaipur – 302001, Rajasthan	DIN:03373264	DIN: 07117678

CIN: U65929RJ1996PLC073074
Email: info@lifc.in Website: www.lifc.co.in

ANNEXURE-IV

RELATED PARTY POLICY

1. BACKGROUND

Laxmi India Finance Limited (Formerly known as Laxmi India Finance Private Limited) (Formerly known as Laxmi India Finleasecap Private Limited) (hereinafter referred as "the Company" or "LIFL") "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-Middle Layer (NBFCs-ML) 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 Limited (Formerly known as 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-V

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025
[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 Limited
(Formerly known as Laxmi India Finance 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 Limited (Formerly known as Laxmi India Finance 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, 2025 ('**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, 2025 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) Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company);
  (f) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  (g) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018**;**
  (h) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the Audit Period)**;

(i) 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);**

(j) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the Audit Period); and**

(k) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period).**

(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- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023;

(c) Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs and guidelines notified thereunder;

(d) Master Direction- Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 **(repealed w.e.f. July 15, 2024)**;

(e) Master Direction- Reserve Bank of India (Fraud Risk Management in NBFCs) Directions, 2024 **(effective from July 15, 2024)**;

(f) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;

(g) Master Direction- Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024;

(h) Master Direction- Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023;

(i) Master Direction- Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023;

(j) Master Direction- Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021;

(k) Master Direction- Know your Customer (KYC) Directions, 2016.

(l) Master Direction- Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021; and

(m) Master Direction- Reserve Bank of India (Treatment of Wilful Defaulters and Large Defaulters) Directions, 2024.

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 that:***

- ***the intimation relating to appointment of Mr. Brijmohan Sharma as an Additional Director (Independent) on the Board of the Company as required under Regulation 51 read with Schedule III Part B of SEBI LODR was filed after twenty four hours period from the date of occurrence of the event as the event coincided with a non-working day (being Saturday) which led to a delay in making the disclosure.***

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. 200,00,00,000/- (Rupees Two Hundred Crores Only) on a private placement basis in one or more tranches, in Extra Ordinary General Meeting held on May 29, 2024;

(ii) Converted from a Private Limited Company to a Public Limited Company and consequently altered the Name Clause of Memorandum of Association and adopted new set of Articles of Association, in Extra Ordinary General Meeting held on August 09, 2024;

(iii) Duly passed the resolution under Section 180(1)(c) and Section 180(1)(a) of the Act, read with its applicable rules, as amended to authorize the Board of Directors to borrow money in excess of the aggregate of the paid-up share capital, free reserves and securities premium of the Company, but not exceeding a sum of Rs. 3,000/- Crores (Rupees Three Thousand Crores Only) and to create mortgage and /or charge on assets of the Company to secure the aforesaid borrowing, in Extra Ordinary General Meeting held on November 16, 2024;

(iv) Approved the sub-division of each equity share of the Company having face value of Rs. 10/- (Rupees Ten Only) each into 2 (Two) equity shares of Rs. 5/- (Rupees Five Only) pursuant to Section 61 of the Act and consequently altered the Capital Clause of the Memorandum of Association in Extra Ordinary General Meeting held on November 16, 2024;

(v) Approved the Initial Public Offer ("IPO") by way of fresh issue of Equity Shares and Offer for Sale of shares by Promoters and Members of Promoter Group of the Company in Extra Ordinary General Meeting held on November 29, 2024;

(vi) Approved revision in Laxmi India Finance Limited Employee Stock Option Scheme 2023 in Extra Ordinary General Meeting held on November 29, 2024;

(vii) Filed the Draft Red Herring Prospectus and has received the in-principle approvals from the BSE Limited and National Stock Exchange of India Limited for the proposed IPO;

(viii) Issued and allotted 3,000 (Three Thousand) Rated, Listed, Unsubordinated, Secured, Transferable, Redeemable, Taxable Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh Only) for an amount aggregating to Rs. 30,00,00,000/- (Rupees Thirty Crores Only) on a private placement basis; and

(ix) Issued and allotted 10,44,362 (Ten Lakhs Forty-Four Thousand Three Hundred and Sixty-Two) fully paid-up equity shares at an issue price of Rs. 190/- (Rupees One Hundred and Ninety Only) per share which includes a premium of Rs. 180/- (Rupees One Hundred and Eighty Only) per share aggregating to Rs. 19,84,28,780/- (Rupees Nineteen Crores Eighty-Four Lakhs Twenty-

Eight Thousand Seven Hundred and Eighty Only) to the existing shareholders of the company on right issue basis under section 62(1)(a) of the Act.

Place: Jaipur
Date: May 19, 2025
UDIN: A046577G000374674

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 Limited
(Formerly known as Laxmi India Finance 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: May 19, 2025
UDIN: A046577G000374674

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 VI

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) Conservation of Energy:

(i) **The steps taken or impact on conservation of energy:** The operations of your Company primarily involve financial services, which are not energy-intensive by nature. However, the Company has proactively implemented measures across all its branches to further reduce energy consumption and enhance energy efficiency.

(ii) **The steps taken by the Company for utilizing alternate sources of energy:** The Company is exploring alternative sources 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

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

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

Date: May 19, 2025
Place: Jaipur
Reg. Office: 2, DFL, Gopinath Marg, MI Road, Jaipur – 302001, Rajasthan
CIN: U65929RJ1996PLC073074
Email: info@lifc.in **Website:** www.lifc.c

ANNEXURE- VII

Risk Management Policy

1. BACKGROUND & LEGAL FRAMEWORK

The Board of Directors ("Board") of Laxmi India Finance Limited (hereinafter referred as "the Company" or "LIFL" 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. LIFL 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.

3.2Risk 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

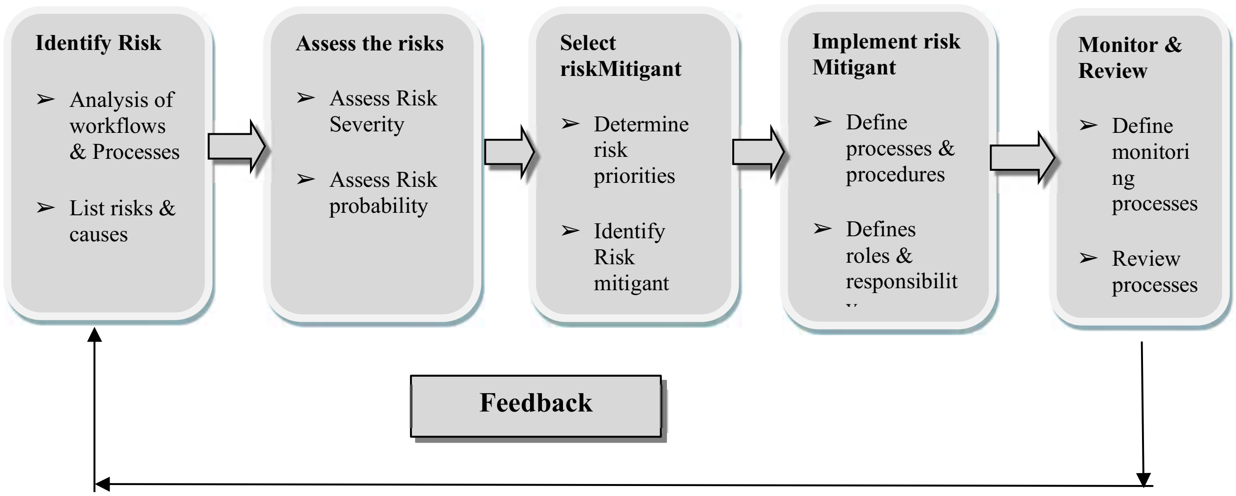
The Company Secretary of the Company shall be responsible for convening the meetings of the Committee and may arrange to convene the Meetings of RMC as and when needed depending upon the necessity in consultation with MD/CEO and CFO. RMC may convene a meeting once in a quarter for review and taking corrective 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 of identified 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

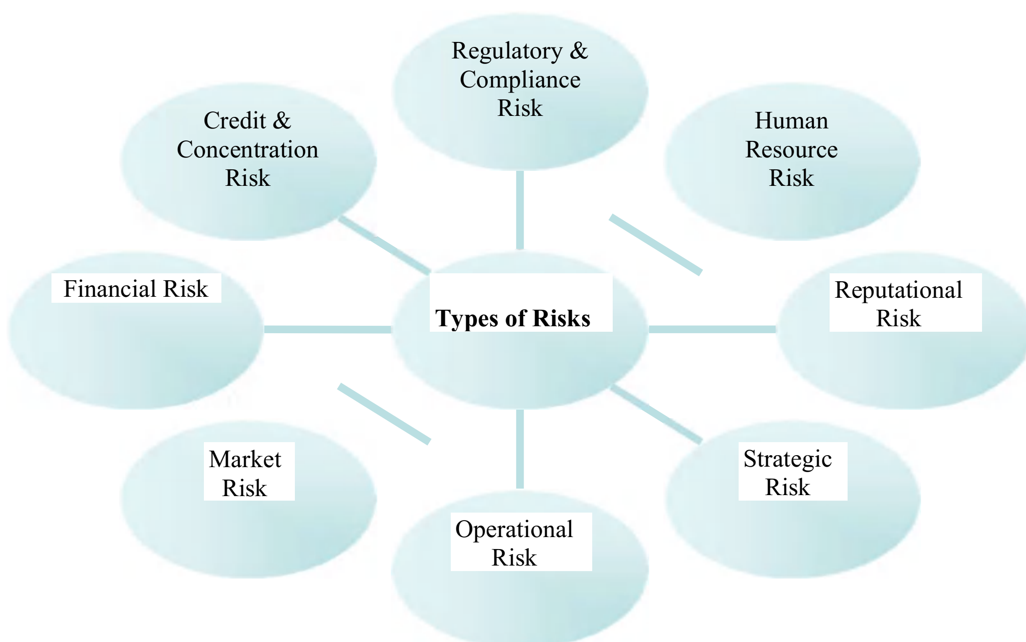
4. RISK MANAGEMENT PROCESS
Risk management process is systematic application of management policies, procedures and practices to the tasks of identifying, analysing, assessing, treating and monitoring risk. The main elements of the risk management process is as follows:



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 and choices.

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 regulatory structure.

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.

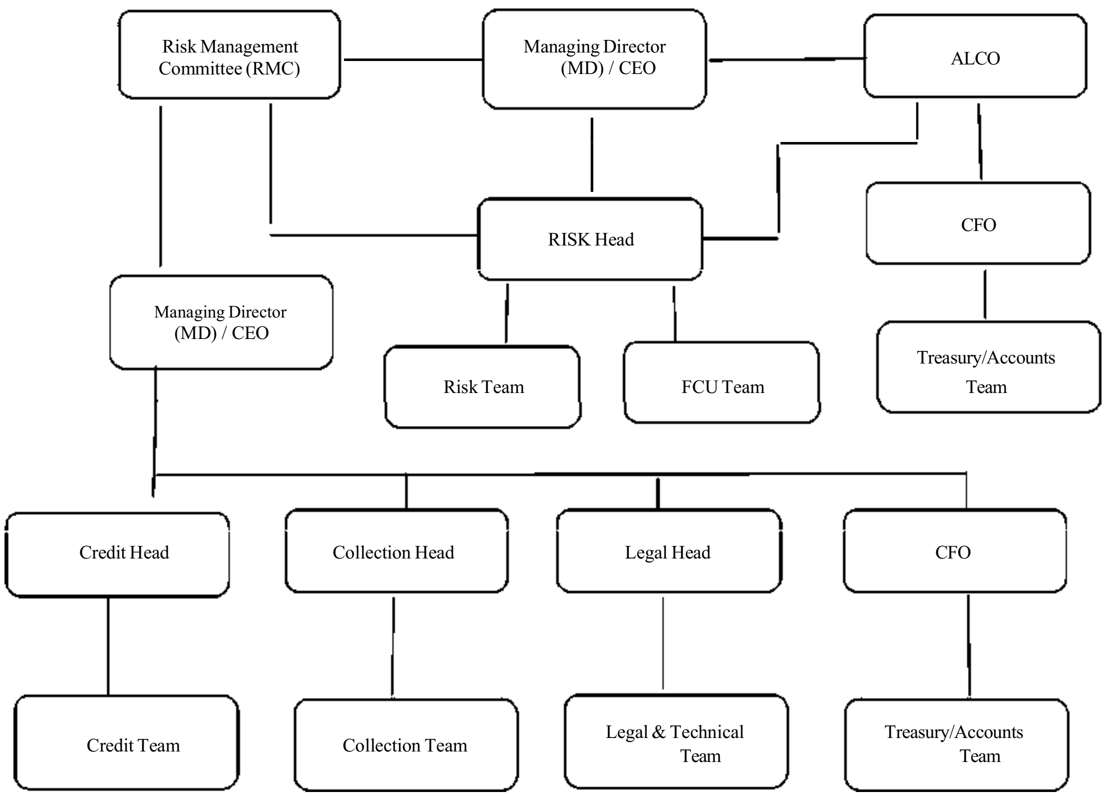
9. STRESS TESTING

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.

10. 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.

11. RISK GOVERNANCE STRUCTURE



12. 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.

13. 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.

14. 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic growth and evolution of the NBFC landscape

India expected to remain one of the fastest growing economies in the world The Indian economy was among the fastest-growing in the world prior to onset of the Covid-19 pandemic. In the years leading to the global health crisis which disrupted economic activities, the country's economic indicators posted gradual improvements owing to strong local consumption and lower reliance on global demand. Despite global geopolitical instability, India continues to maintain its position as one of the fastest-growing economies globally. In May 2024, the National Statistical Office (NSO) in its provisional estimate of national income estimated the real GDP to have grown at 8.2% year-on-year in fiscal 2024, while in Q4 FY24, growth was much stronger at 7.8% than 5.9% factored in in the second advance estimates in February 2024. Going forward, CRISIL MI&A expects a moderation in GDP growth rate to 6.8% in Fiscal 2025, largely due to various factors like Government's focus on fiscal consolidation, which is likely to lead to moderation in investments, which is a key factor for economic growth. Additionally, the incomplete transmission of past rate hikes to lending rates and regulatory measures by the RBI to control risky lending could further affect credit support for consumption. Slower global growth and possible spikes in commodity price, especially crude oil may also contribute to moderation in economic growth of India. However, the prediction of an above normal monsoon offers hope for the rural economy, potentially reducing food inflation and enhancing purchasing power

Indian Economy to be a major part of the world trade
Along with being one of the fastest growing economies in the world, India ranked fifth in the world in terms of nominal GDP according to IMF forecasts (World Economic Outlook -October Update). India overtook UK to become the fifth largest economy in the world in CY2022. In terms of purchasing power parity ("PPP"), India is the third largest economy in the world, only after China and the United States.

Repo rate remains unchanged, with phase of aggressive rate hikes behind us

Globally, major central banks are currently cautious about cutting rates, amid slower disinflation and strong growth whereas in the September meeting US cut the federal funds rate by 50 basis points. On the domestic front, while the forecast of an above-normal monsoon bodes well for disinflation, freak weather events and crude oil prices are the lurking risks. The Reserve Bank of India's (RBI) MPC in its October 2024 meeting voted to keep the policy rates unchanged. However, it changed the policy stance to 'neutral' from 'withdrawal of accommodation'. The repo rates increased by 250 basis points from Q4FY22 to Q4FY23 and remained at 6.50% in Q2FY25, standing deposit facility (SDF) at 6.25%, and marginal standing facility (MSF) at 6.75%. SBI MCLR has increased by 155 basis point from Q4FY22 to Q2FY25

Consumer Price Index ("CPI") inflation to average at 4.5% in FY25

Consumer price index (CPI) inflation accelerated to a 14-month high of 6.2% in October from 5.5% in September. Food inflation rose to 10.9%, its highest since July 2023. Core inflation rose to 3.8% from 3.5% due to rising goods inflation. CRISIL MI&A expects CPI inflation to continue to soften in FY25 to 4.5% from 5.4% in FY24, supported by healthy Kharif sowing, softer domestic demand, and benign global oil prices

Source- Industry Report

NBFC credit to grow faster than systemic credit

Over the past decade, banking credit growth lagged systemic credit growth for several years as NBFCs grew at a much faster pace. However, the NBFCs suffered a blow after IL&FS defaulted in September

2018. NBFCs not having the advantage of size, rating and/or parentage had to grapple with a liquidity crisis and as raising funding became difficult. Initially, post the IL&FS crisis, banks were expected to fill the space left out by NBFCs.

In the fourth quarter of Fiscal 2020 and the first quarter of Fiscal 2021, with the outbreak COVID-19 pandemic, challenges had intensified for both banks and NBFCs. NBFCs were hit harder in terms of demand, and they also turned cautious as they lend to borrowers with relatively weaker credit profile. In the second half of Fiscal 2021, the Indian economy showed signs of improvement, the effect of which was seen in the credit growth.

In Fiscal 2022, the second wave of the COVID-19 pandemic led to weak demand for credit in the first quarter of the year. However, the pace of credit recovered, with overall credit growing by 9% and retail credit increasing by 11.3% year-on-year as of March 2022. With the effect of COVID-19 waning, vaccination coverage progressively improving, the situation and growth improved further.

The credit growth of NBFCs which has trended above India's GDP growth historically, is expected to continue to rise at a faster pace. NBFCs have shown remarkable resilience and gained importance in the financial sector ecosystem, reaching Rs. 412,000,000 lakhs at the end of Fiscal 2024. During fiscals 2019 to 2024, NBFC credit is estimated to have witnessed a growth at CAGR ~11%. Rapid revival in the economy is expected to drive consumer demand in Fiscal 2025, leading to healthy growth in NBFCs.

Going forward, CRISIL MI&A expects NBFC credit to grow at 15-17% between Fiscal 2024 and Fiscal 2027 driven by growth in retail segment, and MSME loans in the wholesale segment continuing to be the primary drivers.

Source-Industry report

NBFC credit to grow at 14% - 17%

From Rs 24.4 trillion in Mar'20, NBFCs' credit grew to Rs 39.7 trillion in Mar'24, The growth has been particularly robust in the post-pandemic years, with NBFC credit rising by 17.1% in Mar'23 and 18.4% in Mar'24, driven by revival in economy. For Mar'25, credit is estimated to reach Rs 45 trillion, marking a projected year-on-year growth of 13.3%. NBFC credit is expected to grow further to Rs 66–72 trillion by Mar'28, implying a strong CAGR of 14%–17% from Mar'25 to Mar'28. This reflects the increasing role of NBFCs in meeting the credit needs of various segments.

Share of NBFC credit in retail loans increased from 30.9% in Mar'19 to 39.9% in Mar'24, and is projected to rise further to 41.7% by Mar'25. Adversely, the share of corporate loans has declined from 69.1% in FY19 to an estimated 58.3% in FY25.

The shift is also validated by the strong year-on-year growth in retail credit. After a sharp surge of 66.5% in FY19, retail credit growth moderated to 22.7% in FY20, followed by a period of subdued expansion during the pandemic. However, it rebounded strongly with double-digit growth rates of 27.6% in FY23, 31.1% in FY24, and is expected to grow at 18.9% in FY25. This sustained growth reflects rising demand for personal loans, housing finance, vehicle loans, and other consumer credit products.

The shifting dynamics in the credit portfolio of non-banking financial companies (NBFCs) from Mar'20 to Mar'24 Expected reveal significant trends, particularly in the retail loans segment, which has increased its market share from 29.8% in Mar'20 to an expected 36.4% in Mar'25. NBFCs are more agile in reaching underserved or rural segments of the population. While banks tend to focus on larger, more creditworthy customers, NBFCs usually cater to small and medium-sized borrowers or those with limited credit history. This growth highlights the increasing reliance on consumer financing as a key driver of credit expansion.

As NBFCs strategically shift their focus from the industrial sector to the retail segment, they are capitalizing on the robust demand for consumer loans. This transition not only enhances their market presence but also presents opportunities for diversification within their portfolios. By prioritizing retail financing, NBFCs can support overall credit growth and better position themselves in a rapidly evolving market, ultimately shaping the future landscape of the NBFC sector.

MSME Credit in India

As per the MSME Development Act 2007, Micro enterprises are classified as enterprises with investment in plant and machinery or equipment not more than Rs. 1 crore and annual turnover not more than Rs. 5 crores. Small enterprises are enterprises with investment in plant and machinery or equipment not more than Rs. 10 crores and annual turnover not more than Rs. 50 crores. While medium enterprises are classified as enterprises with investment in plant and machinery or equipment not more than Rs. 50 crores and annual turnover not more than Rs. 250 crores. As of March 31, 2022, there are approximately 70 million MSMEs in India contributing to a substantial portion of the national GDP and total workforce. The MSME sector contributes to India's socio-economic development by providing huge employment opportunities in rural and backward areas, reducing regional imbalances, and assuring equitable distribution of national wealth and income. The Government expects that MSMEs' contribution to GDP to increase from 29.2% in FY2022 to 40-50% by FY2030. As of FY24, 45.7% of India's exports are by MSMEs thus supporting economic development and growth. As per Ministry of Micro, Small and Medium Enterprises, 57 million MSMEs are registered on Udyam Registration Portal and Udyam Assist Platform (UAP) providing employment to about 241.4 million people as of December 2024.

According to the National Sample Survey's 73rd round dated June 2016, micro segment accounted for as much as approximately 99.47% of total estimated number of MSMEs in India. Small and medium sector accounted for 0.52% and 0.01%, respectively of the total estimated MSMEs. At a region level, rural regions accounted for marginally higher share of 51% as compared to urban region. Out of 63.05 million micro MSMEs, 51% micro MSMEs are present in rural areas. MSMEs units are largely dominated by bigger states including Uttar Pradesh, Rajasthan, Tamil Nadu, Maharashtra, and Gujarat. In terms of constitution, close to 94% of the entities in the MSME universe in India are estimated to be sole proprietorship firms, wherein a small business undertaking is run and managed by the business owner and the business, and the owner can virtually not be separated.

