



A collage of five images illustrating various business scenarios: a woman in an office, a man in a florist shop, a woman in a green dress, a hand analyzing a tablet with charts, and a man in a grocery store. Colored arrows (green, blue, yellow) point from the top left towards the center, and a yellow arrow points from the bottom left towards the bottom right.

Focused Reach. Deeper Impact.

Content

CORPORATE OVERVIEW

About Us.....	02
Our Milestones	04
Our Edge.....	06
Our Business Verticals.....	08
Customer Testimonials	14
Our Presence	16
Message from the CEO	18
Key Performance Indicators	20
Loan Management.....	22
IT Initiatives.....	24
Team Building	26
Corporate Social Responsibility	28
Board of Directors	30
The Leadership Team	32

STATUTORY REPORT

Corporate Information	33
Management Discussion & Analysis	34
Board's Report	42
Corporate Governance Report	66
Business Responsibility & Sustainability Report.....	87

FINANCIAL STATEMENT

Standalone Financial Statements	110
Consolidated Financial Statements	191

At Capital India, growth is not a matter of geography; it is a matter of intent.

In a market crowded with ambitions of scale, we have chosen precision over proliferation. Our focus remains firmly rooted in the regions we know, understand and operate in, ensuring that every loan disbursed, every relationship nurtured and every initiative launched is deeply relevant, responsive and resilient.

At Capital India, we are aligned to that future-one built on focused reach and deeper impact.



ABOUT US

We believe in the potential of those who remain underserved-transforming aspirations into achievements.

We are CAPITAL INDIA FINANCE LIMITED. We enable entrepreneurial growth with purpose and precision.

Capital India Finance Limited (CIFL) was founded with a singular vision-to empower India's micro, small and medium enterprises (MSMEs), which form the backbone of the nation's economic progress.

As a differentiated credit institution, CIFL provides bespoke, asset-backed financial solutions tailored to the unique needs of Micro, Small and Medium Enterprises (MSMEs). We go beyond conventional lending to serve as strategic growth partners, enabling access to capital that fuels innovation, scalability and sustainable development.

We recognize the structural gaps in traditional financing and address them with agility and insight-offering flexible capital that supports working capital requirements, business expansion and long-term resilience. Our asset-backed

lending framework not only mitigates risk but enhances credit accessibility, particularly for businesses underserved by legacy financial systems.

What distinguishes CIFL is our unwavering commitment to responsible lending practices. As a Non-Banking Financial Company (NBFC), we operate with disciplined governance, robust ethical standards and a data-driven approach to credit evaluation. Our proprietary risk assessment technologies and comprehensive due diligence protocols ensure prudent financial decisions anchored in transparency and foresight.

CIFL's mission is rooted in inclusive growth. We invest in fostering long-term value creation by aligning our financial products with sustainability principles and national development priorities. Our experienced leadership team channels deep domain expertise to support a dynamic and evolving entrepreneurial ecosystem.

At CIFL, we are not merely providers of capital-we are enablers of potential. Through integrity, innovation and strategic foresight, we advance India's enterprise landscape, powering a resilient future for the next generation of business leaders.

Our Promise

At the heart of our financial services institution lies an unwavering commitment to core values. Whether serving individuals, or MSMEs, we place the highest importance on honouring our fiduciary responsibility. Every customer who entrusts us with their financial needs is treated with the same dedication and integrity that defines our approach.



Passion

Being passionate about helping our customers achieve their financial goals.



Relationship

Doing business with trust and transparency for long-standing fiduciary relationships.



Integrity

Being ethical, honest and fair with customers, partners, investors and employees.



Innovation

Staying ahead of the curve by leveraging new lending approaches, research, rigour and technology.

Numbers that Define Our Being

We are expanding our presence across India to reach underserved markets with tailored business solutions, strengthening our distribution network and enhancing our role in the foreign exchange market - all aimed at driving sustainable growth and maximising stakeholder value.

29 No. of Branches (Lending business) as on March 31, 2025	600+ Team size	38 No. of Branches (Forex business) as on March 31, 2025	INR 184.45cr Revenue from Operation in FY25
INR 465.41cr Disbursements in FY25	80,519 No. of Total Loans Given Till March 31, 2025	INR 1,004.52cr Asset Under Management as on March 31, 2025	
INR 11.78cr Net Profit in FY25	7.96% Net Interest Margin	INR 1,186.46cr Market Capitalisation as on March 31, 2025	
36.08% CRAR	0.98% Net NPA		



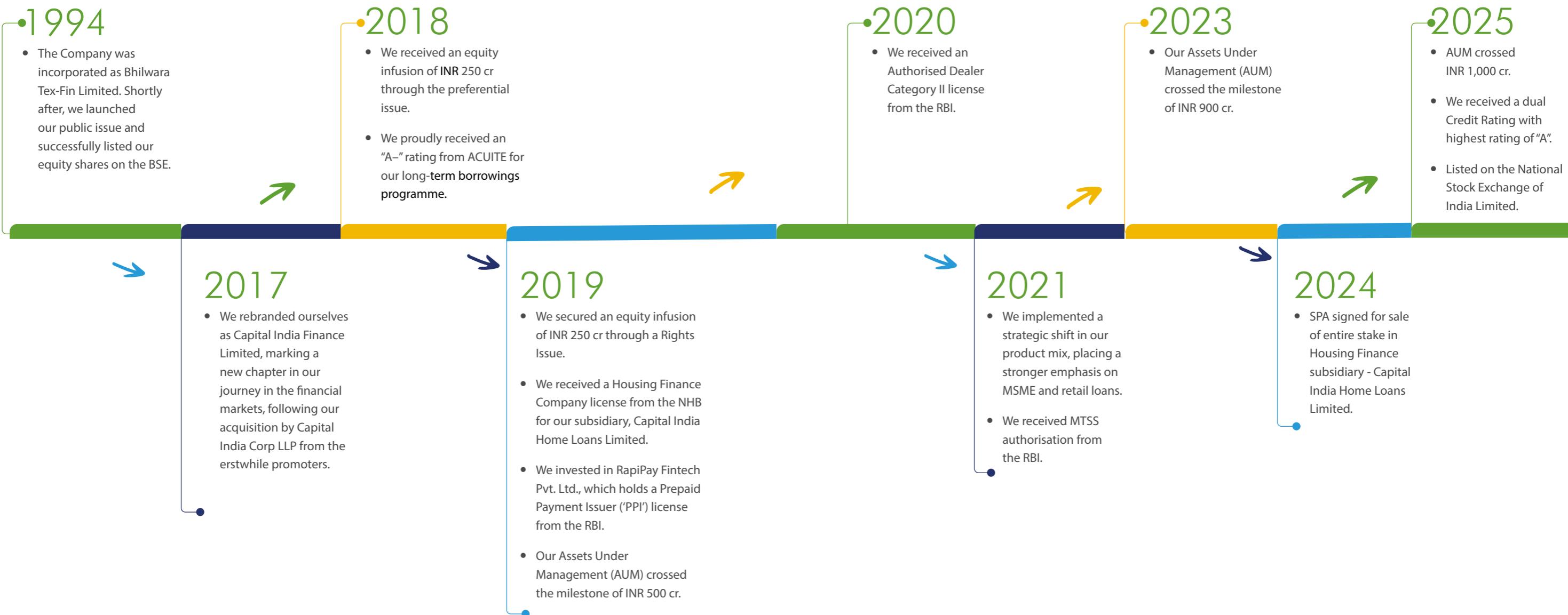
OUR MILESTONES

Our Journey Continues...

Since 2017, Capital India Finance Limited has remained deeply committed to empowering Micro, Small and Medium Enterprises (MSMEs) through tailored financial solutions that address their unique business needs. Technology remains the foundation of our operations, driving process efficiencies and enhancing the customer experience at every touchpoint.

In an environment marked by constant evolution, we have consistently demonstrated resilience and agility, transforming market challenges into opportunities for growth and success. Our unwavering focus on financial inclusion is underpinned by disciplined execution, strategic interventions and a culture of excellence.

As we move forward, we remain dedicated to strengthening our position as a trusted partner to MSMEs nationwide, enabling scalable success and inclusive economic development.



OUR EDGE

What Makes Us Different from Others

Capital India Finance Limited (CIFL) delivers bespoke financial solutions designed to meet the dynamic growth and working capital needs of MSMEs. In a landscape where conventional lenders often require excessive documentation, impose extended approval timelines and rely heavily on intermediaries, CIFL differentiates itself through a streamlined, agile and customer-first approach. By removing friction from the lending process, CIFL empowers MSMEs with faster access to capital, accelerating opportunity, resilience and long-term growth.



Tailored Loan Products

Our loan offerings are tailored to align with the distinct financial needs, profiles and growth goals of each customer's business. Moving beyond the limitations of one-size-fits-all solutions, we design every product with built-in flexibility across terms, structure and features to ensure a more relevant, responsive and borrower-centric experience.



Customer Priorities

Our seasoned Relationship Managers engage closely with each customer to gain a deep understanding of their financial aspirations, business objectives and service expectations, ensuring truly personalised support at every step.



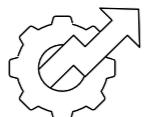
Secure and Smart Solutions

As digitalisation reshapes the financial landscape, we've proactively embraced cutting-edge technologies to elevate customer experience. By streamlining loan applications and repayment processes and equipping customers with tools to identify and prevent fraud, we've enhanced both convenience and confidence, reinforcing trust in our brand.