As of July 2024, micro enterprises accounted ~97.1% of total registered MSMEs in India. Small and medium enterprises accounted for 2.6% and 0.3%, respectively of the total registered MSMEs. Maharashtra, Tamil Nadu and Uttar Pradesh account for the highest number of registered MSMEs in the country, with Maharashtra accounting for 17%, followed by Tamil Nadu and Uttar Pradesh accounting for 10% each. In terms of constitution, close to 94% of the entities in the MSME universe in India are estimated to be sole proprietorship firms, wherein a small business undertaking is run and managed by the business owner and the business, and the owner can virtually not be separated.

Behavioural shift in MSMEs

Due to various initiatives and schemes by the Government, MSMEs have witnessed a behavioural shift which is expected to help them in gaining more access to credit.

Formalization of MSMEs - Around 38% of total estimated number of MSMEs in India are registered under Udyam system

There has been a large push for formalization of MSMEs in recent years with an exponential increase in the number of MSMEs registered on the Udyam portal (similar government portals) from FY2016 to FY2024. Udyam certificate is required by MSMEs for taking benefit of any scheme of the Central government. The Udyam portal is also integrated with the Government e-Marketplace ("GeM") and the Trade Receivables and Discounting System ("TReDS") so that enterprises can participate in government procurement and have a mechanism for discounting their bills.

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 fuelled 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 unorganized 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 analyzing this target segment and customizing 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 factors driving competitiveness of NBFCs

Better presence in rural markets

Rural demand is expected to aid two-wheeler growth in the long term, and this will be backed by rising farm incomes and improving rural infrastructure, especially as the government continues to invest in developing rural roadways. Greater ability of NBFCs (generally smaller NBFCs) to tap specific markets and/or customer segments by offering financing at much lower rates than the unorganized sector will enable them to retain their strong market position.

Better LTV and schemes by NBFC players

NBFC's offers a wide range of schemes and promotions such as low-down payment, attractive EMI options, no charge on processing fees to attract more customers. Moreover, with increase in the cost of acquisition caused by BS-VI and other regulations, customers are looking for financing options with higher LTV and schemes.

STATE OF COMPANY AFFAIRS

Your Company is registered as a non-deposit taking Non-Banking Financial Company (NBFC) pursuant to the Certificate of Registration No. B-10.00318 dated February 07, 2025, issued by the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934. It is classified as an NBFC – Investment and Credit Company (NBFC-ICC) under the Middle Layer (NBFCs-ML) in accordance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.With over 20 years of experience in the asset finance business, the Company is primarily engaged in offering a range of lending products including MSME loans, vehicle loans, construction loans, and other credit solutions tailored to meet the diverse financial needs of its customers.

The Company has a network of 158 branches across Rajasthan, Madhya Pradesh, Uttar Pradesh, Gujarat and Chhattisgarh.

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, 2025 is summarized as below:

(Amount in Lakhs except per share data)

PARTICULARS	Year ended 31st March, 2025	Year ended 31st March, 2024
Revenue from Operations	24,571.26	17,313.75
Other Income	232.51	188.15
Total Expenditure (**excluding Finance Cost & Depreciation)**	8,415.47	6,043.42
Profit Before Finance Cost & Depreciation	**16,388.30**	**11,458.48**
Less: Finance Cost	11,462.74	8,342.05
Less: Depreciation	190.05	152.98
Profit Before Tax	**4,735.51**	**2,963.45**
Total Tax Expenses (Current & Deferred)	1,135.07	716.88
Profit After Taxation	**3,600.44**	**2,246.57**
Other Comprehensive Income (Net of Tax)	-9.42	15.23
Total Comprehensive Income for the period	**3,591.02**	**2,261.80**
APPROPRIATION: -		

Dividend on Equity Shares	-	-
Dividend on Preference Shares	-	-
Tax on Dividend	-	-
Transfer to General Reserve	-	-
Transfer to Statutory Reserve Fund	720.088	449.39
EPS: -		
Basic	8.78	6.11
Diluted	8.78	5.66

KEY INDICATORS

• Gross income for the year increased by **41.72%** to Rs. **24,803.77** Lakhs as compared to Rs. **17,501.90** Lakhs in 2023-24.
• Profit before tax for the year is Rs. **4,735.51**Lakhs as compared to Rs. **2,963.45** Lakhs in 2023-24, showing a significant growth of **37.42 %.**
• Profit after tax for the year is Rs. **3,600.44** Lakhs as compared to Rs. **2,246.57** Lakhs in 2023-24, showing a significant growth of **37.60 %.**

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 2024-25 aggregated to **Rs. 71,853 Lakhs** as compared to **Rs. 52,500 Lakhs** in Financial Year 2023-24.

b. Assets Under Management (AUM)

During the period under review, the AUM of the Company stood at **Rs. 1,27,702 Lakhs** as on March 31, 2025 against **Rs. 96,100 Lakhs** as on March 31, 2024.

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 **41.72 % to Rs. 24,803.77 Lakhs from Rs. 17,622.23 Lakhs during the reporting period.** Judicious pricing decisions coupled with alterations in the product mix designed to provide the optimum risk benefit led to an increase in yields during Financial Year 2024-25.

d. Capital Adequacy

During the financial year under review, the paid-up share capital of the Company increased from Rs. 1986.27 lakhs to Rs. 2090.715 lakhs.

As a result of increased net worth, your Company was able to enhance the Capital to Risk Weighted Assets (CRAR) to **20.80 %** as on March 31, 2025 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 **19.98 %** and Tier II capital adequacy ratio stood at **0.82 %** respectively.

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)	Rated	7,005
2.	Assignment	Unrated	5,115
3.	Non-Convertible Debentures	Rated	3,000

No Interest payment or principal repayment of the Term Loans was due and unpaid as on March 31, 2025. 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. 5,115 Lakhs** under Direct Assignment route. In previous year, the company had assigned a loan portfolio having a total principal amount of **Rs. 6,411 Lakhs** under Direct Assignment route.

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

As on March 31, 2025, the debt-to-equity ratio of the Company stood at **4.41 times** against **3.87 times** as on March 31, 2024. 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**

During the Financial year 2024-25, your company has issued 3000 rated, listed, unsubordinated, secured, transferable, redeemable, taxable, non – convertible debentures ('NCDs") denominated in Indian Rupees having a face value of Rs. 1,00,000 each aggregating to Rs. 30,00,00,000/- on a private placement basis and these NCDs are listed on the Wholesale Debt Market segment of BSE Limited.

As specified in the term sheet, the funds raised from NCDs were utilized to originate small business loans and used commercial vehicle loans. Details of the end use of funds were furnished to the Stock Exchange on a quarterly basis.

The brief details of NCDs issued on a private placement basis during the year 2024-25 are mentioned below:

Sr. No.	ISIN	Date of Issue	Date of Allotment	Secured/ Unsecured	Coupon Rate	Listed/Unlisted	No. of Debentures	Maturity date	Issue price (in Rs)	Amount (in lakh)
1	INE06WU07064	June 27, 2024	June 28, 2024	Secured	11.487%	Listed	3000	June 28, 2027	1,00,000	3000

The Company has been regular in making payments of principal and interest on all the NCDs issued by the Company on a private placement basis. There are no NCDs which have not been claimed by investors or not paid by the Company after the date on which the NCDs became due for redemption. The assets of the Company which are available by way of security are sufficient to discharge the claims of the debt security holders as and when they become due.

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, 2025.

Particulars	Name of credit Rating Agency	Date of Rating Agencies	Rating valid upto	Rating
Non-Convertible Debentures (NCD)	Acuite Ratings & Research Limited	August 02, 2024	March 08, 2025	A-
Bank Loan Ratings	Acuite Ratings & Research Limited	August 02, 2024	March 08, 2025	A-

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 **1434** employees on the rolls of the company as on March 31, 2025 as compared to **1144** as on March 31, 2024.

NETWORK EXPANSION (BRANCHES)

The Company is experiencing rapid growth and is continuously expanding its business in the states of Rajasthan, Gujarat, Madhya Pradesh, Chhattisgarh and Uttar Pradesh. During the financial year, the Company opened new branches as follows: **2 branches in Rajasthan, 11 branches in Madhya Pradesh, 7 branches in Gujarat, and 4 branches in Uttar Pradesh**. As of the close of the financial year ending March 2025, the Company operates a total of **158 branches** across these five states. Additionally, during the period under review, the Company closed 1 branch in Gujarat. The details of branches are as mentioned below:

State	Branches
Rajasthan	91
Gujarat	24
Madhya Pradesh	35
Chhattisgarh	4
Uttar Pradesh	4
Total	**158**

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 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:

LIFL 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. Priya Kadyan, 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
For Laxmi India Finance Limited
(Formerly Known as Laxmi India Finance Private Limited)

	Sd/-	**Sd/-**
Date: May 19, 2025	**Deepak Baid**	**Aneesha Baid**
Place: Jaipur	Managing Director	Whole Time Director
Reg. Office: 2, DFL, Gopinath Marg, MI Road, Jaipur – 302001, Rajasthan	DIN:03373264	DIN: 07117678

CIN: U65929RJ1996PLC073074
Email: info@lifc.in
Website: www.lifc.co.in

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INDEPENDENT AUDITOR'S REPORT

To
The Members of
Laxmi India Finance limited
(Formerly known as Laxmi India Finance Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of 'Laxmi India Finance Limited' (the "Company"), which comprise the Balance Sheet as at March 31, 2025 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of the material accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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

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India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

S. No.	Key Audit Matters	How our audit addressed the key audit matter
1	**Impairment of loans as at the balance sheet date (expected credit losses (ECL)** **As described in Note 1.2 (C)of the financial statements**	
	Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for	• Our audit procedures included reading the Company's accounting policies for impairment of Financial

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	impairment of its loan receivables (financial instruments) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the Management for: a. Defining Staging of loans (i.e. classification based on 'significant increase in credit risk' ("SICR") and 'default' categories) b. Estimating probability of default('PD'), loss given default('LGD') and exposure at default('EAD'); c. Management overlay for estimation of the impact on the credit quality.	Instruments and assessing compliance with the policies in terms of Ind AS 109 and with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020 ("the RBI Guidelines"). • Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. • Assessed the criteria for staging of loans based on their past-due status and checked the stage classification as at balance sheet date. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Read and assessed adequacy of the disclosures included in the financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.

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	In view of such high degree of management's judgement involved in the estimation of ECL, it is a key audit matter	

Emphasis of Matter

We draw attention to **Note** 104 &105 of the accompanying financial statements, which describes the effects of a change in accounting policy/correction of prior period errors. The said restatement has been made in accordance with the applicable Indian Accounting Standards.

Our opinion is not modified in respect of this matter.

Other information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis and Board's report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the 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.

S. C. Bapna & Associates
JAIPUR
Chartered Accountants

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Responsibilities of Management and Those Charged with the Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

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assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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 matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order. to the extent applicable.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

S. C. Bapna & Associates Chartered Accountants JAIPUR

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b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g);

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

d. In our opinion, the aforesaid 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 March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;

g. In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to Its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 46 to the financial statements.

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

iii. There were no amounts which are required to be transferred, to the Investor Education and Protection Fund by the company

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, 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. 41 to the financial statements.

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 invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note No. 41 to the financial statements.

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c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material misstatement.

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

vi. Based on our examination on test check basis and on verification of SOC 2 report from Service Provider's Auditor, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except in one instance where the audit trail feature was disabled and then enabled. We are unable to assess whether there are any instances of audit trail feature being modified with in respect of the period when the audit trail feature did not operate.

In respect of the other software related to loan management system and Loan origination system, based on our examination on test check basis and on verification of SOC 2 report from Service Provider's Auditor, the audit trail feature remained enabled and fully operational, at application level, throughout the entire year.

In respect of the other software related to collection, in absence of SOC 2 report from Service Provider's Auditor, we are unable to obtain sufficient appropriate audit evidence to comment whether the audit trail feature was enabled and remined operational throughout the year and whether there was any instance of audit trail feature being modified with.

S. C. Bapna & Co. JAIPUR Chartered Accountants

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Based on the information and explanation made available to us, the audit trail has been preserved by the company as per the statutory requirements for record retention for the financial year ended March 31, 2025.

For S.C Bapna & Associates
Chartered Accountants
Firm's Regn. No.115649W

Kartik Bapna
Partner
Membership No. 413084
UDIN: 25413084BNLFKO4837
Place: Jaipur
Date: 19.05.2025

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Annexure A to the Independent Auditor's report

Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the Members of Laxmi India Finance Limited (Formerly known as Laxmi India Finance Private Limited) for the year ended March 31, 2025.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

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

   a) (1) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

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

   b) According to the information and explanation given to us, all these property, plant and equipment are physically verified by the management periodically which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As per management, 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 disclosed in the financial statements (Other than properties where the company is a lessee & the lease agreement is duly executed in favour of the lessee) *except the following immovable property:*

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Description of property	Carrying value Rs. In Lacs	Held in name of	Period held	Reason for not being held in the name of company
1st ,2nd & 3rd Floor, Plot No.2 DFL, Gopinath Marg, MI Road Jaipur	28.36	Mr. Deepak Baid (Managing Director of the Company)	Since 01/04/2011	Property was being used for carrying on the business by Mr. Deepak Baid as a proprietor firm, but in April 01, 2011, firm converted into company and all fixed asset of the firm vest in Laxmi India Finance Limited. The Company has informed that, the Company is in process for transfer the title in its name.

Note: Certain immovable properties are held in the former name of the Company i.e. Laxmi India Finleasecap Private Limited / Laxmi India Finance Private Limited and the transfer in the new name is yet to be initiated.

d) The Company has not revalued any of its Property, Plant and Equipment or intangible assets during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable;

e) There are no proceedings that have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended) and rules made there under.

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2. a) The Company's business does not involve inventories and, accordingly, the requirements, under clause 3 (ii) (a) of the Order is not applicable to the Company and hence not commented upon.

   b) According to the information and explanations given by the management and audit procedure performed by us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets, and the statements filed by the Company with such bank or financial institutions are in agreement with the books of account of the Company;

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

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

   b) In our opinion, during the year, the investments made, guarantees provided, security given and the terms and condition of the grant of all loans and advances in the nature of loans are prima facie, not prejudicial to the Company's interest.

   c) In respect of loans granted by the Company as part of its business of providing loans, the schedule of repayment of principal and payment of interest has been stipulated by the company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause), in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business. Further, except for 2211 loans having principal amount

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outstanding of Rs. 7488.98 lakh and overdue amount of Rs. 679.14 lakh as at March 31, 2025 where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

d) In respect of loans and advances in the nature of loans, the total principal amount of cases which are overdue for more than ninety days as at March 31, 2025 is Rs. 910.56 lakh and the number of such loans are 134. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

e) The Company is engaged in principal business of lending loans, hence reporting under clause 3(iii)(e) of the Order is not applicable to the company.

f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act are applicable and hence not commented upon.

5. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the company.

6. The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(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 generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and any other statutory dues to the appropriate authorities, as applicable to the company, though there has been a slight delay in a few cases. The provisions relating to sales tax, service tax, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.

   b) According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

   c) The dues of goods and service tax, provident fund, employees' state insurance, income tax and other statutory dues as applicable to the Company, which have not been deposited as on March 31, 2025, on account of any dispute, are as follows:

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
Income Tax Act, 1961	Income Tax	8.65	AY 2020-21	Joint Commissioner (Appeals)

8. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

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 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 other lender.

   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, other than temporary deployment pending application of proceeds.

   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 utilized for long-term purposes during the year by the Company.

   e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

   f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

10. a) According to the information and explanation given by the Management and audit procedure performed by us, the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments)

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hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us, the Company has not made preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company

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, 2013 has been filed by secretarial auditor or by predecessor auditor or by us 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) According to the information and explanations given to us, as represented to us by the management, no whistle blower complaints has been received by the Company during the year. Therefore, the provisions of clause 3(xi)(c) of the Order are not applicable to the Company;

12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

13. According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details of such related party transactions have been disclosed in the financial statements, as required by the applicable accounting standards.

S. C. Bapna & Associates Chartered Accountants JAIPUR

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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 of the Company issued till date of the audit report, for the period under audit.

15. According to the information and explanations given by the management, and audit procedures performed by us, 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. Accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

16. a) The company is required and obtained the registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934);

    b) The company has not conducted Non-Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, the requirement to report under clause 3 (xvi)(b) of the Order is not applicable.

    c) As per information & explanation given to us, the company is not a core investment company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable.

    d) According to the information and explanations given by the management to us, the Group does not have any Core Investment Company as part of the Group; Accordingly, the requirement to repcrt under clause 3 (xvi)(d) of the Order is not applicable.

S. C. Bapna & Asso. Jaipur Chartered Accountants

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17. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year and accordingly requirement to report on Clause 3(xvii) of the order is not applicable to the company.

18. There has been no resignation of the statutory auditors of the Company during the year and accordingly requirement to report on Clause 3(xviii) of the order is not applicable to the company.

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) 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 section135 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 are no unspent amounts that are required to be transferred to a special account in compliance of provision under sub section 5 of section 135 of the Act pursuant to any ongoing CSR projects.

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21. The Company doesn't have any subsidiary, Associate or Joint Venture. Accordingly, the requirement to report under clause 3(xxi) of the Oder is not applicable to the company.

For S.C. Bapna & Associates
Chartered Accountants
Firm's Regn. No.115649W

Kartik Bapna
Partner
Membership No. 413084
UDIN: 25413084BNLFKO4837
Place: Jaipur
Date: 19.05.2025

S. C. Bapna & Associates
JAIPUR
Chartered Accountants

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Annexure B to the Independent Auditors report

Referred to in Paragraph 2(f) under the heading 'Report on other Legal & regulatory Requirements' to the Independent auditors Report of even date on the Financial Statement of Laxmi India Finance Ltd. for the year ended 31st March 2025

Report on the Internal Financial Controls under 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 Limited (Formerly known as Laxmi India Private Limited) ("the Company"), as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include 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

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End of 11th Road, Off Mahakali Caves Road,
Near Hotel Tunga International, Andheri (East),
Mumbai – 400 069 Maharashtra
Phone : 7738007589
Email:mumbai@scbapna.in

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 based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 policies and procedures that:

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

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

S. C. Bapna & Associates Chartered Accountants JAIPUR

S. C. BAPNA & ASSOCIATES
CHARTERED ACCOUNTANTS

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(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 Limitation of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

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.