Transparent Procedures

We offer a transparent lending journey, marked by clear documentation, flexible prepayment options and unwavering commitment to KYC and AML compliance. This disciplined approach promotes regulatory assurance and strengthens stakeholder trust.



Dynamism and Efficiency

Our in-house operations drive speed, adaptability and precision. We're well-positioned to swiftly respond to regulatory shifts and industry dynamics, translating agility into lasting success.



Depth in Diversity

Our strategic expansion into rural markets continues to unlock high-potential business opportunities. These efforts have not only deepened our reach but also enriched our operating model with new growth levers inspired by real-world insights and community engagement.



OUR BUSINESS VERTICALS

Our Areas of **Expertise**

Capital India Finance Limited (CIFL) is a Systemically Important Non-Deposit-Taking Non-Banking Financial Company (NBFC-ND-SI), committed to delivering customised loan solutions tailored to the evolving needs of MSMEs, digital-first enterprises and foreign exchange clients.

In response to India's rapidly evolving economic landscape, the Company addresses a critical gap by providing agile financing options to micro, small & medium businesses, independent traders and self-employed professionals who are often overlooked by conventional banking channels. Through innovation, customer-centricity and domain expertise, CIFL is enabling inclusive growth and supporting the next generation of entrepreneurial success stories.



1) Micro, Small and Medium Enterprises (MSMEs) Loan: Scalable and Sustainable Lending

Overview: CIFL offers a comprehensive suite of collateral-backed and unsecured loan products, purpose-built to support the working capital and expansion needs of MSMEs. Our solutions feature competitive interest rates, rapid turnaround times and seamless disbursement processes. Enabled by a robust digital loan processing platform, we ensure swift approvals and frictionless access to funds, empowering businesses to remain agile, competitive and primed for sustained growth.

Product Focus

CIFL offers secured loan solutions under the Loan Against Property (LAP) segment, catering to a wide spectrum of small business owners. Our offerings include small-ticket LAP for micro-entrepreneurs and self-employed individuals, as well as medium-ticket LAP for traders and professionals requiring capital for business expansion, working

capital requirement. These solutions are secured against residential, commercial and industrial properties and are designed to provide flexible, fast-disbursing credit tailored to real business requirements.

Our edge: At CIFL, our MSME lending model is rooted in a relationship-driven and field-informed philosophy. Leveraging a "feet-on-street + informed policy" framework, we make credit decisions that reflect real-world business dynamics while upholding strong governance and profitability.

Our teams engage directly with customers at their place of business—particularly across Tier 2 and Tier 3 markets—enabling holistic assessments that go beyond financials to include intent, operational realities and business environment. This proximity fosters trust and yields deeper, data-driven credit insights. Each loan is meticulously tailored to the borrower's specific requirements, cash flow patterns and repayment capacity.

fostering suitability, improved credit behaviour and sustainable financial inclusion.

Performance: In FY25, we delivered stable performance despite persistent macroeconomic headwinds. Our Assets Under Management (AUM) stood at INR 1,004.52 cr, with disbursements reaching INR 465.41 cr, highlighting our sustained operational momentum. A measured growth reflects our calibrated lending approach, where quality takes precedence over volume across borrower segments.

Our progress was driven by robust credit underwriting, disciplined risk management and deep market intelligence, allowing us to navigate volatility while preserving portfolio integrity. These outcomes underscore our resilience and operational discipline, reinforcing our readiness to scale responsibly and sustainably in an evolving financial landscape.

Key Business Metrics

OPERATING PRESENCE	PERFORMANCE IN FY25
29 Branches	465.41 Disbursement (INR in cr)
7 States	11,023 No. of loans disbursed in FY 25

Opportunities

Untapped Markets: Tier 2, Tier 3 and Tier 4 areas offer significant growth potential due to limited access to formal credit. Rising incomes, evolving aspirations and rapid industrialisation are fuelling strong demand for financial services. This creates a compelling opportunity for MSME loans to gain a first-mover advantage across high-potential sectors such as retail, agri-processing, education and healthcare.

Low Operational Costs: Operating in these regions offers significant cost advantages, empowering MSMEs to enhance profit margins, streamline operations and launch their ventures with lower upfront investment, thereby driving overall efficiency and sustainability.

Government Schemes: MSMEs gain from initiatives such as MUDRA, PMEGP and CGTMSE, which simplify access to credit, offer subsidies and boost infrastructure support. Programs like Skill India and Startup India also enhance workforce training and foster entrepreneurship, especially in rural and semi-urban regions.

Workforce Availability: These regions offer a strong supply of semi-skilled and educated workers, enabling MSMEs to harness local talent, curb urban migration and promote inclusive growth. Sectors such as textiles, food processing and handicrafts especially benefit from increased female workforce participation and community-based employment.