Opinion

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, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.C. Bapna & Associates
Chartered Accountants
Firm's Regn. No.115649W

Kartik Bapna
Partner
Membership No. 413084
UDIN: 25413084BNLFKO4837
Place: Jaipur
Date: 19.05.2025

Offices :

Jaipur : "Arihant" "C-44/45", Greater Kailash Colony, Lal Kothi, Tonk Road, Jaipur, Rajasthan-302015
Phone: 0141- 4038223/ 2741824/ Fax : 0141-4034824 | Email : bapnasc@gmail.com
Vadodara : 74-76, Gayatri Chambers, RC Dutt Road, Near Railway Station, Alkapuri, Vadodara, Gujarat-390005
Phone : 0265-2331056, 2334365
New Delhi : Plot No. 3-Th-78, No. A4,Maiden Garhi, New Delhi-110068
Udaipur : Second Floor, 2 Hazareshwar Colony, Hospital Road, Udaipur - 313001

Laxmi India Finance Limited
(Formerly Known as Laxmi India Finance Private Limited)

Regd Office 2, DFL, Gopinath Marg, M I Road, Jaipur 302001 Rajasthan
CIN: U65929RJ1996PLC073074 ; Email : info@lifc.in ; Tel No : 0141-4031166, website : www.lifc.co.in

Balance Sheet
As at Mar 31, 2025

(₹ in lakhs)

Particulars	Note No.	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
I. ASSETS				
(1)Financial Assets				
(a) Cash and Cash Equivalents	2	10,242.99	4,227.00	9,528.42
(b) Bank balance other than Cash and cash equivalents	3	11,233.93	7,296.28	7,379.31
(c) Receivables				
Other Receivables	4	17.12	31.33	7.05
(d) Loans	5	112,691.15	81,523.87	56,821.07
(e) Investments	6	2,927.41	1,451.09	766.64
(f) Other Financial Asset	7	2,181.51	2,434.24	2,031.66
Total Financial Assets		**139,294.10**	**96,963.81**	**76,534.15**
(2)Non-financial Assets				
(a) Current tax Assets		34.62	215.81	183.78
(b) Deferred tax Assets (Net)	8	-	-	-
(c) Property, Plant and Equipment	9	1,276.35	1,107.23	1,008.48
(d) Capital Work in progress(CWIP)	10	-	-	-
(e)Intangible Assets under development	11	4.98	7.63	(0.00)
(f) Other Intangible Assets	12	7.86	3.95	3.51
(g) Other non-financial assets	13	633.94	185.93	140.56
Total Non-financial Assets		**1,957.75**	**1,520.55**	**1,336.33**
Total Assets		**141,251.85**	**98,484.36**	**77,870.48**
II. LIABILITIES AND EQUITY				
Liabilities				
(1) Financial Liabilities				
(a) Payables	14			
(i)Trade Payables				
- total outstanding dues of micro enterprises and small enterprises		2.61	17.03	1.16
- total outstanding dues of creditors other than micro enterprises and small enterprises		192.21	106.20	113.48
(ii)Other Payables				
- total outstanding dues of micro enterprises and small enterprises		-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		134.60	117.30	1.16
(b) Debt Securities	15	2,738.55	500.21	2,317.43
(c)Borrowings (Other than Debt Securities)	16	110,172.89	75,373.87	59,231.26
(d) Subordinated Liabilities	17	794.87	793.56	-
(e)Other Financial Liabilities	18	879.17	617.56	327.98
Total Financial Liabilities		**114,914.90**	**77,525.73**	**61,992.47**
(2)Non- Financial Liabilities				
(a) Current Tax Liabilities	19	67.43	6.38	6.38
(b) Provisions	20	155.73	113.65	112.88
(c) Deferred Tax Liabilities (Net)	8	129.67	497.30	388.07
(d) Other non-financial liabilities	21	194.98	168.50	116.23
Total Non- Financial Liabilities		**547.81**	**785.83**	**623.57**
Total liabilities		**115,462.71**	**78,311.56**	**62,616.04**
(3) Equity				
(a) Equity Share capital	22	2,090.72	1,986.28	1,831.72
(b) Other Equity	23	23,698.42	18,186.52	13,422.72
Total Equity		**25,789.14**	**20,172.80**	**15,254.44**
Total Equity and Liabilities		**141,251.85**	**98,484.36**	**77,870.48**
Material Accounting Policies	1			

The accompanying notes 1 to 107 form an integral part of these financial statements

As per our Report of even date attached
For S.C. Bapna & Associates
Chartered Accountants
Firm Registration No.- 115649W

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

JAIPUR
S C Bapna & Associates
Chartered Accountants

CA Kartik Bapna
Partner
Membership No.- 413084

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

Place: Jaipur
Date: May 19, 2025

2

Laxmi India Finance Limited
(Formerly Known as Laxmi India Finance Private Limited)
Regd. Office : 2, DFL, Gopinath Marg, M I Road, Jaipur 302001 Rajasthan
CIN: U65929RJ1996PLC073074 ; Email : info@lifc.in ; Tel. No : 0141-4031166, website . www.lifc.co.in

Statement of Profit and Loss
For the period ended Mar 31, 2025

(₹ in lakhs)

	Particulars	Note No.	For the period ended Mar 31, 2025	For the period ended Mar 31, 2024 (Restated)
	Revenue from Operations			
	Interest Income	24	23,131.24	16,478.53
	Fees and commission Income	25	1,346.34	447.11
	Net Gain On Fair Value Changes	26	93.68	388.11
I	**Total Revenue from Operations**		**24,571.26**	**17,313.75**
II	Other Income	27	232.51	188.15
III	**Total Income (I+II)**		**24,803.77**	**17,501.90**
IV	**Expenses:**			
	Finance Costs	28	11,462.74	8,342.05
	Impairment on financial instruments	29	1,189.06	187.49
	Employee Benefits Expenses	30	5,402.73	4,320.44
	Depreciation & Amortisation Expense	31	190.05	152.98
	Net Loss On Fair Value Changes	26	-	-
	Other Expenses	32	1,823.68	1,535.49
	Total Expenses (IV)		**20,068.26**	**14,538.45**
V	**Profit/(Loss) before Exceptional Items & Tax (III-IV)**		**4,735.51**	**2,963.45**
VI	**Exceptional Items**		-	-
VII	Profit/(Loss) Before Tax (V-VI)		**4,735.51**	**2,963.45**
VIII	**Tax Expense:**			
	Current Tax		1,506.00	609.45
	Deferred Tax		(364.46)	104.10
	Income Tax for Earlier Year		(6.47)	3.34
	Total Tax Expenses (VIII)		**1,135.07**	**716.88**
IX	**Profit/(loss) for the period (VII-VIII)**		**3,600.44**	**2,246.57**
X	**Other Comprehensive Income**			
	(A) Items that will not be reclassified to profit or loss			
	- Remeasurement Gains/(Losses) on Defined Benefit Plans		(12.59)	20.35
	- Income tax on above		3.17	(5.12)
	Subtotal(A)		(9.42)	**15.23**
	(B)Items that will be reclassified to profit or loss			
	Subtotal(B)		-	-
XI	**Total Other Comprehensive Income for the period (A+B)**		(9.42)	**15.23**
XII	**Total Comprehensive Income for the period (IX+XI)**		**3,591.01**	**2,261.79**
XIII	**Earnings per Equity Share:**	33		
	Basic (in ₹)		8.78	6.11
	Diluted (in ₹)		8.78	5.66
	Nominal Value of Equity Shares(in ₹)		5.00	5.00
	Material Accounting Policies	1		
	The accompanying notes 1 to 107 form an integral part of these financial statements			

As per our Report of even date attached
For S.C. Bapna & Associates
Chartered Accountants
Firm Registration No.- 115649W

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

JAIPUR

CA Kartik Bapna
Partner
Membership No.- 413084

Deepak Baid
Managing Director
DIN: 03373264

Aneesha Baid
Whole Time Director
DIN: 07117678

Place: Jaipur
Date: May 19, 2025

Gopal Krishan Sain
Chief Financial Officer

Sourabh Mishra
Company Secretary
Membership No. - 51872

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Statement of Changes In Equity
For the period ended Mar 31, 2025

A. Equity Share Capital (₹ in lakhs)

Particulars	Number of shares	Amount
As at Apr 01, 2023	**19,862,788.00**	**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)	19,862,788.00	1,986.28
Partly Paid up equity shares (FV Rs. 10 each and Rs. 6 Paid up)	-	-
As at Mar 31, 2024	**19,862,788.00**	1,986.28
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, 2025*	21,951,512.00	**104.44**
Fully Paid up equity shares (FV Rs. 5 each)	41,814,300.00	2,090.72
Partly Paid up equity shares	-	-
As at Mar 31, 2025	**41,814,300.00**	**2,090.72**

* Change in number of shares during the year include issue of 10,44,362(before split) right shares and share split impact of opening shares and right issue during the year

B. Other Equity
Period ended Mar 31, 2025 (₹ in lakhs)

Particulars	Reserves and Surplus					Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Securities Premium	Share option outstanding account	Impairment Reserve	Retained Earnings	
Balance as at Apr 01, 2024	**1,812.13**	9,109.36	-	77.03	**7,188.01**	**18,186.53**
Change in accounting policy/Correction of error effect in opening balance	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	1,812.13	9,109.36	-	77.03	7,188.01	18,186.53
Profit for the year	-	-	-	-	3,600.44	3,600.44
Other Comprehensive Income (expense)(net of tax)	-	-	-	-	(9.42)	(9.42)
Total Comprehensive Income for the Year	-	-	-	-	**3,591.02**	**3,591.02**
Additions during the year	720.09			-		720.09
Premium on issue of shares		**1,879.85**				1,879.85
Capital Issue Expenses	-	-	-	-	-	-
Transfer to Impairment Reserve	-	-	-	-	-	-
Transfer to Statutory reserves as per Section 45-IC of the RBI Act, 1934	-	-	-	-	(720.09)	(720.09)
Share based payment expense	-	-	41.03			41.03
Dividend Paid (including Dividend tax)	-	-	-	-	-	-
Balance as at Mar 31, 2025	**2,532.22**	**10,989.21**	**41.03**	**77.03**	**10,058.94**	**23,698.43**

Period ended Mar 31, 2024 Restated (₹ in lakhs)

Particulars	Reserves and Surplus					Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Securities Premium	Share option outstanding account	Impairment Reserve	Retained Earnings	
Balance as at Apr 01, 2023	**1,350.73**	**6,607.35**	-	77.03	**5,407.72**	**13,442.83**
Change in accounting policy/Correction of error effect in opening balance	**12.03**		-		**104.75**	**116.78**
Less: Deferred tax Adjusted @25.167%	-	-	-	-	**(136.89)**	**(136.89)**
Restated balance at the beginning of the current reporting period	1,362.76	6,607.35	-	77.03	5,375.58	13,422.72
Profit for the year	-	-	-	-	2,246.57	2,246.57
Other Comprehensive Income (expense)(net of tax)	-	-	-	-	15.23	15.23
Total Comprehensive Income for the Year	-	-	-	-	**2,261.80**	2,261.80
Additions during the year	449.38	-	-	-	-	449.38
Premium on issue of shares	-	2,511.51	-	-	-	2,511.51
Capital Issue exp	-	(9.50)	-	-	-	(9.50)
Transfer to Impairment Reserve	-	-	-	-	-	-
Transfer to Statutory reserves as per Section 45-IC of the RBI Act, 1934	-	-	-	-	(449.38)	(449.38)
Dividend Paid (including Dividend tax)	-	-	-	-	-	-
Balance as at Mar 31, 2024	1,812.13	9,109.36	-	77.03	7.188.01	18,186.53

The accompanying notes 1 to 107 form an integral part of these financial statements

As per our Report of even date attached
For S.C. Bapna & Associates
Chartered Accountants
Firm Registration No.- 115649W

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

JAIPUR

CA Kartik Bapna
Partner
Membership No.- 413084

Deepak Baid
Managing Director
DIN: 03373264

Aneesha Baid
Whole Time Director
DIN: 07117678

Place: Jaipur
Date: May 19, 2025

Gopal Krishan Sain
Chief Financial Officer

Sourabh Mishra
Company Secretary
Membership No. - 51872

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Statement of Cashflows
For the period ended Mar 31, 2025

(₹ in lakhs)

Particulars	For the period ended Mar 31, 2025		For the period ended Mar 31, 2024 (Restated)	
A. Cash Flow from Operating Activity				
Profit before tax		4,735.51		2,963.45
Adjustments for:				
Depreciation, Amortisation & Impairment	190.05		152.98	
Fair Value change of Investments	(3.39)		(330.91)	
Impairment on financial instruments	1,189.06		187.49	
Finance Cost on Lease Liability	18.06		7.09	
Income on Derecognised (assigned) Loans	(808.98)		(1,387.43)	
Upfront Gain on ARC	1.11		25.97	
Interest income on Security deposit	(0.55)		(0.26)	
Provision for Gratuity	25.06		27.87	
Employee share based payment expenses	41.03		-	
Gain on Lease Liabilities	(0.92)		-	
Gain/(Loss) on Disposal of Fixed Assets	(0.84)		(16.94)	
		649.69		(1,334.14)
Operating profit before working capital changes		5,385.20		1,629.31
Adjustment for :				
(Increase)/decrease in Loans	(32,268.09)		(24,851.55)	
(Increase)/decrease in Receivables	14.22		(24.29)	
(Increase)/decrease in other financial assets	1,064.64		997.09	
(Increase)/decrease in Bank balance other than Cash and cash equivalents	(3,937.65)		83.03	
(Increase)/decrease in non financial assets	(448.00)		(45.68)	
Increase/(decrease) in other financial liabilities	286.30		304.21	
Increase/(decrease) in non financial liabilities	26.48		52.26	
Increase/(decrease) in Payables	88.88		124.70	
Increase/(decrease) in current tax liabilities	(61.05)		-	
Increase/(decrease) in provisions	0.41		-	
Total of changes in working capital		(35,233.86)		(23,360.23)
Cash generated from operations		**(29,848.66)**		**(21,730.92)**
Income Tax Paid(net of refund)		(1,277.76)		(644.81)
Net Cash from/(used in) Operating Activity (A)		**(31,126.42)**		**(22,375.73)**
B. Cash Flow from Investing Activity				
Purchase/Sales of property, plant and equipment and		(365.79)		(243.19)
Purchase/Sale of Investments		(1,472.92)		(436.11)
Net Cash Flow from/(used in) Investing Activity (B)		**(1,838.71)**		**(679.30)**
C. Cash Flow from Financing Activity				
Issue of equity shares		104.44		154.55
Share Premium on issue of equity shares		1,879.85		2,511.51
Proceeds from / (Repayment of) Borrowings		34,799.02		16,142.61
Proceeds from / (Repayment of) Subordinated Liability		1.32		793.56
Proceeds from / (Repayment of) debt securities		2,238.34		(1,817.22)
Expenses related to Capital Issuance		-		(9.50)
Payment of Lease Liabilities		(41.83)		(21.90)
Net Cash Flow from Financing Activity (C)		**38,981.13**		**17,753.61**
Net increase in cash and cash equivalents (A+B+C)		**6,015.99**		**(5,301.42)**
Cash and cash equivalents at the beginning of the year		4,227.00		9,528.42
Cash and cash equivalents at the close of the year		10,242.99		4,227.00
Net increase in cash and cash equivalents		**6,015.99**		**(5,301.42)**

Cash and Cash Equivalent includes:-

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)
Cash in hand	61.48	103.66
Balances with Bank	10,181.51	4,123.34
Total	**10,242.99**	**4,227.00**

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 43 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 S.C. Bapna & Associates
Chartered Accountants
Firm Registration No.- 115649W

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

JAIPUR

CA Kartik Bapna
Partner
Membership No.- 413084

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

Place: Jaipur
Date: May 19, 2025

5

Laxmi India Finance Limited
(Formerly Known as Laxmi India Finance Private Limited

Regd. Office : 2. DFL, Gopinath Marg, M I Road, Jaipur 302001 Rajasthan
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Notes to Financial Statements

Company Overview and Material Accounting Policies

Note 1 Corporate Information

Laxmi India Finance Limited is a public limited company incorporated under the provisions of Companies Act, 1956 on May 10, 1996. The Company is having its registered office at 2, DFL Tower, Gopinath Marg, M I Road, Jaipur, Rajasthan. 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

The Company is a NBFC classified under 'Middle Layer' pursuant to Scale Based Regulations prescribed by the RBI vide its Circular Ref. No. RBI/2021-22/112 DOR CRE.REC. No.60/03.10.001/2021-22 dated October 22, 2021, read with Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 dated October 19, 2023.

The Company is a NBFC classified under 'Middle Layer' pursuant to Scale Based Regulations prescribed by the RBI vide its Circular Ref. No. RBI/2021-22/112 DOR CRE.REC. No.60/03.10.001/2021-22 dated October 22, 2021 read with Master Direction - During the FY 2024-25, the Constitution of company has changed from private to public by eliminating the word Private, the company name changed from Laxmi India Finance Private Limited to Laxmi India Finance Limited with effect from October 08, 2024. The company had applied with RBI, Jaipur, for a change of name, on which RBI had issued fresh certificate bearing no. B-10.00318 dated February 07, 2025, after cancelling the previous certificate.

Note 1.1 Basis of preparation

A Statement of compliance and basis of preparation of summary statement

A.1 The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) and the Statement of Changes in equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (the 'Act'). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'. The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows, Statement of Changes in Equity and notes to the financial statement, including a summary of material accounting policies and other explanatory information are together referred as the 'financial statement' of the Company.

A.2 These financial statements of the Company as at and for the years ended March 31,2025 are prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on May 19, 2025

A.3 The comparative financial figures have been compiled from the audited financial statements of the Company as at and for the year ended March 31,2024 prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "Ind AS").

The aforesaid audited financial figures have been restated for change in accounting policy and correction of accounting errors.

A.4 The accounting policies have been consistently applied by the Company in preparation of the Financial Statements to all the periods presented except where the entity has changed the accounting method of certain incomes from accrual basis to cash basis. This change aligns the entity's accounting policy with the general industry practice, thereby enhancing the comparability of the entity's financial statements with those of other market participants within the industry and with those adopted in the preparation of financial statements as at March 31, 2025.

A.5 These Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited interim financial statements / audited financial statements mentioned above.

The Financial Statements are prepared and presented on accrual and going concern basis and the relevant provisions of Act and the guidelines and directives issued by the Reserve Bank of India (RBI) to the extent applicable. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

A.6 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.

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B Basis of Measurement:

B.1 These Financial Statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value/amortised cost, as applicable (refer to material accounting policies), net defined (asset)/ liability present value of defined benefit obligations at fair value, investments carried at fair value and liabilities for eqnity-settled sharebased payment arrangements at fair value. The methods used to measured fair valoe are discussed further in notes to Financial Statements.

B.2 All assets and liabilities have been classified as current or non-current as per the criteria set ont 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.

C Functional and presentation currency :

These Financial Statements are prepared in Indian Rupees (INR or ₹), which is the Company's functional currency. All Financial Statements presented in INR or ₹ bas been rounded to the nearest millions and two decimals thereof, except as stated otherwise. The Company presents its Balance sheet in order of liquidity.

Note 1.2 Material Accounting Policies

A summary of the material 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 except where a newly-issued Ind AS initially adopted or a revision to an existing Ind AS requires a change in the accounting policy or change is required to align the accounting policy with general industry practice.

During the period, the entity has changed the accounting method of certain incomes from accrual basis to cash basis,this change aligns the entity's accounting policy with the general industry practice, thereby enhancing the comparability of the entity's financial statements with those of other market participants within the industry.

A Property Plant & Equipment

i 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 accumnlated 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.

ii 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.

iii Depreciation/Amortization

Depreciation for all property, plant and eqnipment 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.

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 hold 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 eqnipment 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.

iv **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.

B Intangible assets and intangible assets under development :

i **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 under intangible assets are carried as intangible assets under development till they are ready for their intended use.

ii **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.

iii **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 previous estimates, the amortization period is changed accordingly.

iv **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 disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

C 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.

C.1 <u>Financial assets</u>

C.1.1 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.

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8

Classification

C.1.2

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.

Business Model Assessment

C.1.3

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).

Assessment whether contractual cash flows is solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Subsequent measurement of financial assets

C.1.4

The Company classifies its financial assets in the following measurement categories:

i **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

(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.

ii **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.

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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.

iii **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.

C.1.5 **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.

C.1.6 **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.

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.

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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.

C.2 Financial liabilities and equity instruments

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.

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.

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) Modification of Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss (including Other Comprehensive Income).

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(iv) 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.

C.3 Impairment of financial assets

C.3.1 Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost and FVOCI.

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance has been measured at 12 month ECL.

At each reporting date, the Company assesses whether any financial asset carried at amortised cost and FVOCI is 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 since initial recognition. Evidence that a financial asset is credit-impaired includes the observable data such as Days Past Due ('DPD') or default event.

The Corporation's ECL for financial guarantee is estimated based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs.

C.3.2 ECL is a probability weighted estimate of credit losses, measured as follows:

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.

For trade receivables, the Company applies a simplified approach. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

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.

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C.3.3 **Criteria used for determination of movement from stage 1 (12-month ECL) to stage 2 (lifetime ECL) and stage 3 (Credit impaired)**

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.

C.3.4 **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.

C.3.5 **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.

C.3.6 **The mechanics of ECL:**

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls. 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:

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(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.

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 12m ECL 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.

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

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

C.4 **Net gain on fair value changes**

The Company classifies certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on de-recognition of financial asset measured at FVTPL and FVOCI on net basis in profit or loss.

D Write-offs

Financial assets are written off in their entirety only when the Company has no reasonable expectation of recovery. The amount written off 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

E Offsetting of financial instruments

Financial assets and financial liabilities are offset aud 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.

F 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 — Valuatiun 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.

G Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Corporation are initially measured at their fair values and, if not designated as at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with Ind AS 109 and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised inaccordance with the Corporation's revenue recognition policies.

The Corporation has not designated any financial guarantee contracts as FVTPL.

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H Revenue Recognition-

Interest Income

H.1

Interest income, for all financial instruments measured 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 shorter 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)

Income from Direct Assignment transactions

H.2

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.

Fees and Commission Income

H.3

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, Instrument return charges, seizing charges, Repossesion charges, legal and notice charges, valuation charges, Document Verification charges Tele Collection Charge, Penal charges (LPP), RTGS NEFT 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:

Step 1 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.

Step 2 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.

Step 3 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.

Step 4 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.

Step 5 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.

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1 Employee benefits :

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 recoguised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

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.

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.

(iii) Share based payment

Employees Stock Option Scheme ("ESOS") - Equity settled

The ESOS provides for grant of the equity shares of the Company to employees. The scheme provides that employees are granted an option to subscribe to the equity shares of the Company that vest in the graded manner. The option may be exercised within the specified period.

Equity-settled share-based payments to employees are recognised as an expense at the fair value of equity stock options at the grant date. The fair value determined at the grant date of the equitysettled share-based payments is expensed on a straight-line basis over the graded vesting period,based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

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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.

J Income Taxes

Income tax expense comprises current tax and deferred tax.

(i) 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.

(ii) 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

(iii) 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

K Leases:

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.

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"

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.

l. Provisions, Contingent Liabilities and Contingent Assets:

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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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.

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

M 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.

N 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.

O Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

P Trade and other receivable

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at transaction price.

Q Recent accounting pronouncements

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. For the year ended 31 March 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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R 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.

S 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.

T 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.

U 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.

V 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.

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Note 1.3 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. 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.

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) Recognition and measurement of provisions and 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.

(iv) Measurement of defined benefit obligations

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) Recognition of deferred tax

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.

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(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:

• 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 of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using 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 establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(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.

(ix) Determination of estimated useful lives of property, plant and equipment and intangible assets

Useful lives of property, plant and equipment and intangible assets are based on the life prescribed in Schedule II of the Act.

(x) Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECL) on its financial assets measured at amortized cost and Fair Value through Other Comprehensive Income (FVOCI). At each reporting date, the Company assesses whether the above financial assets 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.

(xi) Determination of lease term

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

(xii) Discount rate for lease liability and right of use assets

The discount rate is generally based on the weighted incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. And discount rate of security deposits is generally based on the SBI deposit rate at the time of deposit.

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Laxmi India Finance Limited
(Formerly Known as Laxmi India Finance Private Limited)
Notes Forming Part Of Financial Statements

2 Cash & Cash Equivalents (₹ in lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
Cash on Hand	61.48	103.66	56.77
Balances with Banks			
In Current Accounts	4,401.79	858.23	366.75
In Cash Credit Accounts	459.70	400.00	1,809.48
In Overdraft Accounts	14.19	613.16	704.80
Fixed Deposit	5,305.83	2,251.95	6,590.62
Total	**10,242.99**	**4,227.00**	**9,528.42**

3 Bank Balances other than Cash & Cash Equivalents (₹ in lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments*	7,406.87	5,132.19	4,844.76
Fixed Deposit (having Maturity More than 3 Months	3,827.06	2,164.09	2,534.55
Total	**11,233.93**	**7,296.28**	**7,379.31**

*Other bank balance with bank includes deposits under lien aggregating to ₹7406.87 lakhs (P.Y.₹ 5132.19 lakhs) i.e. under lein for overdraft facilities aggregating to ₹ 3726.41 lakhs (P.Y.₹ 2077.04 lakhs), under lien for Borrowings aggregating to₹ 3525.66 lakhs (P.Y. ₹ 2897.58 lakhs), under lien for PTC Arrangements aggregating to NIL (P.Y. NIL) and under lien for Business Correspondent purposes aggregating to Rs 154.80 Lakhs (PY ₹ 157.57 lakhs)

4 Receivables (₹ in lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
Other Receivable (Receivables considered good - unsecured)	17.12	31.33	7.05
Total	**17.12**	**31.33**	**7.05**

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.

4.1 Other Receivables Ageing Schedule
As at Mar 31, 2025 (₹ in lakhs)

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	17.12	-	-	-	-	17.12
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, 2024 Restated (₹ in lakhs)

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	31.33	-	-	-	-	31.33
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.

5 Loans (₹ in lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
Loans - Amortised cost			
Term Loans	112,740.64	80,720.49	56,142.17
Others			
Retained interest under direct assignments	1,283.66	1,312.57	1,142.45
Total Gross	**114,024.30**	**82,033.06**	**57,284.61**
Less: Impairment loss allowance	(1,333.15)	(509.19)	(463.54)
Total Net	**112,691.15**	**81,523.87**	**56,821.07**
(A)			
Term Loans			
Secured by Intangible	-	-	-
Secured by tangible			
Total Gross	112,560.42	80,002.77	55,630.73
Less: Impairment loss allowance	(1,302.87)	(484.78)	(388.86)
Total Net	111,257.55	79,517.99	55,241.88
Unsecured			
Total Gross	1,463.88	2,030.29	1,653.88
Less: Impairment loss allowance	(30.28)	(24.41)	(74.69)
Total Net	1,433.59	2,005.88	1,579.19
(B)			
Loans in India			
Public Sector	-	-	-
Others	114,024.30	82,033.06	57,284.61
Loans Outside India	-	-	-
Total Gross	**114,024.30**	**82,033.06**	**57,284.61**
Less: Impairment loss allowance	(1,333.15)	(509.19)	(463.54)
Total Net	**112,691.15**	**81,523.87**	**56,821.07**

5.1 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.

5.2 The company has given impairment assessment and measurement approach in note no. 1

5.3 The company has defined risk assessment model in note no. 53

5.4 During the FY 24-25 there is no retained interest in Loans as part in Direct Assignment done before Date of Transisition i.e. Apr 1, 2019

5.5 The Comapny has not granted any loans or advances in the nature of loans 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 (a) repayable on demand or (b) without specifying any terms or period of repayment.

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5.6 **Summary of loans by stage distribution**

(₹ in lakhs)

Particulars	As at Mar 31, 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount	108,647.30	4,158.68	1,218.33	114,024.30
Less: Impairment loss allowance	494.24	166.56	672.36	1,333.15
Net carraying amount	108,153.06	3,992.12	545.97	112,691.14

(₹ in lakhs)

Particulars	As at Mar 31, 2024 (Restated)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount	78,013.74	3,422.20	597.12	82,033.06
Less: Impairment loss allowance	111.22	72.99	324.97	509.19
Net carraying amount	77,902.52	3,349.21	272.15	81,523.88

5.7 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, 2024	78,013.74	3,422.20	597.12	82,033.06
New assets originated or increase in existing assets	62,146.90	822.41	260.41	63,229.72
Assets Closed or repaid	(27,063.39)	(1,223.64)	(75.13)	(28,362.16)
Transfers from Stage 1	(4,166.57)	3,406.66	759.91	-
Transfers from Stage 2	893.97	(1,010.24)	116.27	-
Transfers from Stage 3	66.27	22.43	(88.70)	-
Sold to ARC	(1,231.44)	(1,161.68)	(61.34)	(2,454.46)
Write offs	(12.19)	(119.46)	(290.22)	(421.86)
As at Mar 31, 2025	108,647.30	4,158.68	1,218.33	114,024.30

(₹ in lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at Apr 1, 2023	55,253.08	1,698.78	332.75	57,284.60
New assets originated or increase in existing assets	46,397.53	738.83	26.95	47,163.31
Assets Closed or repaid	(20,465.77)	(782.12)	(166.91)	(21,414.80)
Transfers from Stage 1	(3,076.17)	2,564.33	511.84	-
Transfers from Stage 2	303.88	(445.55)	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	78,013.74	3,422.20	597.12	82,033.06

(₹ in lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2024	111.22	72.99	324.97	509.18
New assets originated or increase in existing	279.84	130.86	642.62	1,053.32
Assets Closed or repaid	72.78	(36.25)	(42.77)	(6.23)
Transfers from Stage 1	(14.93)	13.41	1.51	-
Transfers from Stage 2	18.70	(19.84)	1.14	-
Transfers from Stage 3	28.36	17.39	(45.75)	-
Sold to ARC	(1.52)	(8.70)	(34.07)	(44.29)
Write offs	(0.23)	(3.31)	(175.30)	(178.84)
As at Mar 31, 2025	494.24	166.56	672.36	1,333.15

(₹ in lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2023	273.05	38.66	151.82	463.53
New assets originated or increase in existing assets	74.78	46.03	314.54	435.34
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	72.99	324.97	509.19

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6 Investments (₹ in lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
At fair value through profit and loss account			
Investment in Mutual Funds/AIF/ULIP	65.22	30.67	43.86
Investment in Debt securities	-	-	-
Security Receipts of ARC	2,862.18	1,420.43	722.78
Gross (A)	**2,927.41**	**1,451.09**	**766.64**
Investments outside India	-		
Investments in India	2,927.41	1,451.09	766.64
Gross (B)	**2,927.41**	**1,451.09**	**766.64**
Security Receipts of ARC	2,862.18	1,420.43	722.78
Mutual fund units	8.63	-	41.23
Investment in Debt securities	-	-	-
Investment in AIF (Northern Arc Alpha Trust)	-	-	-
Investment in Equity Oriented Fund-ULIP	56.59	30.67	2.63
Gross (C)	**2,927.41**	**1,451.09**	**766.64**
Total (A) to tally with (B) & (C)			
Less: Allowance for Impairment loss (D)	-	-	-
Total Net D = (A) -(C)	**2,927.41**	**1,451.09**	**766.64**

7 Other Financial Asset - At amortised cost (₹ in lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
Security Deposit	51.04	36.41	24.98
Fixed Deposits with Financial institutions/NBFC	0.00	(0.00)	(0.00)
Balances with Payment Aggregators	38.91	12.01	6.12
TDS Receviable from NBFC/FI's	9.48	12.71	28.19
Commision from CSFB	5.64	8.96	11.40
Receivables on Assigned Loans	2,080.51	2,370.60	1,979.35
Total Gross	**2,185.58**	**2,440.69**	**2,050.04**
Less: Impairment loss allowance	(4.07)	(6.45)	(18.38)
Total	**2,181.51**	**2,434.24**	**2,031.66**

8 Deferred Tax Assets(Net) (₹ in lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
Deferred Tax Assets, on account of			
Depreciation and Amortisation	19.53	22.48	20.24
Provision for Employee benefits	39.10	28.40	26.66
Expected Credit Loss (ECL)	254.55	95.69	102.81
Lease Liability	55.52	26.20	8.92
Effect of change in accounting policy	71.57	83.00	2.26
EIR Unamortised- Loan Asset	101.86	-	-
Total(A)	**542.12**	**255.78**	**160.89**
Deferred Tax Liabilities, on account of			
Upfront interest income on assignment transactiou	523.62	596.63	498.16
Right of Use Asset	53.36	25.74	8.68
Unrealised Gain on Investments	84.35	83.50	0.22
Effect of ARC(Securtisation)	10.45	47.20	41.90
Total(B)	**671.79**	**753.07**	**548.96**
Net Deferred Tax Assets (A) - (B)	**(129.67)**	**(497.30)**	**(388.07)**

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Laxmi India Finance Limited
(Formerly known as Laxmi India Finance Private Limited)

Notes Forming Part of Financial Statements

9 Property, Plant & Equipment

As at Mar 31, 2025 (₹ in lakhs)

Particulars	Freehold Land	Building	Computers & peripherals	Furniture & Fixtures	Vehicles	Office Equipment	Computer server	Leasehold Improvements	Right of Use (ROU) Asset	Total
Gross Block										
As at Apr 1, 2024	296.76	543.69	191.10	179.07	133.39	51.21	2.69		158.74	1,556.65
Addition During the Year	-	-	55.76	27.72	86.33	17.27	-	17.66	147.55	352.29
Deduction/Adjustments during the year	-	-	-	-	-	(1.50)	-	-	(4.45)	(5.95)
Reclassified to/ from held for sale	-	-	-	-	-	-	-	-	-	-
As at Mar 31, 2025	**296.76**	**543.69**	**246.86**	**206.79**	**219.72**	**66.98**	**2.69**	**17.66**	**301.84**	**1,902.99**
Accumulated Depreciation/Amortisation										-
Up to Apr 1, 2024	-	45.28	143.36	96.23	75.13	31.89	1.07		56.46	449.42
For the Year	-	24.27	52.10	24.78	29.21	13.26	0.64	0.44	33.36	178.06
Adjustments during the year	-	-	-	-	-	(0.84)	-	-	-	(0.84)
As at Mar 31, 2025	-	**69.55**	**195.46**	**121.01**	**104.34**	**44.31**	**1.71**	**0.44**	**89.82**	**626.64**
Net Block										-
As at Mar 31, 2025	**296.76**	**474.14**	**51.40**	**85.78**	**115.38**	**22.67**	**0.98**	**17.22**	**212.02**	**1,276.35**
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, 2024 (₹ in lakhs)

Particulars	Freehold Land	Building	Computers & peripherals	Furniture & Fixtures	Vehicles	Office Equipment	Computer server	Leasehold Improvements	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

9.1 During the F.Y 2024-25 and F.Y 2023-24 the Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets).

9.2 The Company has elected to include ROU assets pertaining to lease of buildings as part of the property, plant and equipment as permitted under paragraph 47 of Ind AS 116

9.3 Details of immovable properties , whose title deeds have been pledged in favour of SBI Bank as security against Secured Term loan has been explained in note 16

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9.4 Title deeds of all the immovable properties of the company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company (in former name of company) except following:

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, 2025						
PPE	Building details- Plot no 2, DFL Gopinath Marg MI Road Jaipur (Floor - 1st, 2nd and 3rd)	Rs 28,36,469/-	Mr Deepak Baid	Managing Director	01-04-11	Property was being used for carrying the business in the name of Deepak Finance and Leasing Company 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 Finleasecap Pvt Ltd., but at that time for this property the Title was not transferred in the name of the company, 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, 2024						
PPE	Building details- Plot no 2, DFL Gopinath Marg MI Road Jaipur (Floor - 1st, 2nd and 3rd)	Rs 29,81,676/-	Mr Deepak Baid	Managing Director	01-04-11	Property was being used for carrying the business in the name of Deepak Finance and Leasing Company 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 Finleasecap Pvt Ltd., but at that time for this property the Title was not transferred in the name of the company, 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

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10 **Capital Work in progress(CWIP)**

As at Mar 31, 2025 (₹ in lakhs)

Particulars	PPE	Total
As at Apr 1, 2024	-	-
Addition During the Year	-	-
Capitalisation during the Year	-	-
As at Mar 31, 2025	-	-

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	-	-

11 **Intangible Assets under Development**

As at Mar 31, 2025 (₹ in lakhs)

Particulars	Software	Total
As at Apr 1, 2024	7.63	7.63
Addition During the Year	9.61	9.61
Capitalisation/Deletion during the Year	12.26	12.26
As at Mar 31, 2025	**4.98**	**4.98**

As at Mar 31, 2024 (₹ in lakhs)

Particulars	Software	Total
As at Apr 1, 2023	(0.00)	(0.00)
Addition During the Year	10.00	10.00
Capitalisation/Deletion during the Year	2.37	2.37
As at Mar 31, 2024	**7.63**	7.63

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, 2025					
Customer App		2.87	-	-	**2.87**
Audit App Cash Management	0.35	-	-	-	**0.35**
Customer complaint portal development	0.94		-	-	**0.94**
Website Devlopment	0.82	-	-	-	**0.82**
As at Mar 31, 2024					
Synofin- CAS	-	-	-	-	-
Customer App	1.69	-	-	-	**1.69**
Dynamic	5.94	-	-	-	**5.94**

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12 Intangible Assets

As at Mar 31, 2025

(₹ in lakhs)

Particulars	Software	Total
Gross Block		
As at Apr 1, 2024	24.54	24.54
Addition During the Year	15.86	15.86
Deduction/Adjustments during the year	0.04	0.04
As at Mar 31, 2025	**40.44**	**40.44**
Accumulated Depreciation/Amortisation		
Up to Apr 1, 2024	20.59	20.59
For the Year	11.99	11.99
Adjustments during the year	-	-
As at Mar 31, 2025	**32.58**	**32.58**
Net Block		
As at Mar 31, 2025	**7.86**	**7.86**
As at Mar 31, 2024	3.95	3.95

As at Mar 31, 2024 (Restated)

(₹ in lakhs)

Particulars	Software	Total
Gross Block		
As at Apr 1, 2023	22.49	22.49
Addition During the Year	4.12	4.12
Deduction/Adjustments during the year	(2.07)	(2.07)
As at Mar 31, 2024	**24.54**	**24.54**
Accumulated Depreciation/Amortisation		
Up to Apr 1, 2023	18.98	18.98
For the Year	3.25	3.25
Adjustments during the year	(1.64)	(1.64)
Total up to Mar 31, 2024	**20.59**	**20.59**
Net Block		
As at Mar 31, 2024	**3.95**	**3.95**
As at Mar 31, 2023	3.51	3.51

12.1 During the FY 2024-25 and F Y 2023-24 the Company has not revalued its Intangible assets

During the FY 2024-25 customer App, Audit App cash management, customer complaint portal and during 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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Notes Forming Part of Financial Statements

13 Other non-financial assets

(₹ in lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
Sales Tax Refundable	0.88	0.88	0.88
Other Tax Assests	23.65	4.24	2.46
Deposits with Govt authorities against Litigation	0.03	0.03	0.03
Prepaid Expenses	42.91	51.85	22.02
Advance for Expense	150.85	101.77	102.56
Corpus fund for Trust	-	0.51	0.51
Staff Advance	24.75	26.26	9.58
Unamortised share issue expenses**	314.09	-	-
Capital Advances*	75.75	-	-
Advance for CSR activity	1.02	0.38	2.51
Total	**633.94**	**185.93**	**140.56**

*The company have Capital commitment towards contracts remaining to be executed on capital account (net of advances) of Rs 224.25 lakh against tangible asset.
**The Company has incurred certain expenses towards proposed Initial public offering of its equity shares. The company expects to recover certain amounts from the selling shareholders and the balance amount would be charged-off to securities premium account and income statement.

14 Payables

(₹ in lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
Trade Payables*	194.82	123.24	114.63
Others Payables*	134.60	117.30	1.16
Total	**329.42**	**240.54**	**115.79**

*Refer Note 14.2 for Ageing Schedule

Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at the year-end are furnished below:

(₹ in lakhs)

14.1 Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	2.61	17.03
Principal amount due to Micro and small enterprises	2.61	17.03
Interest due on above but not claimed by the parties	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006	-	-
(iii)The amount of interest due and payable for the year of delay in making payment (which	-	-
(iv)The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v)The amount of further interest remaining due and payable even in the succeeding years, until	-	-
Dues to Micro and Small Enterprises have been determined to the extent such parties have	-	-

14.2 payables ageing schedule

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at Mar 31, 2025					
Trade Payables					
(i) MSME	-	-	-	-	-
(ii) Others	192.21	-	-	-	192.21
(iii) Disputed dues – MSME	-	2.61	-	-	2.61
(iv)Disputed dues - Others	-	-	-	-	-
Total	**192.21**	**2.61**	-	-	**194.82**
Other Payables					
(i) MSME	-	-	-	-	-
(ii) Others	134.60	-	-	-	134.60
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total	**134.60**	-	-	-	**134.60**
As at Mar 31,2024					
Trade Payables					
(i) MSME	14.42	-	-	-	14.42
(ii) Others	106.20	-	-	-	106.20
(iii) Disputed dues – MSME	2.61	-	-	-	2.61
(iv)Disputed dues - Others	-	-	-	-	-
Total	**123.24**	-	-	-	**123.24**
Other Payables					
(i) MSME	-	-	-	-	-
(ii) Others	117.30	-	-	-	117.30
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total	**117.30**	-	-	-	**117.30**

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15 Debt Securities-At Amortised Cost

(₹ In Lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
Secured			
Non Convertible Debentures	2,738.55	500.21	2,317.43
Total	2,738.55	500.21	2,317.43
Debt securities in India	2,738.55	500.21	2,317.43
Debt securities outside India	-	-	-
Total	2,738.55	500.21	2,317.43

Nature of Security

15.1 All secured listed and Unlisted non-Convertible Debentures of the Company including those issued during year ended March 31, 2025, are secured by first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 100% or higher of the amount outstanding and the Personal Guarantee of Deepak Baid, Aneesha Baid and Prem Devi Baid as stated in Information Memorandum and key information document. Further, the Company has maintained asset cover as stated in the offer document which is sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.

During Fy 2023-24 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 Deepak Baid, Aneesha Baid.

15.2 **Details Of Redeemable Non-Convertible**

(₹ In Lakhs)

ISIN No.	Date of allotment	Date of Final redemption	Total number of debentures	Coupon Rate	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
INE06WU07031 (Face Value Rs. 10 Lacs each)	19.11.2020	19.05.2022	50.00	11.50%	-	-	-
INF06WU07023 (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	15.04%	506.59	500.21	1,000.42
INE06WU07064 (Face Value Rs. 1 Lacs each)	28.06.2024	28.06.2027	3,000.00	11.49%	2,231.96	-	-
Total					2,738.55	500.21	2,317.43

Term of Repayment Of secured privately placed Non-Convertible Debenture

15.3 **Maturity Schedule**

(₹ In Lakhs)

	Interest Rate Range			Carrying Amount		
	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at April 01, 2023 (Restated)	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at April 01, 2023 (Restated)
Maturity Within One Year	11.49%-15.04%	15.62% -15.62%	11.50%-15.42%	1,499.99	0.21	1,817.43
Maturity between 1 to 3 Year	11.49%-15.04%	15.62% -15.62%	11.50%-15.42%	1,238.56	500.00	500.00
Maturity between 3 to 5 Year	11.49%-15.04%	15.62% -15.62%	11.50%-15.42%	-	-	-
Maturity in more than 5 Year	11.49%-15.04%	15.62% -15.62%	11.50%-15.42%	-	-	-
Total				2,738.55	500.21	2,317.43

15.4 No bonds or debentures has been redeemed for which the company has power to reissue.

16 Borrowings (Other than Debt Securities)-At Amortised Cost

(₹ In Lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
Secured			
Term loans			
(i)From Banks	67,624.12	43,755.90	34,130.77
(ii)From Financial Institutions/NBFC	41,861.67	29,854.73	24,813.90
Others			
Associated liabilities in respect of Co-Lending Transaction - secured	31.04	54.22	88.58
Associated liabilities in respect of Business Correspondent Transaction - secured	-	-	(0.00)
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	656.06	953.96	-
Total (A)	110,172.89	75,373.87	59,231.26
Borrowings in India	110,172.89	75,373.87	59,231.26
Borrowings outside India	-	-	-
Total (B)	110,172.89	75,373.87	59,231.26

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16.1 Term of Repayment Of Borrowings Outstanding

(₹ In Lakhs)

Maturity Schedule	Interest Rate Range As at Mar 31, 2025	As at Mar 31, 2024(Restated)	As at Apr 01, 2023 (Restated)	Carrying Amount As at Mar 31, 2025	As at Mar 31, 2024(Restated)	As at Apr 01, 2023 (Restated)
a) Term Loans from Banks - Secured						
Maturity Within One Year	7.70% - 14.25%	7.70% - 14.25%	7.70% - 14.76%	21,157.13	12,665.67	10,568.59
Maturity between 1 to 3 Year	7.70% - 14.25%	7.70% - 14.25%	7.70% - 14.76%	29,438.70	19,311.03	16,195.93
Maturity between 3 to 5 Year	7.70% - 14.25%	7.70% - 14.25%	7.70% - 14.76%	17,017.81	12,534.26	7,174.32
Maturity in more than 5 Year	7.70% - 14.25%	7.70% - 14.25%	7.70% - 14.76%	10.49	-	191.93
Total				67,624.12	44,510.96	34,130.77
b) Term Loans from NBFC/FI's- Secured						
Maturity Within One Year	8.02% - 14.50%	10.50% - 14.50%	10.00% - 15.16%	17,843.79	11,765.63	10,605.63
Maturity between 1 to 3 Year	8.02% - 14.50%	10.50% - 14.50%	10.00% - 15.16%	23,265.23	14,351.21	13,134.98
Maturity between 3 to 5 Year	8.02% - 14.50%	10.50% - 14.50%	10.00% - 15.16%	752.66	3,737.89	1,073.29
Maturity in more than 5 Year	8.02% - 14.50%	10.50% - 14.50%	10.00% - 15.16%	0.00	0.00	-
Total				41,861.67	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% - 11.90%	11.90% - 11.90%		341.18	305.12	
Maturity between 1 to 3 Year	11.90% - 11.90%	11.90% - 11.90%		314.88	648.85	
Maturity between 3 to 5 Year	11.90% - 11.90%	11.90% - 11.90%		-	-	
Maturity in more than 5 Year	11.90% - 11.90%	11.90% - 11.90%		-	-	
Total				656.06	953.97	-
E) Associated liabilities in respect of Co-Lending Transaction - secured						
Maturity Within One Year	12.90%	12.90%	12.90%	6.26	11.79	-
Maturity between 1 to 3 Year	12.90%	12.90%	12.90%	17.48	21.90	-
Maturity between 3 to 5 Year	12.90%	12.90%	12.90%	7.29	19.48	39.66
Maturity in more than 5 Year	12.90%	12.90%	12.90%	-	1.04	48.92
Total				31.04	54.22	88.58
f) Loans Repayable on Demand						
Maturity Within One Year	-	9.55% - 11.15%	7.90% - 7.90%	-	755.06	198.01
Maturity between 1 to 3 Year	-	-	-	-	-	-
Maturity between 3 to 5 Year	-	-	-	-	-	-
Maturity in more than 5 Year	-	-	-	-	-	-
Total				-	755.06	198.01

16.2 Nature of Security

1. Secured term loans from banks amounting to Rs. 67563.43 lakhs (FY24 Rs. 43703.94 Lakhs). The loans are having tenure of 3 to 7 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, Deepak Hitech Motors Private Limited & Dreamland Buildmart Private Limited. Loan sanctioned by State bank of India is further secured by hard collateral in the form of property.

2. Secured term loans from banks amounting to Rs. 60.70 lakhs(FY24 Rs. 51.96 Lakhs). The loans are having tenure of 3 to 7 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 and personal gurantee of directors.

3. Secured term loans from NBFC/FIs amount to Rs. 41820.97 lakhs (FY24 Rs. 29854.73 Lakhs). The loans are having tenure of 3 years to 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, Deepak Hitech Motors Private Limited and Prem Dealers Private Limited.

4. Secured term loans from NBFC/FIs amount to Rs.40.71 lakhs(FY Rs. 0.00 Lakhs). The loans are having tenure of 5 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.

5. Overdraft borrowings from the bank amounting to Rs. 0.00 lakhs (FY24 Rs. 500.26 Lakh) 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.

6. Cash Credit from the bank amounting to Rs. 0.00 lakhs (FY24 Rs. 254.80 Lakhs) are secured by the company, are repayable on demand and carry an interest ranging between 11.15% to 12.50%. Those cash credits are secured by hypothecation(exclusive charge) of the loans given by the Company and Personal Guarantee of Directors

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 has used all the borrowings from banks and financial institutions for the specific purpose for which it was taken , except temporary deployment pending application of proceeds during the period/year ended on March 31, 2025 and March 31, 2024.

16.5 In regard to Borrowings from banks or financial institutions on the basis of security of current assets. :

a) Quarterly returns/statements of current assets filed by 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 The Company has not been declared as Wilful Defaulter during the period/year ended on March 31, 2025 and March 31, 2024.

17 Subordinated Liabilities (₹ in lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
At Amortised Cost			
Unsecured			
Term Loan			
Loans from others	794.87	793.56	-
Total (A)	**794.87**	**793.56**	-
Borrowings in India	794.87	793.56	-
Borrowings outside India	-	-	-
Total (B)	794.87	793.56	-

17.1 Term of Repayment Of Subordinated Liabilities (₹ in lakhs)

Maturity Schedule	Interest Rate Range			Carrying amount		
	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
d) Term Loans from Other than Related Parties- Unsecured						
Maturity Within One Year	16.00%-16.00%	16.00%-16.00%	-	0.95	0.94	-
Maturity between 1 to 3 Year	16.00%-16.00%	16.00%-16.00%	-			-
Maturity between 3 to 5 Year	16.00%-16.00%	16.00%-16.00%	-	793.93	792.61	-
Maturity in more than 5 Year	16.00%-16.00%	16.00%-16.00%	-	-	-	-
Total				794.87	793.56	-

18 Other financial liabilities (₹ in lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
Cheque in Transit	-	-	-
Audit Fees Payable	9.20	8.50	7.65
Sum Accrued but not Due for Direct Assignment/Securitisation	649.37	504.95	284.88
Lease Liability	220.59	104.11	35.45
Excess loan received (MAS)	-	-	-
Total	879.17	617.56	327.98

19 Current Tax Liabilities (₹ in lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
Provision for Taxation (Net of Advance Tax)	61.05	-	-
Provision for Taxation (Earlier Years)	6.38	6.38	6.38
Total	67.43	6.38	6.38

20 Provisions (₹ in lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
For Employee Benefits			
Gratuity	155.34	112.85	105.91
For others			
Provision for CSR Unspent amount	-	-	-
Provision for ECL	0.39	0.80	6.97
Total	155.73	113.65	112.88

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 50

20.1 Movement of Provisions

Particulars	**Provision for ECL**
As at Apr 1, 2024	**0.80**
Add: Provision Addition/(Deletion) during the	(0.41)
Less: Sum Paid during the year	-
Closing at Mar 31, 2025	**0.39**
As at Apr 1, 2023	**6.97**
Add: Provision Addition/(Deletion) during the	(6.17)
Less: Sum Paid during the year	-
Closing at Mar 31, 2024	**0.80**

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21 Other non-financial liabilities

(₹ in lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
Statutory Dues Payable	194.50	168.50	116.23
Stamp Duty Payable	0.48	-	-
Total	**194.98**	**168.50**	**116.23**

22 Equity Share Capital

(₹ in lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
Authorised			
6,00,00,000 Equity Shares of par value ₹ 5/- Each	3,000.00		
2,00,00,000 Equity Shares of par value ₹ 10/- Each		2,000.00	2,000.00
Issued, Subscribed and Fully Paid Up and Partly Paid Up			
Equity Shares of ₹ 5/- Each fully Paid up	2,090.72	1,986.28	1,831.72
Total	2,090.72	1,986.28	1,831.72

(a) The reconciliation of the Number of Shares Outstanding and the amount of Share Capital:

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
	No. of Shares	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	19,862,788	19,862,788	15,890,230
Changes during the year*	21,951,512	-	3,972,558
Shares outstanding at the end of the year	41,814,300	19,862,788	19,862,788

* Change in number of shares during the year include issue of 10,44,362(before split) right shares and share split impact of opening shares and right issue during the year

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each shareholder is entitled to one vote per equity share.

The Board of Directors of the Company in its meeting held on November 13 2024 and approved the sub-division of shares from ₹ 10 per share to ₹ 5 per share and the Shareholder in their General Meeting held on November 16 2024 also approved the sub-division of shares.

The Company had formulated and implemented a policy i.e. Laxmi India Finance Private Limited Employee Stock Option Plan 2023 approved by the shareholders on August 12, 2023 which was amended and replaced by Laxmi India Finance Limited Employee Stock Option Plan 2023 by the shareholders on November 29, 2024. The Nomination and Remuneration Committee (NRC) of the Board of Directors of the Company, inter alia, administers and monitors the Plan in accordance with the provisions of Companies Act, 2013 and rules made thereunder. The company has granted ESOP options, and the grant date is October 01, 2024.

(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 52.01%.

(d) Details of Shareholders holding more than 5% shares in the Company:

Particulars	As at Mar 31, 2025		As at Mar 31, 2024 (Restated)	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Hirak Vinimay Private Limited	21,748,484	52.01%	10,874,842	54.75%
Deepak Hitech Motors Private Limited	2,801,082	6.70%	1,474,541	7.42%
Deepak Baid	7,384,952	17.66%	3,798,827	19.13%
Aneesha Baid	2,261,902	5.41%	1,157,451	5.83%

(e) Numbers of shares reserved of shares options

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)
Equity Shares of ₹ 5/- Each fully Paid up		
Numbers of shares reserved of shares options	750,556.00	-

(f) Shareholding of Promoters

Promoter name	As at Mar 31, 2025				As at Mar 31, 2024 (Restated)		
	No. of Shares(after share split)	No. of Shares(Before share split)*	% of total share	% Change during the year	No. of Shares	% of total share	% Change during the year
1. Prem Devi Baid	1,413,070	706,535	3.38%	0.00%	706,535	3.56%	-0.08%
2. Deepak Baid	7,384,952	3,692,476	17.66%	-2.80%	3,798,827	19.13%	20.09%
3. Aneesha Baid	2,261,902	1,130,951	5.41%	-2.29%	1,157,451	5.83%	-18.66%
4. Vivan Baid Family Trust (Through Its Trustee Mr. Deepak Baid And Mrs.Aneesha Baid)	14,400	7,200	0.03%	0.00%	7,200	0.04%	0.00%
5. Hirak Vinimay Private Limited	21,748,484	10,874,242	52.01%	0.00%	10,874,242	54.75%	-0.01%
6. Deepak Hitech Motors Pvt Ltd	2,801,082	1,400,541	6.70%	-5.02%	1,474,541	7.42%	-51.47%
7. Prem Dealers Private Limited	1,079,114	539,557	2.58%	-0.02%	539,657	2.72%	-0.09%
Total	36,703,004	18,351,502	87.78%		18,558,453	93.43%	

* Change in number of shares during the year include issue of 10,44,362 right shares.

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(g) (i) Companies's objectives, policies and processes for managing capital has been disclosed in note no 55.
(ii) Company have not issued any securities convertible into equity shares.
(iii) No call are unpaid for shares issued as on balance sheet date.
(iv) No shares have been forfeited as on balance sheet date

23 Other Equity

(₹ in lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
Securities Premium	10,989.21	9,109.36	6,607.35
Retained Earnings	10,058.93	7,188.00	5,375.58
Share option outstanding account	41.03	-	-
Impairment Reserve	77.03	77.03	77.03
Statutory Reserve u/s 45-IC of RBI Act, 1934	2,532.22	1,812.13	1,362.76
Total	**23,698.42**	**18,186.52**	**13,422.72**

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, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
At the beginning and end of the year	9,109.36	6,607.35	5,862.51
Add : Additions during the year	1,879.85	2,511.51	745.99
Less: Capital Expenditures	-	(9.50)	(1.15)
At the end of the year	**10,989.21**	**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, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
At the beginning of the year	7,188.00	5,375.58	4,123.51
Add : Change in accounting policy or prior period error	-	-	-
Add : Profit/(Loss) for the year	3,600.44	2,246.57	1,597.07
Add: Other Comprehensive Income	(9.42)	15.23	5.76
Less: Capital Expenditures	-	-	-
Less: Transfer to Impairment Reserves	-	-	(31.34)
Less: Transfer to Statutory Reserves	(720.09)	(449.38)	(319.41)
At the end of the year	**10,058.93**	**7,188.00**	**5,375.58**

(iii) Share option Outstanding

The Company had formulated and implemented a policy i.e. Laxmi India Finance Private Limited Employee Stock Option Plan 2023 approved by the shareholders on August 12, 2023 which was amended and replaced by Laxmi India Finance Limited Employee Stock Option Plan 2023 by the shareholders on November 29, 2024. The Nomination and Remuneration Committee (NRC) of the Board of Directors of the Company, inter alia, administers and monitors the Plan in accordance with the provisions of Companies Act, 2013 and rules made thereunder. The company has granted ESOP options and the grant date is October 01, 2024.

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
At the beginning of the year	-	-	-
Add : Additions during the year	41.03	-	-
Less:transfer to security premium	-	-	-
At the end of the year	**41.03**	-	-

(iv) Impairment 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, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
At the beginning of the year	77.03	77.03	77.03
Add : Additions during the year	-	-	-
At the end of the year	**77.03**	**77.03**	**77.03**

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(v) **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 utilisation

(₹ in lakhs)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024 (Restated)	As at Apr 01, 2023 (Restated)
At the beginning of the year	1,812.13	1,362.76	1,362.76
Add : Change in accounting policy or prior period error	-	-	-
Add : Additions during the year	720.09	449.38	-
At the end of the year	2,532.22	1,812.13	1,362.76

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Laxmi India Finance Limited
(Formerly Known as Laxmi India Finance Private Limited)

Notes Forming Part of Financial Statements

24 Interest Income (Measured at Amortised Cost)

(₹ in lakhs)

Particulars	For the period ended Mar 31, 2025	For the period ended Mar 31, 2024 (Restated)
Interest on Loans	21,490.80	14,535.23
Interest from Margin Money deposits/FDR's	831.46	555.87
Income on Derecognised (assigned) Loans	808.98	1,387.43
Total Interest Income	**23,131.24**	**16,478.53**

25 Fees and Commission Income

(₹ in lakhs)

Particulars	For the period ended Mar 31, 2025	For the period ended Mar 31, 2024 (Restated)
* Other Operating Income	1,346.34	447.11
Total Income	**1,346.34**	**447.11**

*Other operating income included Pre-closure charges of Rs 478.37 lakhs (FY 2023-24 Rs 79.71 lakhs), Instrument return charges of Rs 271.14 lakhs (FY 2023-24 Rs 44.42 lakhs)

26 Net Gain/(Loss) On Fair Value Changes

(₹ in lakhs)

Particulars	For the period ended Mar 31, 2025	For the period ended Mar 31, 2024 (Restated)
Net gain/(loss) on financial instruments at fair value through profit and loss (FVTPL)		
investment at FVTPL	93.68	388.11
Total Net gain/(loss) on fair value changes	**93.68**	**388.11**
Analysis of fair value changes		
Realised Gain on Investments	90.29	57.19
Unrealised Gain on Investments	3.39	330.91
Total Net gain/(loss) on fair value changes	**93.68**	**388.11**

27 Other Income

(₹ in lakhs)

Particulars	For the period ended Mar 31, 2025	For the period ended Mar 31, 2024 (Restated)
Income on Security deposits(rent)	0.55	0.26
Gain on Lease Liabilities	0.92	-
Gain/(Loss) on Disposal of Fixed Assets	0.84	16.94
Other Income from Infra	216.21	170.95
Other Miscellaneous income	13.99	-
Total Other Income	**232.51**	**188.15**

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28 Finance cost

(₹ in lakhs)

Particulars	For the period ended Mar 31, 2025	For the period ended Mar 31, 2024 (Restated)
Interest on financial liabilities (measured at amortised cost)		
Borrowings	11,353.06	8,261.37
Lease liability	18.06	7.09
Co-lending transaction	6.83	8.14
Business Correspondence Transactions	-	-
Others		
Bank charges	79.65	57.32
Interest under Income tax Act	5.14	0.99
Loan Processing charges	0.00	7.14
Total Finance cost	**11,462.74**	**8,342.05**

29 Impairment on financial instruments

(₹ in lakhs)

Particulars	For the period ended Mar 31, 2025	For the period ended Mar 31, 2024 (Restated)
At amortised cost		
Loan Assets	914.58	96.32
Receivables on Assigned Loans(DA)	(2.37)	(11.94)
Loan Assets Written off (net of recoveries)	276.85	103.11
Total Impairment on financial instruments	**1,189.06**	**187.49**

Loan Assets Written off (net of recoveries)

29.1 Loan Assets Written off (Net of recoveries) cover Bad debts recovered	(145.01)	(142.70)
Loan Assets Written off (Net of recoveries) cover Bad bebts	421.86	245.81
Total	**276.85**	**103.11**

30 Employee Benefit Expenses

(₹ in lakhs)

Particulars	For the period ended Mar 31, 2025	For the period ended Mar 31, 2024 (Restated)
Salary, Wages and Reimbursements	5,029.80	4,053.71
Contribution to Provident and other funds	224.36	178.14
Staff Welfare Expenses	63.01	44.37
Staff Conveyance Expenses	10.05	16.35
Gratuity	34.48	27.87
Share based payment to employees	41.03	-
Total Employee Benefit Expenses	**5,402.73**	**4,320.44**

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits and Ind AS 102 in respect of share based payment made are in Note 50 and Note 51 respectively

31 Depreciation and amortisation expense

(₹ in lakhs)

Particulars	For the period ended Mar 31, 2025	For the period ended Mar 31, 2024 (Restated)
Depreciation on Property, Plant & Equipment	178.06	149.73
Amortisation on Intagible Assets	11.99	3.25
Total Depreciation and amortization expense	**190.05**	**152.98**

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32 Other Expenses

(₹ in lakhs)

	Particulars	For the period ended Mar 31, 2025	For the period ended Mar 31, 2024 (Restated)
*	Rent, Rates and Taxes	250.68	194.10
	Repair and Maintenance	22.76	12.85
	Printing & Stationery	54.54	62.93
	Business/Sales Promotion	81.05	63.49
	Audit Fee	17.38	13.41
**	Legal, Professional and Technical Charges	509.95	391.85
	Postage, telegram & Telephone	45.24	35.75
	CSR Activities Expenses	46.04	38.30
	Office & General Expense	140.11	117.70
	Donations	0.62	10.00
	Collection Expenses	131.82	55.24
	Commission	0.48	0.01
	Telecommunication Expenses	25.79	21.08
	Vehicle Running & Maintenance	15.12	13.82
	Interest on TDS	0.66	0.03
	Electricity Charges & Water Charges	58.90	47.18
	Tours & Travelling Expenses	134.09	158.08
	RoC Filing Fees	0.62	0.59
	Stamp Duty	4.66	2.14
	Insurance	28.13	20.74
	Staff Training & other HR Related Expenses	6.44	10.49
	Software Technical and Maintenance Services	148.03	63.24
	Membership Fees	0.55	0.29
	Security Service Expenses	4.59	4.51
	Sitting Fees (To Directors)	27.47	22.90
	Miscellaneous Expenses	67.96	174.77
	Total Other expenses	**1,823.68**	**1,535.49**

*Rent expenses relate to the various short term leases accounted by applying practical expedient under Ind AS 116 - 'Leases'

(a) The Payment To Auditors includes:-

(₹ in lakhs)

Particulars	For the period ended Mar 31, 2025	For the period ended Mar 31, 2024 (Restated)
Audit fees		
Statutory Audit fees	7.50	6.00
Tax Audit Fees	0.50	0.50
Limited review Fees	6.00	4.50
ITC 50% reversed *	1.38	0.41
Certification Fees (other cetification)	2.00	2.00
Sub Total (A)	**17.38**	**13.41**
Certification Fees** (included in Legal, Professional and Tcchnical Charges)	8.40	-
ITC 50% reversed *	0.76	-
Sub Total (B)	**9.16**	-
Total (A+B)	**26.53**	**13.41**

*Option for utlisation of 50% of ITC has been opted, conseqently audit fees expense charged to Profit and loss account include 50% GST ITC reversal.

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33 Earnings per Share (Ind AS 33) **(₹ in lakhs)**

Particulars	For the period ended Mar 31, 2025	For the period ended Mar 31, 2024 (Restated)
(A) Basic Earnings per share		
(i) Profit attributable to equity shareholders (used as numerator) (₹ lakhs)	3,600.44	2,246.57
(ii) Weighted average number of equity shares (used as denominator) (Nos.)(Nominal Value per share ₹ 5)	410.25	367.64
Basic EPS (i)/(ii)	**8.78**	**6.11**
(B) Diluted Earnings per share		
(i) Profit attributable to equity shareholders (used as numerator) (₹ lakhs)	3,600.44	2,246.57
(ii) Weighted average number of equity shares (used as denominator) (Nos.)(Nominal Value per share ₹ 5)	410.25	397.26
Diluted EPS (i)/(ii)	**8.78**	**5.66**

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up.

Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Notes Forming Part of Financial Statements

34 Maturity Analysis at Mar 31, 2025 and Mar 31, 2024

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, 2025			As at Mar 31, 2024 (Restated)		
	Amount	within 12 month	after 12 month	Amount	within 12 month	after 12 month
I. ASSETS						
(1)Financial Assets						
(a) Cash and Cash Equivalents	10,242.99	10,242.99	-	4,227.00	4,227.00	-
(b) Bank balance other than Cash and cash equivalents	11,233.93	7,275.37	3,958.56	7,296.28	4,822.44	2,473.84
(c) Receivables	17.12	17.12	-	31.33	31.33	-
(d) Loans	112,691.15	35,979.82	76,711.33	81,523.87	22,364.14	59,159.73
(e) Investments	2,927.41	-	2,927.41	1,451.09	-	1,451.09
(f) Other Financial Asset	2,181.51	1,076.37	1,105.14	2,434.24	1,125.68	1,308.56
Total Financial Asset	139,294.11	54,591.67	84,702.44	96,963.82	32,570.59	64,393.22
(2)Non-financial Assets						
(a) Current tax Assets	34.62	34.62		215.81	215.81	-
(b) Deferred tax Assets (Net)	-	-	-	-	-	-
(c) Property, Plant and Equipment	1,064.33	-	1,064.33	1,004.95	-	1,004.95
(d) Property, Plant and Equipment under development	-	-	-	-	-	-
(e) Right of Use Assets	212.02	-	212.02	102.28	-	102.28
(f)Intangible Assets under development	4.98	-	4.98	7.63	-	7.63
(g) Other Intangible Assets	7.86	-	7.86	3.95	-	3.95
(h) Other non-financial assets	633.94	633.02	0.92	185.93	184.53	1.40
Total Non-financial Assets	1,957.74	667.64	1,290.11	1,520.55	400.34	1,120.22
Total Assets	141,251.85	55,259.31	85,992.55	98,484.37	32,970.93	65,513.44
II. LIABILITIES AND EQUITY						
Liabilities						
(1) Financial Liabilities						
(a) Payables	329.42	329.42	-	240.54	240.54	-
(b) Debt Securities	2,738.55	1,499.99	1,238.56	500.21	0.21	500.00
(c)Borrowings (Other than Debt Securities)	110,172.89	39,348.36	70,824.53	75,373.87	24,748.20	50,625.67
(d) Subordinated Liabilities	794.87	0.95	793.93	793.56	0.94	792.62
(e)Other Financial Liabilities	879.17	879.17	-	617.56	617.56	-
Total Financial Liabilities	114,914.90	42,057.88	72,857.02	77,525.74	25,607.45	51,918.29
(2)Non- Financial Liabilities						
(a) Current Tax Liabilities	67.43	67.43	-	6.38	6.38	-
(b) Provisions	155.73	0.39	155.34	113.65	0.80	112.85
(c) Deferred Tax Liabilities (Net)	129.67	-	129.67	497.30	-	497.30
(d) Other non-financial liabilities	194.98	194.98	-	168.50	168.50	-
Total Non- Financial Liabilities	547.82	262.80	285.01	785.83	175.68	610.15
Total Liabilities	115,462.72	42,320.68	73,142.04	78,311.57	25,783.13	52,528.44
(3) EQUITY						
(a) Equity Share capital	2,090.72	-	2,090.72	1,986.28	-	1,986.28
(b) Other Equity	23,698.42	14.95	23,683.47	18,186.52	-	18,186.52
Total Equity	25,789.14	14.95	25,774.19	20,172.80	-	20,172.80
Total Equity and Liabilities	141,251.85	42,335.63	98,916.23	98,484.37	25,783.13	72,701.24

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35 The Company has not traded or invested in Crypto currency or Virtual Currency during period ending March 31, 2025 and March 31, 2024.

36 The Company held no Benami Property during the period ending March 31, 2025 and March 31, 2024

37 The company has no transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

38 **Registration of charges or satisfaction with Registrar of Companies (ROC)**
There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

39 Non Compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 : Not Applicable.

40 Disclosure in regard to Compliance with approved Scheme(s) of Arrangements : Not Applicable

41 **Utilisation of Borrowed funds and share premium:**
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 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 shall whether directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries

42 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, 1961

43 **Disclosure as per Ind AS 7 "Cash Flow Statement"**
Cash and non-cash changes in liabilities arising from financing activities:

Period ended Mar 31, 2025

Particulars	Subordinated Liabilities	Unsecured Term Loan	Lease Liabilites	Secured Term Loans	Non Convertible Debentures	Other Loans
As at Apr 1, 2024	793.56	953.96	104.11	73,610.63	500.21	755.06
Cash Flows						-
Receipts/Payments	1.32	(297.90)	(29.08)	35,875.17	2,238.34	(755.06)
Non-cash changes						-
Creation of lease liabilities		-	145.57			-
Amortisation of Processing Fees						-
Period ended Mar 31, 2025	**794.87**	**656.06**	**220.59**	**109,485.80**	**2,738.55**	**-**

Period ended Mar 31, 2024 (Restated)

Particulars	Subordinated Liabilities	Unsecured Term Loan	Lease Liabilites	Secured Term Loans	Non Convertible Debentures	Other Loans
As at Apr 1, 2023	-	-	**35.45**	**58,944.68**	**2,317.43**	**198.01**
Cash Flows						-
Receipts/Payments	793.56	953.96	(14.81)	14,665.95	(1,817.22)	557.06
Non-cash changes						-
Creation of lease liabilities		-	83.47			-
Amortisation of Processing Fees						-
As at Mar 31, 2024	**793.56**	**953.96**	**104.11**	**73,610.63**	**500.21**	**755.06**

44 **Disclosure as per Ind AS 12: Income Taxes**
Income Tax Expense

(i)Income Tax recognized in the statement of profit and loss

(₹ in lakhs)

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Current Tax expense		
Current Year	1,506.00	609.45
Adjustment for earlier years	(6.47)	3.34
Total current Tax Expense	**1,499.53**	**612.79**
Deferred Tax Expense		
Origination and reversal of temporary differences	(364.46)	104.10
Origination and reversal of carried forward losses	-	-
Total Deferred Tax Expense	**(364.46)**	**104.10**
Total Income Tax Expense	**1,135.07**	**716.88**

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(ii)Income Tax recognized in other comprehensive income

(₹ in lakhs)

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Net actuarial gains/(losses) on defined benefit plans		
Before Tax	(12.59)	20.35
Tax expense / (benefit) recognized in OCI	3.17	(5.12)
Net of Tax	(9.42)	15.23

(iii)Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

(₹ in lakhs)

Particulars	Period ended Mar 31, 2025	% terms	Period ended Mar 31, 2024 (Restated)	% terms
Profit before tax	4,735.51		2,963.45	
Applicable Tax Rate	25.17%		25.17%	
Computed tax expense	**1,191.83**	25.17%	**745.84**	25.17%
Earlier Year tax	**(6.47)**	-0.14%	**3.34**	0.11%
Add/(less) : Non-deductible expenses for tax purposes	-		-	
Interest under Income tax Act	1.46	0.03%	2.55	0.09%
Donation	0.16	0.00%	25.17	0.85%
CSR Expenses	11.59	0.24%	96.39	3.25%
Tax effect of expenses that are deductible for tax purposes	(136.09)	-2.87%	(749.62)	-25.30%
Others	72.60	1.53%	593.21	20.02%
Tax as per Statement of Profit & Loss	**1,135.07**	**23.97%**	**716.88**	**24.19%**

The Company has elected to exercise the option permitted under section 115BAA of the income-tax act, 1961, as introduced by the taxation laws (amendment) ordinance, 2019.

(iv)Movement Deferred Tax Balances

(₹ in lakhs)

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Deferred Tax Asset:		
Depreciation and Amortisation	19.53	22.48
Provision for Employee benefits	39.10	28.40
Expected Credit Loss (ECL)	254.55	95.69
Lease Liability	55.52	26.20
Effect of change in accounting policy/Correction of errors	71.57	83.00
Unamortised Processing Fees on Financial Instruments	101.86	-
Total(A)	**542.12**	**255.78**
Deferred Tax Liability:		
Interest receivable on direct assignments	523.62	596.63
Right of Use Asset	53.36	25.74
Unrealised Gain on Investments	84.35	83.50
Effect of ARC(Securtisation)	10.45	47.20
Total(B)	**671.79**	**753.07**
Net Deferred Tax (Assets)/Liabilities (B) - (A)	**(129.67)**	**(497.30)**

(₹ in lakhs)

Deferred tax balance (Asset)/Liability in relation to	Period ended Mar 31, 2025	Movement during the period	Period ended Mar 31, 2024 (Restated)	Movement during the period	Period ended Mar 31, 2023
(A) Recognised through:Profit & Loss					
Depreciation and Amortisation	(19.53)	2.95	(22.48)	(2.24)	(20.24)
Provision for Employee benefits	(39.10)	(7.53)	(28.40)	(6.87)	(26.66)
Expected Credit Loss (ECL)	(254.55)	(158.86)	(95.69)	7.12	(102.81)
Lease Liability	(55.52)	(29.32)	(26.20)	(17.28)	(8.92)
Effect of change in accounting policy/Correction of errors	(71.57)	11.43	(83.00)	(80.74)	(2.26)
Unamortised Processing Fees on Financial Instruments	(101.86)	(101.86)	-	-	-
Interest receivable on direct assignments	523.62	(73.01)	596.63	98.47	498.16
Right of Use Asset	53.36	27.62	25.74	17.06	8.68
Unrealised Gain on Investments	84.35	0.85	83.50	83.28	0.22
Effect of ARC(Securtisation)	10.45	(36.75)	47.20	5.30	41.90
Total (A)	**129.66**	**(364.46)**	**497.30**	104.10	**388.08**
(B) Recognised through: OCI					
Provision for Employee benefits	-	(3.17)	-	5.12	-
Total (B)	-	(3.17)	-	5.12	-
		(367.64)		**109.22**	

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45 **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 cent 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 period/year are as under:

(₹ in lakhs)

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
A. Amount required to be spent during the year	46.04	38.30
B. Amount spent during the year on:	46.67	36.17
a) Construction/Acquisition of any asset	-	-
b) On purposes other than (a) above	46.67	36.17
C. Total adjusted from previous year excess CSR	-	2.13
D. Shortfall for the year, in any in Amount required to be spent net of Amount spent	-	-
E. Provision made for shortfall during the year	-	-
F. Total of Previous Year Shortfalls	-	-
G. Total Spend from Previous year Provision	-	-
H. Total Provision for Unspent CSR	-	-

The company was required to spend Rs. 46,03,771.00/- (Rupees Forty-Six Lakh Three Thousand Seven Hundred Seventy-One only) for Corporate Social Responsibility ("CSR") expenditure that was supposed to be made during the financial year 2024-25, whereas the Company has spent Rs. 46,67,937/- (Rupees Forty-Six Lakh Sixty-Seven Thousand Nine Hundred Thirty-Seven only) on CSR activities. The company has spent excess of Rs. 64,166 in the Financial year 2024-25, this excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years.

45.1

(₹ in lakhs)

Nature of CSR Activites	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
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	25.59	33.02
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	2.22	2.80
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	0.36	0.34
Others	18.50	-
Total	46.67	36.17

45.2 Details of related party transactions in relation to CSR expenditure as per Ind AS 24, related party disclosures refer note 48.

The Company has undertaken CSR activities as per schedule VII of the Companies Act, 2013.

45.3 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

46 **Disclosure as per Ind AS 37: Provisions, Contingent Liabilities, Contingent Assets**

(₹ in lakhs)

Particulars	Note	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
A. Contingent Liabilities **Claims against the company not acknowledged as debt**			
Income tax demand	(a)	9.00	-
Probable GST Liability related to Corporate guarantee issued/taken		-	-
		-	-
B. Capital and other Commitments			
The Company's capital commitments towards partially disbursed loans	(b)	244.52	1,504.91
		244.52	1,504.91

Notes-

(a) Demand of Rs 8,64,791 has been raised by department for AY 2020-21 on the ground that deduction u/s 80JJA was not in order. Appeal to the Joint Commissioner (Appeals) has been preferred for the same.

(b) During the year the company has sanctioned loans to various customers. Some loan are partially disbursed and required to be fully disbursed if all basic requirements get fullfilled by the counterparty

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47 Disclosure as per Ind AS 24: Related Parties

(A) Name of Related parties and nature of relationship

(a) Holding Company

Hirak Vinimay Private Limited (w.e.f FY 2022-2023)	Holding more than 50% voting power

(b)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 till May 06, 2024
6.Anil B Patwardhan	Non-executive Independent Director
7. Yaduvendra mathur	Non-executive Independent Director effective till May 04,2024
8. Mr. Brij Mohan Sharma	Additional Independent Director w.e.f September 28, 2024
9. Mr. Kalyanraman Chandrachoodan	Additional Independent Director w.e.f February 10, 2025
10. Sourabh Mishra	Company Secretary w.e.f Dec 05, 2023
11. Gajendra S Shekhawat	Company Secretary till Oct 21,2023
12. Piyush Somani	Chief Financial Officer till 29-02-2024
13. Gopal Krishan Sain	Chief Financial Officer w.e.f 01-03-2024

(C)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

(d) Entities controlled or jointly controlled by individual having significant influence or their relatives

Tejkaran Foundation	CSR Trust

(e) Relative of director

Rashmi Giria	Relative of director

(B) Transaction with the above related parties (₹ in lakhs)

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Director Remuneration		
Deepak Baid	276.00	287.50
Aneesha Baid	172.50	179.69
Prem Devi Baid	138.00	143.75
Sitting Fees		
Anil B Patwardhan	10.20	6.90
Yaduvendra Mathur	-	5.20
Mr. Kishore Kumar Sansi	1.20	4.20
Mr. Surendra Mehta	9.60	6.60
Mr. Brijmohan sharma	4.20	-
Salary, Allowances & Bonus		
Piyush Somani	-	39.78
Gopal Krishan Sain	39.59	2.22
Gajendra S Shekhawat	-	6.35
Sourabh Mishra	12.99	2.87
Number of ESOP granted		
Gopal Krishan Sain	0.29	-
Sourabh Mishra	0.10	-
Equity Share Capital issued		
Deepak Baid	9.75	
Rashmi Giria	5.26	
Rent paid to		
Aneesha Baid	5.48	4.59
Deepak Baid	5.14	4.69
Prem Devi Baid	10.36	7.57
	-	-
Advances to staff		
Sourabh Mishra	-	4.00
Advances to staff Repaid	-	-
Sourabh Mishra	0.75	0.45
CSR Expenses		
Tejkaran Foundation	10.00	-

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 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 Rent and sitting fees are reported at gross amount without taking impact of GST and TDS.

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(c) **Maximum Outstanding and Outstanding Balances of the above related parties - Receivable/(Payable)**

(₹ in lakhs)

Particulars	Max O/S at period ended March 31, 2025	Max O/S at period ended March 31,2024	Outstanding Balance Receivable / Payable period ended March 31, 2025	Outstanding Balance Receivable / Payable period ended March 31,2024
Advances to Staff				
Sourabh Mishra	3.55	4.00	2.80	3.55

(D) Compensation of KMP

(₹ in lakhs)

Particulars	Outstanding Balance Receivable / Payable period ended March 31, 2025	Outstanding Balance Receivable / Payable period ended March 31,2024
Short Term Employee Benefits	639.08	662.16
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment*	-	-
Total	**639.08**	**662.16**

Remuneration does not include provision for gratuity, leave encashment , perquisites and other defined benefits which are provided based on actuarial valuation on an overall Company basis

* The above details does not include employee stock option plan cost charged in statement of profit and loss (including other comprehensive income) as the same is calculated for the Company as a whole, the said expense/ liability pertaining specifically to key managerial personnel are not known.

(E) Personal guarantees providad by directors

Details of personal gurantees given by the directors for borrowings as at March 31, 2025 and March 31, 2024 is stated under notes no 15, 16 and 99.

(F) Terms and Conditions of transactions 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.

48 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 the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
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 period ended March 31, 2025.

49 Disclosure as per Ind AS 116: Leases

The company 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 during period ended March 31, 2025 is 11.15% and Year ended March 31, 2024 is 12.40 %.

Practical Expedients applied:

1. The company has elected not to apply the recognition, measurement and presentation requirements of the standard to all short term leases (leases which have a lease term of 12 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.

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Leases

(₹ in lakhs)

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
(i) Movement of ROU Asset		
Balance at beginning of the year	102.28	34.49
Additions	147.55	86.22
Deletions	(4.45)	-
Gross Carrying value of asset		
Less:Depreciation of ROU Assets	(33.36)	(18.43)
Net carrying value/Balance at end of the year	212.02	102.28
(ii) Movement of Lease Liabilities		
Balance at beginning of the year	104.11	35.45
Additions	145.57	83.47
Finance cost accrued during the period	18.06	7.09
Deletions	(5.31)	-
Paid/ payable lease liabilities	(41.83)	(21.90)
Balance at end of the year	220.59	104.11
(iii) Maturity Analysis of Lease Liability		
Contractual undiscounted cashflows:		
Less than one year	50.27	29.19
One to five years	194.43	86.02
More than five years	86.38	38.27
Total undiscounted lease liability	331.08	153.49
(iv) Amount Recognised in Profit and Loss		
Interest on lease liabilities	18.06	7.09
Depreciation of ROU Assets	33.36	18.43
Expenses related to short term leases	250.14	193.60
Total expense booked in p&l	301.56	219.12

50 Disclosure 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	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Contributions to		
Provident fund	167.48	130.29
Employee state insurance	56.68	47.71
Employer labour Welfare fund	0.20	0.13
Total	224.36	178.14

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B) Defined Benefit plan - Gratuity

The Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation is actuarially determined based on the projected unit credit method as at Restated Summary Statements dates.
Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognized in the company's Financial Statements as at Balance sheet date:

(₹ in lakhs)

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
(i) Change in defined benefit obligation		
Defined benefit obligation, beginning of the year	112.85	105.91
Current service cost	26.80	20.19
Interest cost	7.67	7.68
Past service cost	-	-
Benefits paid	(4.57)	(0.57)
Acturial (gains)/losses	12.59	(20.35)
Defined benefit obligation, end of the year	**155.34**	**112.85**
(ii) Net Liability/(Asset) recognized in the Balance Sheet		
Present value of defined benefit obligation	155.34	112.85
Fair value of plan assets	-	-
Net liability	**155.34**	**112.85**
(iii) Expenses recognized in Statement of Profit or Loss		
Current service cost	26.80	20.19
Past Service cost	-	-
Interest cost	7.67	7.68
Total Expense recognised in statement of profit or loss	**34.48**	**27.87**
(iv) Remeasurements recognized in other comprehensive income(OCI)		
Changes in demographic assumptions	-	(33.69)
Changes in financial assumptions	1.43	16.40
Experience adjustments	11.16	(3.06)
Total Acturial (Gain) / Loss recognised in OCI	**12.59**	**(20.35)**
(v) Maturity Profile of Defined Benefit Obligation		
Year 1	42.08	29.32
Year 2	27.96	20.96
Year 3	24.68	17.92
Year 4	22.67	15.94
Year 5	18.48	14.50
Next 5 years	46.25	35.38
(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	2.63	2.67
1% decrease in salary escalation rate	(2.51)	(2.55)
1% increase in discount rate	(3.24)	(3.27)
1% decrease in discount rate	3.04	3.08
(vii) Acturial Assumptions		
Discount rate (p.a)	6.64%	6.94%
Salary Escalation Rate (p.a.)	12.00%	12.00%
Retirement age	60 years	60 years
Mortality (Including provision for disability)	100% of IALM 12-14	100% of IALM 12-14
Attrition Rate	Varies between 30% p.a to 40% p.a. depending upon duration and age of the employees	Varies between 30% p.a to 40% 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.

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, 2025 and March 31, 2024.

Provision of a defined benefit scheme poses certain risks as companies take on uncertain long term obligations to make future pension payments as follows:

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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

(₹ in lakhs)

Particulars	**Period ended Mar 31, 2025**	**Period ended Mar 31, 2024 (Restated)**
(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)**
(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

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* 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.

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.

51 **Disclosure as per Ind AS 102 ' Share Based Payment'**

A. Share option plans (equity-settled)

The Company had formulated and implemented a policy i.e. Laxmi India Finance Private Limited Employee Stock Option Plan 2023 approved by the shareholders on August 12, 2023 which was amended and replaced by Laxmi India Finance Limited Employee Stock Option Plan 2023 by the shareholders on November 29, 2024. The Nomination and Remuneration Committee (NRC) of the Board of Directors of the Company, inter alia, administers and monitors the Plan in accordance with the provisions of Companies Act, 2013 and rules made thereunder. The company has granted ESOP options and the grant date is October 01, 2024.

Out of options granted, 20% shares will vest at the end of Twelve months from the date of grant, 20% at the end of the Twenty-Four months, 30% at the end of the Thirty-Six months and balance 30% at the end of Forty-Eight months. The fair value of the options will be estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the ESOP were granted.

The fair value of the option is determined using a Black-Scholes options pricing model. During the period ended March 31, 2025 Rs 41.03 lakh (March 31, 2024 Nil) has recognised to the Company's statement of profit and loss in respect of equity-settled share-based payments transactions.

B. Movement of share options

Movement in the options outstanding under the Employees Stock Option Plan for the period ended March 31, 2025

Scheme reference	ESOP--2023
Grant date	October 01, 2024
Balance as at April 1, 2024	-
Granted during the year(Face value Rs 10)	393,283.00
Exercised during the year	-
Lapsed/cancelled/adjusted during the year(Face value Rs 10)	18,005.00
Additon in number of option on account of bonus and sub division*	375,278.00
Balance as at March 31, 2025(Face value Rs 5)	750,556.00
Weighted average exercise price	92

The total options exercisable as at March 31, 2025 is Nil as first vesting period is Sep 30, 2025.
The weighted average remaining contractual life of options as at March 31, 2025 is 4.66 years.

*The Board of Directors of the Company in its meeting held on November 13 2024 and approved the sub-division of shares from ₹ 10 per share to ₹ 5 per share and the Shareholder in their General Meeting held on November 16 2024 also approved the sub-division of shares.

C. fair value of share options

The fair value of options granted is estimated using the Black Scholes Option Pricing Model after applying the key assumption which are tabulated below

Amount in INR

Particulars	**Times Period of Option vesting from the grant date**			
	12 months	**24 months**	**36 months**	**48 months**
Grant Date	01-Oct-24	01-Oct-24	01-Oct-24	01-Oct-24
Fair value of the underlying as on grant date (S	114.83	114.83	114.83	114.83
Exercise price (X)	92	92	92	92
Expected option life in years (t)	3	4	5	6
Expected Volatility (p.a) (σ)	16.90%	18.30%	24.30%	23.50%
Dividend yield (q)	0.00%	0.00%	0.00%	0.00%
Risk free rate as at grant date (p.a.) (r)	6.55%	6.57%	6.59%	6.61%
d1	1.57	1.51	1.29	1.36
d2	1.28	1.14	0.75	0.78
N(d1)	0.94	0.93	0.9	0.91
N(d2)	0.9	0.87	0.77	0.78
Fair value per option (based on the BSM model)	**40.18**	**45.5**	**52.39**	**56.37**

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52 **Transfer Of Financial Assets**

52.1 **Transfer of financial assets that do not result in derecognition:**

Securitisation :

During FY 2018-19, the Company had transferred its receivables through securitisation agreement with a first loss dafault guarantee (FLDC) . The company has also agreed to provide servicing assistance to the transferee pursuant to the terms of servicing agreement. During FY 22-23 Securitisation transaction had been closed

During the period/year March 31, 2025 and March 31, 2024 the company has not entered into securitisation transactions for other than stressed asset.

52.2 **Transfer of financial assets that are derecognised:**

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 assigned portion of 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	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Carrying value of derecognised financial asset	4,603.17	5,769.75
Gain from derecognition	963.18	1,518.70

Since the Company transferred the above financial asset in a transfer that qualified for derecognition in its entirety, therefore the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself receivable and correspondingly recognised as gain on derecognition of financial asset.

Details of assignment transactions

(₹ in lakhs)

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
i) No. of Accounts	1062	1572
ii) Aggregate value of accounts sold (Rs. In Lacs)	5,114.64	6,410.83
iii) Aggregate consideration	4,603.17	5,769.75
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	963.18	1,518.70

52.3 **Co- Lending**

The Company has entered into an agreement for Co-Lending, due to risk associate with such portfolio didn't derecognised loan portfolio from the loan books.

As per IGAAP, these asset are required to be derecognise proporionately.

As per Ind AS, the asset should not be derecognised untill and unless associated risk are not transferred entirely.

52.4 **Business Corrrespondant**

The Company has entered into Business Correspondent transaction and didn't recognised loan portfolio in the books as associated risk is not with company

53 **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

Risk management framework

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee. The risk management committee of board exercises supervisory power in connection with the risk management of the Company, developing and monitoring risk management policies, monitoring of the exposures, reviewing adequacy of risk management process, ensuring compliance with the statutory/regulatory framework of the risk management process. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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A 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.

Carrying amount of maximum credit risk as on reporting date

(₹ in lakhs)

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Loans	112,691.15	81,523.87
Total	**112,691.15**	**81,523.87**

(i) Credit quality analysis

Refer Note no. 5

(ii) Collateral And Other Credit Enhancements

The Company offers loan to customers which includes both unsecured loan and loans secured by collaterals. 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.

(iii) 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.

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 17%-19% approx of the loan book of the Company as of March 31, 2025, 20%-22 % approx of the loan book of the Company as of March 31, 2024, . Portfolio is reasonably well diversified across 4 states of the country i.e. Rajasthan, Gujarat ,Madhya Pradesh and Chattisgarh in period ended March 31, 2025 and March 31, 2024 .Similarly, sub segments within Vehicle Finance like Heavy Commercial Vehicles, Light Commercial Vehicles, Car and Multi Utility Vehicles, three wheeler and Small Commercial Vehicles, Electric vehicle, 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 80%-82% approx of the lending book of the company as of March 31, 2025, 77%-79% approx of the lending book of the company as of March 31, 2024, . Portfolio is diversified and distributed sufficiently across 4 states of the country i.e. Rajasthan, Gujarat ,Madhya Pradesh and Chattisgarh, in period ended March 31, 2025 and March 31, 2024

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, 2025 March 31, 2024

(iv) Amounts arising from ECL

(a) Inputs, assumptions and techniques used for estimating impairment

Inputs considered in the ECL model:

In assessing the impairment of financial loans under expected credit loss (ECL) model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorizes loan assets into stages primarily based on the months past due status.

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days past due

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The Company applies the general approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for advances other than stage 1. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience and using forward looking economic variables of the Company.

Assessment of significant increase in credit risk (SICR):

The credit risk on a financial asset of the Company is assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Accordingly the financial assets shall be

classified as stage 2, if on the reporting date, it has been past due for more than 30 days.

In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due information, early warning signals (EWS) in terms of unusual events including incidents and frauds,

repossession of an asset, etc. and forecast information to assess deterioration in credit quality of a financial asset.

Definition of default

The Company considers a financial asset to be in "default" and therefore stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

Exposure at default

"Exposure at default" (EAD) represents the gross carrying amount of the assets subject to impairment.

Estimations and assumptions considered in the ECL model

The Company has made the following assumptions in the ECL Model:

a. "Loss given default" (LGD) is common for all three stages and is based on loss experiences in past. Actual cash flows on the past portfolio are discounted at contractual interest rate for arriving loss rate.

b. "Probability of Default" (PD) is applied on stage 1 and stage 2 on portfolio basis and for stage 3 PD at 100%. This is calculated as an average historical movement of default rates and future

Policy for write-off of financial assets

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could not generate sufficient cash flows to repay the amounts.

(b) **An analysis of changes in gross carrying amount and related Impairment Loss Allowance (ECL) defined in note no. 5**

B 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
Period ended Mar 31, 2025					
(a) Trade Payables	-	329.42	-	-	**329.42**
(b) Debt Securities	-	1,509.14	1,250.00	-	**2,759.14**
(c)Borrowings (Other than Debt Securities)	-	39,625.40	71,342.77	10.49	**110,978.66**
(d) Subordinated Liabilities	-	0.95	800.00	-	**800.95**
(e)Other Financial Liabilities	-	879.17	-	-	**879.17**
Total	-	**42,344.07**	**73,392.77**	**10.49**	**115,747.33**

Particulars	On Demand	0-1 year	1-5 years	More than 5 years	Total
Period ended Mar 31, 2024					
(a) Trade Payables	-	240.54	-	-	**240.54**
(b) Debt Securities	-	0.21	500.00	-	**500.21**
(c)Borrowings (Other than Debt Securities)	755.06	24,211.16	50,928.35	-	**75,894.57**
(d) Subordinated Liabilities	-	0.94	800.00	-	**800.94**
(e)Other Financial Liabilities	-	617.56	-	-	**617.56**
Total	755.06	**25,070.41**	**52,228.35**	-	**78,053.83**

C 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.

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D 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	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Financial Assets		
A. Fixed Rate Financial Assets	139,294.10	96,963.81
B. Floating Rate Financial Assets	-	-
Total Financial Assets	139,294.10	96,963.81
Financial Liabilities		
A. Fixed Rate Financial Liabilities	23,694.98	14,489.59
B. Floating Rate Financial Liabilities	91,219.92	63,036.15
Total Financial Liabilities	114,914.90	77,525.73

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	Period ended Mar 31, 2025		Period ended Mar 31, 2024 (Restated)	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Liabilities (Floating)	91,219.92	91,219.92	63,036.15	63,036.15
Increase in basis points (+/- 1%)	(912.20)	(912.20)	(630.36)	(630.36)
Decrease in basis points (+/- 1%)	912.20	912.20	630.36	630.36

E Foreign Currency Risk

Company do not have foreign currency exposure during the period/year reported

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.

54 Disclosure as per Ind AS 105 - Non- Current Asset held for Sale

NA

55 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	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Debt Securities	2,738.55	500.21
Borrowings	110,172.89	75,373.87
Subordinated Liabilities	794.87	793.56
Less: Cash and Cash Equivalents	10,242.99	4,227.00
Net Debt	103,463.32	72,440.64
Total Equity(Net worth)	25,746.23	20,120.95
Gross Debt to Equity Ratio	4.42	3.81
Net Debt to Equity Ratio	4.02	3.60

5C

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt & borrowing as may be appropriate. The Company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio of the Company. The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI), as per RBI, NBFCs are required to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of its aggregate risk weighted assets. Further, the total of Tier II capital cannot exceed 100% of Tier I capital at any point of time. The capital management process of the Company ensures to maintain the minimum CRAR at all the times. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with capital requirements required by regulator, maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Tier I capital	23,776.57	17,836.82
Tier II capital	974.63	752.02
Total Capital Fund	**24,751.20**	**18,588.84**
Risk Weighted Assets	118,975.37	85,194.90
Tier I capital Ratio	**19.98%**	**20.94%**
Tier II capital Ratio	**0.82%**	**0.88%**

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, 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.

A Financial Instruments by category **(₹ in lakhs)**

Particulars	Period ended Mar 31, 2025			
	FVTPL	FVOCI	Amortised Cost	Total
Financial Assets				
(a) Cash and Cash Equivalents	-	-	10,242.99	10,242.99
(b) Bank balance other than Cash and cash equivalents	-	-	11,233.93	11,233.93
(c) Receivables	-	-	17.12	17.12
(d) Loans	-	-	112,691.15	112,691.15
(e) Investments	2,927.41	-	-	2,927.41
(f) Other Financial Asset	-	-	2,181.51	2,181.51
Total	**2,927.41**	-	**136,366.69**	**139,294.10**
Financial Liabilities				
(a) Trade Payables	-	-	329.42	329.42
(b) Debt Securities	-	-	2,738.55	2,738.55
(c)Borrowings (Other than Debt Securities)	-	-	110,172.89	110,172.89
(d) Subordinated Liabilities	-	-	794.87	794.87
(e)Other Financial Liabilities	-	-	879.17	879.17
Total	-	-	**114,914.90**	**114,914.90**

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(₹ in lakhs)

Particulars	Period ended Mar 31, 2024 (Restated)			
	FVTPL	FVOCI	Amortised Cost	Total
Financial Assets				
(a) Cash and Cash Equivalents	-	-	4,227.00	4,227.00
(b) Bank balance other than Cash and cash equivalents	-	-	7,296.28	7,296.28
(c) Receivables	-	-	31.33	31.33
(d) Loans	-	-	81,523.87	81,523.87
(e) Investments	1,451.09		-	1,451.09
(f) Other Financial Asset	-	-	2,434.24	2,434.24
Total	**1,451.09**	**-**	**95,512.72**	**96,963.81**
Financial Liabilities				
(a) Trade Payables	-	-	240.53	240.53
(b) Debt Securities	-	-	500.21	500.21
(c)Borrowings (Other than Debt Securities)	-	-	75,373.87	75,373.87
(d) Subordinated Liabilities	-	-	793.56	793.56
(e)Other Financial Liabilities	-	-	617.56	617.56
Total	-	**-**	**77,525.73**	**77,525.73**

B 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

(₹ in lakhs)

Particulars	Period ended Mar 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
Security Receipts of ARC	-	2,862.18	-	2,862.18
Investment in Mutual Fund Units	-	8.63	-	8.63
Investment in AIF	-	-	-	-
Investment in Equity Oriented Fund-ULIP	-	56.59	-	56.59
Total	**-**	**2,927.41**	**-**	**2,927.41**

Particulars	Period ended Mar 31, 2024 (Restated)			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
Security Receipts of ARC	-	1,420.43	-	1,420.43
Investment in Debt Oriented Mutual Fund	-	-	-	-
Investment in AIF	-	-	-	-
Investment in Equity Oriented Fund-ULIP	-	30.67	-	30.67
Total	**-**	**1,451.09**	**-**	**1,451.09**

Financial instruments measured at amortised cost

(₹ in lakhs)

Particulars	Period ended Mar 31, 2025			Period ended Mar 31, 2024 (Restated)		
	Level	Carrying Value	Fair Value	Level	Carrying Value	Fair Value
Financial Assets at Amortised Cost						
(a) Cash and Cash Equivalents	3	10,242.99	10,242.99	3	4,227.00	4,227.00
(b) Bank balance other than Cash and cash equivalents	3	11,233.93	11,233.93	3	7,296.28	7,296.28
(c) Receivables	3	17.12	17.12	3	31.33	31.33
(d) Loans	3	112,691.15	112,691.15	3	81,523.87	81,523.87
(e) Other Financial Asset	3	2,181.51	2,181.51	3	2,434.24	2,434.24
Total		**136,366.69**	**136,366.69**		**95,512.72**	**95,512.72**
Financial Liabilities at Amortised Cost						
(a) Trade Payables	3	329.42	329.42	3	240.53	240.53
(b) Debt Securities	3	2,738.55	2,738.55	3	500.21	500.21
(c)Borrowings (Other than Debt Securities)	3	110,172.89	110,172.89	3	75,373.87	75,373.87
(d) Subordinated Liabilities	3	794.87	794.87	3	793.56	793.56
(e)Other Financial Liabilities	3	879.17	879.17	3	617.56	617.56
Total		**114,914.90**	**114,914.90**	-	**77,525.73**	**77,525.73**

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57 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	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Fees Based Income	1,346.34	447.11
Other Income	232.51	188.15
Total	**1,578.85**	**635.26**

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 period/year. 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.

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Primary geographical market		
India	1,578.85	635.26
Total	**1,578.85**	**635.26**
Major products/ service lines		
Fees Based Income	1,346.34	447.11
Other Income	232.51	188.15
Total	**1,578.85**	**635.26**
Timing of revenue recognition		
At a Point of Time	1,578.85	635.26
Over a period of time	-	-
Total	**1,578.85**	**635.26**

58 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 domioile) .

All of the Company's non current assets are located in India

c) Information about major customers

During the period/year, there is no single customer contributes 10% or more to the Company's revenue.

59 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 healtby 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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60 Analytical Ratios

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Capital to risk weighted assets ratio(CRAR)	20.80%	21.82%
Tier I capital Ratio	19.98%	20.94%
Tier II capital Ratio	0.82%	0.88%

Particulars	Period ended Mar 31, 2025	Variance	Period ended Mar 31, 2024
Capital to risk weighted assets ratio(CRAR)	20.80%	-1.02%	21.82%
Tier I capital Ratio	19.98%	-0.95%	20.94%
Tier II capital Ratio	0.82%	-0.06%	0.88%

Particulars	Period ended Mar 31, 2024	Variance	Period ended Mar 31, 2023
Capital to risk weighted assets ratio(CRAR)	21.82%	-1.27%	23.09%
Tier I capital Ratio	20.94%	-1.68%	22.62%
Tier II capital Ratio	0.88%	0.41%	0.47%

61 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.

62 Breach of covenant

The Company has no instances of breach of covenant in respect of loans availed and debt securities issued during the period/year ended on March 31, 2025 and March 31, 2024

63 Divergence in asset classification and provisioning

RBI vide its circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022, has directed NBFCs shall make suitable disclosures, if either or both of the following conditions are satisfied:-

(a) the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or

(b) the additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of the reported Gross NPAs for the reference period.

64 Disclosure on modified opinion

The auditor have expressed an unmodified opinion for the period/year ended on March 31, 2025, March 31, 2024.

65 Income and expenditure of exceptional nature

The Compnay has not booked any income or expenditure of exceptional nature during the period/year ended on March 31, 2025, March 31, 2024.

66 Details of financing of parent company products

NA

67 Loans to directors, senior officers and relatives of directors

The Company has not provided any loans to directors, senior officers and relatives of directors during the period/year except as reported in note no. 47

68 No dividends has been proposed to be distributed to equity shareholders.

69 Due to rounding off, numbers presented in financials may not add up precisely to the totals provided.

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Laxmi India Finance Limited
(Formerly Known as Laxmi India Finance Private Limited)

Notes Forming Part of Financial Statements

70 Details of Dues to Micro and Small Enterprises as Defined under the MSMED Act, 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 period/year ended on March 31, 2025 and March 31, 2024 is Disclosed under Note No. 14.2. The Company has neither paid any interest nor such interest is payable to buyer covered under the MSMED Act, 2006.

71 Details of Ratings Assigned By Credit Rating Agencies and Migration Of Ratings during The Year

Particulars	Rating Agencies	Date of Rating Agencies	Rating valid upto	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Bank Loan rating	Acuite Ratings & Research Limited	02-Aug-24	31-Oct-25	A-	A-
Non-Convertible Debentures	Acuite Ratings & Research Limited	02-Aug-24	02-Aug-25	A-	A-

Particulars	Rating Agencies	Date of Rating Agencies	Rating valid upto	Period ended Mar 31, 2024 (Restated)	Period ended Mar 31, 2023
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-

72 Remuneration of non-executive directors

(Rs. In Lacs)

Name of Director	Nature of Payment	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Anil B Patwardhan	Sitting Fees	10.20	6.90
Yaduvendra Mathur	Sitting Fees	-	5.20
Mr. Kishore Kumar Sansi	Sitting Fees	1.20	4.20
Mr. Surendra Mehta	Sitting Fees	9.60	6.60
Mr. Brijmohan sharma	Sitting Fees	4.20	-

73 Disclosure 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, 2025	47	113,706.31	0%	98.48%
As at Mar 31, 2024	43	76,667.64	0%	97.90%

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, 2025	61,334.31	53.94%
As at Mar 31, 2024	47,742.05	62.27%

4. Funding Concentration based on significant instrument/product :

Name of the instrument/ product	Period ended Mar 31, 2025		Period ended Mar 31, 2024 (Restated)	
	Amount (₹ lakh)	% of Total Liabilities	Amount (₹ lakh)	% of Total Liabilities
a) Term Loan	109,516.83	94.85%	73,664.85	94.07%
b) Non-Convertible Debenture	2,738.55	2.37%	500.21	0.64%
c) Cash Credit/OD	-	0.00%	755.06	0.96%
d) Unsecured Loans	656.06	0.57%	953.96	1.22%
e) Subordinated Liability	794.87	0.69%	793.56	1.01%
Total	**113,706.31**	**98.48%**	**76,667.64**	**97.90%**

5. Stock Ratios:

Particulars	Period ended Mar 31, 2025			Period ended Mar 31, 2024 (Restated)		
	% 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	1.22%	0.99%	NA	1.31%	1.04%

6. Laxmi India Finance Limited 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. Laxmi India Finance Limited 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.

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74 **Capital Adequacy Ratio**

(₹ in lakhs)

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024
Tangible Net worth(1)	25,748.10	20,172.79
Less: Deferred Tax Asset, Intangible Assets, Unrealised Gain(Net of Tax), deferred revenue expenses, impairment reserves and 50% of Credit Enhancement (2)	1,971.53	2,335.97
Tier 1 Capital (1-2)= (3)	23,776.57	17,836.82
Tier 2 Capital (Provision on Asset less 50% of Credit Enhancement) (4)	974.63	752.02
Total Capital Fund (3+4)= (5)	24,751.20	18,588.84
Adjusted value of funded risk assets (on balance sheet item) (6)	118,909.83	84,818.67
Adjusted value of non-funded risk assets (off Balance sheet item) (7)	65.54	376.23
Total Risk Weighted assets (6+7)= (8)	118,975.37	85,194.90
CRAR/CAR(5/8)	**20.80%**	**21.82%**
CRAR (Tier-I Capital)	19.98%	20.94%
CRAR (Tier-II Capital)	0.82%	0.88%

*Liquidity Coverage Ratio not Applicable

75 **NPA Movement**

(₹ In Lakhs)

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Net NPA's to Net Advance %	**0.48%**	**0.33%**
Movement of NPAs (Gross)		
Opening Balances	597.12	332.75
Add: Additions during year and change in exisring	1,136.59	680.45
Less: Reductions during year	(454.04)	(394.44)
Less: Sold to ARC	(61.34)	(21.64)
Closing Balance	1,218.33	597.12
Movement of NPAs (Net)		
Opening Balances	272.15	180.93
Add: Additions during year	491.32	358.00
Add: Reductions during year	(190.23)	(252.47)
Less: Sold to ARC	(27.28)	(14.31)
Closing Balance	545.97	272.15
Movement of provision for NPAs		
Opening Balances	324.97	151.82
Provision made during the year	645.27	322.45
Write-off/Write back of excess	(263.81)	(141.97)
Sold to ARC	(34.07)	(7.33)
Closing Balance	672.36	324.97

76 **Disclosure in the notes to accounts in respect of securitisation 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	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
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

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77 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	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
1.	No of SPVs sponsored by the NBFC for assignment transactions	1	1
2.	Total amount of assigned assets as per books of the SPVs sponsored by the NBFC	11,482.67	11,568.26
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	1,283.66	1,312.57
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

78 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	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Interest on interest to be adjusted/refunded	-	-
Total	-	-

79 Detail of Impairement Loss Allowance Reserve

Period ended Mar 31, 2025 (₹ 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	108,647.30	494.24	108,153.06	460.39	33.85
	Stage 2	4,158.68	166.56	3,992.12	16.63	149.93
	Subtotal	**112,805.98**	**660.80**	**112,145.18**	**477.02**	**183.78**
Non-Performing Assets (NPA)#						
Substandard	Stage 3	1,158.92	647.86	511.06	158.85	489.02
Doubtful						
upto 1 year	Stage 3	28.86	11.58	17.28	5.80	5.77
1 to 3 years	Stage 3	29.43	11.87	17.56	8.83	3.04
More than 3 years	Stage 3	1.12	1.05	0.07	0.60	0.44
	Subtotal for doubtful	59.41	24.50	34.91	15.23	9.25
Loss	Stage 3		-			
	Subtotol for NPA	**1,218.33**	**672.36**	**545.97**	**174.08**	**498.27**
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	108,647.30	494.24	108,153.06	460.39	33.85
	Stage 2	4,158.68	166.56	3,992.12	16.63	149.93
	Stage 3	1,218.33	672.36	545.97	174.08	498.29
	Total	**114,024.31**	**1,333.15**	**112,691.14**	**651.10**	**682.05**

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

In terms of requirement of Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, non-banking financial companies (NBFCs) are required to create an impairment reverse for any short fall in impairment allowance under Ind AS 109 and income recognition and asset classification and provisioning (IRACP) norms (including provision on standard assets). The impairment allowance under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard assets provisioning), as at March 31, ~~2025 and~~ March 31, 2024 and accordingly, no amount is required to be transferred to impairment reserve.

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Period ended Mar 31, 2024 (Restated) (₹ 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	78,013.74	111.22	77,902.52	319.43	(208.21)
	Stage 2	3,422.20	72.99	3,349.21	15.08	57.91
	Subtotal	**81,435.94**	**184.21**	**81,251.73**	**334.51**	**(150.30)**
Non-Performing Assets (NPA)						
Standard/ Substandard*	Stage 3	567.42	316.59	250.83	54.70	261.88
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**	**265.22**
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	78,013.74	111.22	77,902.52	319.43	(208.21)
	Stage 2	3,422.20	72.99	3,349.21	15.08	57.91
	Stage 3	597.12	324.97	272.15	59.74	265.22
	Total	**82,033.06**	**509.18**	**81,523.88**	**394.25**	**114.92**

80 **Details of penalties imposed by RBI and other regulators:**

No penalties have been imposed by RBI or any other regulator on the Company during the period ended March 31, 2025.

No penalties have been imposed by RBI But BSE imposed following penalty on the Company during the period ended on March 31, 2024.

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)

81 **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":for the period/ Year ended March 31, 2025, March 31, 2024**

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

82 **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 for the period/ Year ended March 31,2025, March 31, 2024**

No. of accounts restructured	Amount (₹ in Lakhs)
0	0

*During the year, the company has not restructure account under scheme

83 **Exposure to Capital Market**

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in Corporate debt	8.63	-
Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds,convertibledebentures, and units of equity-oriented mutual funds	-	-
Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
Bridge loans to companies against expected equity flows / issues	-	-
All exposures to Venture Capital Funds (both registered and unregistered)	-	-

84 **Exposure to Real Estate Sector**

The Company has following exposure to Real Estate Sector as on March 31, 2025 and March 31, 2024 :

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
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	3,281.36	3,652.08
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.	-	-

85 **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

86 **Details of financial assets sold to securitization / reconstruction Company for asset reconstruction**

The Company has not sold any financial assets except as reported in Note no. 98 to securitization / reconstruction Company for asset reconstruction during the period/year ended on March 31, 2025 and March 31, 2024.

87 The Company has not purchased any non-performing financial assets during the period/year ended on March 31, 2025 and March 31, 2024. Company has sold stress loan assets to ARC during the period ended March 31, 2025 and March 31, 2024

88 The Company has not restructured any non-performing financial assets during the period/ Year ended March 31, 2025 and March 31, 2024

89 There is no financing of parent Company products during the year ended on March 31, 2025 and March 31, 2024

90 The Company has not exceeded the single borrower limits / group borrowers limits during the financial year ended March 31, 2025 and March 31, 2024 as set as RBI

91 The Company has not given any unsecured advances against intangible securities such as charge over the rights licenses, authority, etc. during the year ended on March 31, 2025 and year ended on March 31, 2024 .

92 The Company is not registered under any other regulator other than Reserve Bank of India and Ministry of Corporate Affairs during the period/ Year ended March 31, 2025 and March 31, 2024

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93 Concentration of advances, exposures and NPA's (Stage III)

a) Concentration of advances

(₹ in lakhs)

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Total advance to twenty largest borrowers	2,427.99	732.16
Percentage of advances to twenty largest borrowers to total advances of the NBFC	2.13%	0.89%

b) Concentration of exposures

(₹ in lakhs)

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Total exposure to twenty largest borrowers	2,427.99	732.16
Percentage of exposures to twenty largest borrowers to total advances of the NBFC	2.13%	0.89%

c) Concentration of NPA(STAGE III)

(₹ in lakhs)

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
Total exposure to Top 4 NPA	168.81	94.28

d) Sector wise NPA

Sector	Period ended Mar 31, 2025			Period ended Mar 31, 2024 (Restated)		
	Total Exposure	Gross NPAs (in Lakhs)	Percentage of Gross NPA to total exposure	Total Exposure	Gross NPAs(in Lakhs)	Percentage of Gross NPA to total exposure
Agriculture & allied activities	-	-	0.00%	-	-	0.00%
MSME	-	-	0.00%	-	-	0.00%
Corporate borrowers	874.08	-	0.00%	-	-	0.00%
Services	-	-	0.00%	-	-	0.00%
Unsecured personal loans	1,463.90	13.55	0.93%	2,030.41	6.77	0.33%
Auto loans	20,093.20	183.42	0.91%	16,311.46	200.77	1.23%
Other personal loans*	91,593.11	1,021.36	1.12%	63,691.19	389.59	0.61%

*Other personal loans includes MSME, loans against property, construction loans etc.

94 Overseas assets (for those with Joint ventures and subsidiaries abroad)

There are no overseas assets owned by the Company.

95 Off-balance sheet SPVs sponsored

There are no SPVs which are required to be consolidated as per accounting norms during the period/ year ended March 31, 2025 and March 31, 2024

96 a) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No		Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
	Complaints received by the NBFC from its customers			
1		Number of complaints pending at beginning of the year	15	0
2		Number of complaints received during the year	341	123
3		Number of complaints disposed during the year	342	108
	3.1	Of which, number of complaints rejected by the NBFC	0	0
4		Number of complaints pending at the end of the year	14	15
	Maintainable complaints received by the NBFC from Office of Ombudsman			
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman		11	12
	5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	11	12
	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

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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
Period ended Mar 31, 2025					
Ground - 1 Credit Information Companies reports related	10	245	283%	13	0
Ground - 2 Staff behaviour	1	2	0%	0	0
Ground - 3 Loan Documents/NOC	0	17	70%	0	0
Ground - 4	0	0	0%	0	0
Ground - 5	0	0	0%	0	0
Others	4	77	64%	1	0
Total	15	341		14	0
Period ended Mar 31, 2024 (Restated)					
Ground - 1 Credit Information Companies reports related	0	64	482%	10	0
Ground - 2 Staff behaviour	0	2	-33%	1	0
Ground - 3 Loan Documents/NOC Required	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

97 No frauds were reported during the year ended March 31, 2025 and frauds amounting to Rs.6.85 lakhs reported during the year ended March 31, 2024.

98 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 period/year ended March 31, 2025 and March 31, 2024

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
No of Loan account Assigned	1062	1572
Total Amount of Loan (Rs in Lacs)	5,114.64	6410.83
Assigned Part of Loan Assigned (Rs in Lacs)	4,603.17	5769.75
Retention of beneficial economic interest (MRR) (Rs. In Lacs)	511.46	641.08
Weighted average maturity (Residual Maturity)	53 Months Approx	51 Months Approx
Weighted average holding period	15 Months Approx	13 Months Approx
Coverage of tangible security coverage	100%	100%
Rating-wise distribution of rated loans	Unrated	Unrated

b) Details of acquired through assignment in respect of loans not in default during the period/year ended March 31, 2025 and March 31, 2024

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
No of Loan account Assigned	5649	192
Total Amount of Loan (Rs in Lacs)	3,063.84	480.01
Assigned Part of Loan Accquired (Rs in Lacs)	2,757.46	432.01
Retention of beneficial economic interest (MRR) (Rs. In Lacs)	306.38	48.00
Weighted average maturity (Residual Maturity)	19 Months Approx.	22 Months Approx
Weighted average holding period	11 Months Approx.	16 Months Approx
Coverage of tangible security coverage	100%	100%
Rating-wise distribution of rated loans	Unrated	Unrated

c) Details of stressed loan transferred during the period/year ended March 31, 2025 and March 31, 2024 :

(₹ in Lakhs)

Particulars	Period ended Mar 31, 2025		Period ended Mar 31, 2024 (Restated)	
	To Asset Reconstruction Companies (ARC)		To Asset Reconstruction Companies (ARC)	
	NPA	SMA	NPA	SMA
No. of accounts	413.00	470.00	150.00	68.00
Aggregate principal outstanding of loans transferred*	1,095.37	1,552.66	501.52	225.00
Weighted average residual tenor of the loans transferred	Less than 3 years	Less than 4 years	Less than 4 years	Less than 4 years
Net book value of loans transferred (at the time of transfer)	572.43	1,546.42	387.42	225.00
Aggregate consideration	668.45	1,442.86	401.22	180.00
**Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-

*Company had sold Stress loan assets in which write off assets was ₹ 461.42 Lakhs for the period ended March 31, 2025 and ₹ 71.01 Lakhs for period ended March 31, 2024.
** Company is yet to realize additional consideration on a pool level hence this figure is Nil

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Details of rating of Security receipt of ARC('SR's')

Particulars	Rating Agency	Recovery Rating	Gross Value of SR(Company share)	
			Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
RARC Trust 078	Infomerics Valuation And Rating Pvt. Ltd.	more than 150%	307.88	926.40
Ratings			IVR RR 1+ (IVR Double R One Plus)	IVR RR 1+ (IVR Double R One Plus)
RARC Trust 087	Infomerics Valuation And Rating Pvt. Ltd.	Range of 100% 150%	455.25	494.03
Ratings			IVR RR 1 (IVR Double R one)	Unrated
ASERAC	NA	NA	610.21	-
Ratings			Unrated	NA
CFM ARC	NA	NA	1,156.90	-
Ratings			Unrated	NA

99 All secured listed and Unlisted non-Convertible Debentures of the Company including those issued during year ended March 31, 2025, are secured by first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 100% or higher of the amount outstanding and the Personal Guarantee of Deepak Baid, Aneesha Baid and Prem Devi Baid as stated in Information Memorandum and key information document. Further, the Company has maintained asset cover as stated in the offer document which is sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.

100 Ratio Disclosures:

Particulars	Period ended Mar 31, 2025	Period ended Mar 31, 2024 (Restated)
1. Debt-Equity ratio [Debt securities+Borrowings (other than debt securities)] / Total Equity	4.42	3.81
2. Net Worth(Rs. in Lakhs) [Total Equity]	25746.23	20120.95
3. Net Profit after tax (Including OCI) (Rs. in Lakhs)	3591.01	2261.79
4. Earnings per share		
Basic (Rs.)	8.78	6.11
Diluted (Rs.)	8.78	5.66
5.Total debts to total assets ratio [Debt securities+Borrowings (other than debt securities)] / Total Assets	80.50%	77.85%
6.Net profit margin [Profit after tax / Total Income]	14.48%	12.92%
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 Redemable 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)	1.07%	0.73%
(b) Net stage 3 asset ratio	0.48%	0.33%
(c) Capital to risk-weighted assets ratio (Calculated as per RBI guidelines)	20.80%	21.82%
(d) Liquidity coverage Ratio	Not Applicable	Not Applicable

101 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 March 31, 2025

Since there is no foreign exposure, hence requirement of hedging contracts's conformity in 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.

102 Additional notes

a) Earnings in foreign currency during the period ended March 31, 2025: Nil (period ended March 31, 2024 - Nil)

b) Expenditure in foreign currency on account of professional fees period ended March 31, 2025: Nil (period ended March 31, 2024 - Nil)

c) Expenditure in foreign currency on account of payment of interest for period ended March 31, 2025: Nil (period ended March 31, 2024 - Nil)

103 Draw Down from Reserves

No reserves have been draw down during the period ended March 31, 2025 and 2023-24 except as disclosed in the part (b) of statement of changes in equity

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104 STATEMENT OF ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS

Summarized below the restatement adjustment made to the audited financial statements for the period/year ended March 31, 2025 and March 31, 2024

1 Reconciliation of the opening balance of equity (₹ in lakhs)

Particulars	Period ended Mar 31, 2024
Opening Balance as per Audited Financials	5,407.72
Adjustment in SOCIE	
Change in accounting Policy	(59.83)
Correction of error in BC accounting	50.85
Upfrong Gain on ARC booked on Restatement	166.50
ECL on Interest differential on Direct Assignment	(18.38)
Intangible Asset Balance written off(Net off depriciation)	(22.36)
Adjustment in Statutory reserve due to Restatement	(12.03)
Deferred tax impact of above items	(136.89)
Restated Opening balance April 1, 2023	5,375.58

2 Statement of Impact of restatement adjustments on statement of profit and loss

Reconciliation between Audited profit and Restated profit

(₹ in lakhs)

Particulars	Period ended Mar 31, 2024
Total comprehensive income as per audited financial statements	2246.97
Interest Income	(235.33)
Fees and commission Income	(214.10)
Net Gain/(Loss) On Fair Value Changes	329.11
Finance Costs	112.65
Impairment on financial instruments	7.68
Depreciation & Amortisation Expense	5.37
Other Expenses	24.34
Deferred Tax	(14.89)
Total Comprehensive Income for the year (IX+XI)	2,261.79

3 Summary of changes due to regrouping and errors

The below table summarises the cumulative effect of changes due to regrouping and errors to the restated financial information as at and for the period/ year ended 31 March 2024:

(₹ in lakhs)

Particulars	31 March 2024 (as previously reported)	Increase/ (decrease) due to Restatement	Increase/ (decrease) due to Regrouping	31 March 2024 (restated)	Refer Note for Changes due to errors
income:					
Interest Income	16,713.86	(153.49)	(81.84)	16,478.53	**(a)**
Fees and commission Income	661.22	(295.94)	81.84	447.11	**(c) and c(1).**
Net Gain/(Loss) On Fair Value Changes	59.00	329.11	-	388.11	**c.(2)**
Expense:					
Finance Costs	8,454.70	(113.64)	0.99	8,342.05	**(a)**
Impairment on financial instruments	195.17	(7.68)	-	187.49	**(b)**
Depreciation & Amortisation Expense	158.35	(5.37)	-	152.98	**(d)**
Other Expenses	1,559.81	(23.35)	(0.99)	1,535.49	**c.(3) and (d)**
Deferred Tax:					
Deferred Tax	89.23	14.87	-	104.10	**Effect of above adjustments on Deferred tax expenses**

Notes for Changes due to material errors:

(a) The company has identified and corrected an error in accounting treatment of business correspondence transaction considering the substance of transaction as per the provisions of IND AS.

(b) The company has created an expected credit loss (ECL) on the receivable i.e. the excess interest spread (EIS) of Direct assignment which was not earlier created by the company

(c) Correction in the accounting of ARC:

c.(1) The company had not recognized upfront gain on the ARC done in earlier years due to some gap in interpretation of the RBI-Transfer of loan exposure guidelines and IND AS 109 provisions. The same has been rectified as per IND AS 8.

c.(2) The Company had some disparity in measuring the Investment in ARC Security Receipts in terms of subsequent measurement required as per IND AS 109 and disclosures made thereto. The same has been rectified and now the company is subsequently measuring the same at FVTPL and giving proper disclosures in that respect as required by IND AS 109/107. The rectification has been done as per the provisions of IND AS 8.

c.(3) The company had incorrectly booked management fees and other expenditure of the RARC, which now stands rectified as per the provisions of IND AS 8.

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(d) Correction in the accounting of Intangible asset:
The company had incorrectly capitalized the payments for software license of Synoriq as Intangible assets, though the payments were in nature of software as a service as per the contractual terms and accordingly should have been expensed in the statement of profit and loss. The same has been rectified as per IND AS 8.

(e) During the period, the entity has changed the accounting method of certain incomes from accrual basis to cash basis. This change aligns the entity's accounting policy with the general industry practice, thereby enhancing the comparability of the entity's financial statements with those of other market participants within the industry.

The change in accounting policy and correction of errors has resulted in restatement of the comparative information for the preceding periods as per the provisions of IND AS 8 and resultant tax adjustments made thereto considering the provisions of Tax laws and IND AS 12.

105 Disclosure as per INDAS-8

(₹ in lakhs)

Balance sheet	31 March 2024 (Without considering effect of Change is accounting policy/correction of errors)	Increase/ (decrease) due to change is accounting policy/ correction of errors	Increase/ (decrease) due to Regrouping	31 March 2024 (After considering effect of change in accunting policy/correction of errors
Receivables	360.92	(329.80)	0.22	31.33
Loans	82,911.07	(1,387.19)	-	81,523.87
Investments	1,001.35	449.96	(0.22)	1,451.09
Other Financial Asset	2,471.70	(6.45)	(31.01)	2,434.24
Total Financial Assets	**98,268.31**	**(1,273.48)**	**(31.01)**	**96,963.82**
Current tax Assets	-	-	215.81	215.81
Intangible Assets under development	31.28	(23.65)	-	7.63
Other Intangible Assets	21.24	(17.30)	-	3.95
Other non-financial assets	370.74	-	(184.79)	185.93
Total Non-financial Assets	**1,530.50**	**(40.95)**	**31.01**	**1,520.53**
Total Assets	**99,798.81**	**(1,314.43)**	**-**	**98,484.35**
(b) Debt Securities	500.21	-	-	500.21
Borrowings (Other than Debt Securities)	77,628.06	(1,460.63)	(793.56)	75,373.87
Subordinated Liabilities	-	-	793.56	793.56
Total Financial Liabilities	**78,986.37**	**(1,460.63)**	**-**	**77,525.73**
Current Tax Liabilities (Net)	-	-	6.38	6.38
Provisions	120.03	-	(6.38)	113.65
Deferred Tax Liabilities (Net)	345.82	151.48		497.30
Total Non- Financial Liabilities	**634.34**	**151.48**	**-**	**785.83**
Total liabilities	**79,620.72**	**(1,309.15)**	**-**	**78,311.56**
Other Equity	18,191.81	(5.30)	-	18,186.52
Total Equity	20,178.09	(5.30)	-	20,172.80
Total Equity and Liabilities	**99,798.81**	**(1,314.45)**	**-**	**98,484.36**

JAIPUR

(₹ in lakhs)

Statement of profit and loss	Quarter ending March 31, 2024				Year ending March 31, 2024			
	31 March 2024 (as previously reported) (Quarter)	Increase/ (decrease) due to change in accounting policy/Correction of error	Increase/ (decrease) due to Regrouping	31 March 2024 (Restated) (Quarter)	31 March 2024 (Without considering effect of Change is accounting policy/correction of errors)	Increase/ (decrease) due to change is accounting policy/ correction of errors	Increase/ (decrease) due to Regrouping	31 March 2024 (After considering effect of change in accunting policy/correction of errors)
Interest Income	4,869.05	(38.40)	(22.43)	4,808.22	16,713.86	(153.49)	(81.84)	16,478.53
Fees and commission Income	184.86	(85.70)	22.43	121.59	661.22	(295.94)	81.84	447.11
Net Gain On Fair Value Changes	1.05	11.15	-	12.20	59.00	329.11	-	388.11
Total Revenue from Operations	5,054.96	(112.94)	-	4,942.01	**17,434.08**	**(120.33)**	-	**17,313.75**
Other Income	55.16	-	-	55.16	188.15	-	-	188.15
Total Income (I+II)	5,110.12	(112.94)	-	4,997.17	**17,622.23**	**(120.33)**	-	**17,501.90**
Finance Costs	2,295.94	(44.50)	-	2,251.44	8,454.70	(113.64)	0.99	8,342.05
Impairment on financial instruments	46.08	5.09	-	51.17	195.17	(7.68)	-	187.49
Depreciation & Amortisation Expense	47.08	(3.26)	-	43.82	158.35	(5.37)	-	152.98
Other Expenses	477.15	8.06	-	485.23	1,559.81	(23.35)	(0.99)	1,535.49
Total Expenses (IV)	3,984.13	(34.61)	-	3,949.54	**14,688.47**	**(150.04)**	-	**14,538.45**
Profit/(Loss) before Exceptional Items & Tax (III-IV)	1,125.99	(78.33)	-	1,047.63	**2,933.76**	**29.71**	-	**2,963.45**
Profit/(Loss) Before Tax (V-VI)	1,125.98	(78.35)	-	1,047.63	**2,933.75**	**29.70**	-	**2,963.45**
Deferred Tax	171.40	22.66	-	194.06	89.23	14.87	-	104.10
Total Tax Expenses (VIII)	249.83	22.66	-	272.47	**702.02**	**14.87**	-	**716.88**
Profit/(loss) for the period (VII-VIII)	876.16	(100.98)	-	775.17	**2,231.73**	**14.83**	-	**2,246.56**
Total Comprehensive Income for the period (IX+XI)	874.64	(100.98)	-	773.66	**2,246.96**	**14.83**	-	**2,261.79**
Earnings per Equity Share:	-	-	-	-	-	-	-	-
Basic (in ₹)	2.35	(0.26)	-	2.09	6.05	0.06	-	6.11
Diluted (in ₹)	2.21	(0.25)	-	1.95	5.62	0.04	-	5.66
Nominal Value of Equity Shares	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

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ASSET LIABILITY MANAGEMENT (ALM)

Period ended Mar 31, 2025

(₹ in lakhs)

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	1,155.92	563.89	1,174.85	2,961.28	2,980.01	9,033.69	18,110.16	49,872.79	26,569.49	269.05
Fixed Asset/ Intangible asset	-	-	-	-	-	-	-	-	-	1,289.19
Investments	-	-	-	-	-	-	-	-	-	2,927.41
Cash & bank	6,073.80	-	2,403.09	2,902.73	2,248.33	2,218.90	1,671.49	3,681.76	276.80	-
other assets	152.74	38.63	92.44	128.84	152.62	691.44	504.41	874.77	159.23	72.06
Total	**7,382.47**	**602.52**	**3,670.39**	**5,992.85**	**5,380.97**	**11,944.04**	**20,286.07**	**54,429.32**	**27,005.52**	**4,557.71**
Liabilities										
Borrowings	1,563.50	266.39	2,072.92	2,600.48	4,980.47	9,815.32	19,550.20	54,274.85	18,571.69	10.49
Other Liabilities	126.36	6.86	738.97	36.15	27.45	82.36	453.23	0.00	155.34	129.66
Total	**1,689.87**	**273.25**	**2,811.89**	**2,636.63**	**5,007.93**	**9,897.68**	**20,003.43**	**54,274.85**	**18,727.04**	**140.15**

107 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 S.C. Bapna & Associates
Chartered Accountants
Firm Registration No.- 115649W

S C Bapna & Associates
JAIPUR
Chartered Accountants

CA Kartik Bapna
Partner
Membership No.- 413084

Place: Jaipur
Date: May 19, 2025

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

Sapne dekho, bade dekho, Hamare saath unhe pura hote dekho.

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