Our Strategies: We are committed to fostering lasting relationships with our customers, employees and communities, grounded in a vision for sustainable growth and a positive societal impact. By embedding sustainability across our operations, we drive innovation, strengthen resilience and contribute to shaping a better future for generations to come.

Strategic Alliances: As a trusted financing partner, we forge lasting collaborations by supporting clients throughout their business lifecycle. With an entrepreneurial approach, we co-create tailored financial solutions alongside promoters and local enterprises to unlock strategic growth and long-term value.

Operational Excellence: Our holistic, integrated model ensures seamless customer interactions from start to finish. By synchronising people, technology and processes, we enhance efficiency, maintain consistency and deliver high-quality outcomes across all touchpoints.

Strategic Lending: We offer targeted lending frameworks across key sectors to boost enterprise productivity and growth. Drawing on deep industry knowledge and rigorous risk analysis, we champion financial inclusion through bespoke credit solutions for MSMEs, corporates and infrastructure-driven businesses, fuelling innovation and economic progress.

Personalised Services: We provide customised services aligned with each customer's evolving needs. Leveraging data-driven insights and agile service models, we ensure consistent, tailored experiences, driving customer satisfaction and long-term engagement.



2. RemitX: The Forex Business

Overview

RemitX, our foreign exchange service business vertical is an RBI-licensed Authorised Dealer – Category II, offers a comprehensive suite of retail foreign exchange services, including foreign currency notes, outward remittances, multi-currency travel cards. Our offerings are distinguished by advanced technology tailored to meet the

evolving demands of customers and partners. With expertise in cross-border remittances and inward money transfers, we deliver fast, secure and reliable solutions. Our digital platforms are designed to elevate customer experience while driving operational efficiency.

Key Business Metrics

OPERATING PRESENCE	PERFORMANCE IN FY25
18 States	1.40L+ Transactions Per Annum
38 Branches	



Opportunities

Rising Global Migration: With increasing migration for education, employment and business, demand for cross-border remittances is growing steadily.

Digital Adoption: Rapid digitalisation and smartphone penetration enable easier, faster and cheaper remittance services through apps and fintech platforms.

Untapped Rural Markets: Tier 2, Tier 3 and rural areas are witnessing an increase in outbound remittance needs but remain underpenetrated, providing expansion opportunities.

Favourable Regulations: Regulatory frameworks, such as the RBI's Liberalised Remittance Scheme (LRS) in India, support outward remittances, particularly for education and travel.

Our Strategies

Steady Expansion: We are committed to progressive and sustainable growth, focusing on underserved Tier 2 and Tier 3 cities, as well as rural geographies. By scaling both our physical and digital presence, we aim to deliver high-quality, compliant services to a wider range of customer segments.

Strategic Partnerships: Our partnerships with banks, fintechs, student consultants, travel agencies and exchange houses enhance service breadth, accelerate delivery and unlock access to niche audiences—including overseas-bound students and migrant workers.

Real-Time Transfers & Multi-Currency Support: We offer same-day international transfers with multi-currency capabilities, ensuring speed,

flexibility and user convenience across remittance and fee payment needs.

Competitive Pricing: Transparent pricing, low service costs and favourable exchange rates are central to our approach, designed to attract value-conscious customers and foster long-term trust.



3) Digital Lending: Transforming Credit Access at the Last Mile

Rapipay Fintech Private Limited (RapiPay), a subsidiary is a purpose-driven fintech enterprise focused on offering comprehensive financial services to India's underserved segments. Leveraging a vast network of Direct Business Outlets (DBOs) alongside its self-service digital platform branded 'NYE', RapiPay has rapidly emerged as a leading force in the nation's fintech landscape, democratising Neo Banking access for the broader population. It empowers India's underbanked population by delivering integrated Banking, Financial Services and Insurance (BFSI) solutions through its nationwide DBO network. This assisted model bridges last-mile connectivity via a robust fintech ecosystem encompassing POS, QR payments and business loans, ensuring seamless services for both customers and merchants. With its extensive market reach through retail agents, RapiPay drives the adoption of tech-enabled offerings.

In FY25, the business saw robust growth, fuelled by our commitment to delivering seamless, tech-driven credit access. Our digital-first approach drove traction across Tier 2, Tier 3 and rural markets where formal credit access remains constrained. AI-led credit assessment, assisted onboarding and efficient disbursal enabled the onboarding of first-time borrowers and micro-entrepreneurs, enhancing operational efficiency and deepening inclusion.



Key Business Metrics

PERFORMANCE IN FY25		
29,419	274.16	~121.8K
PPI accounts opened (FY 25)	Disbursement (INR in cr) (FY 25)	Micro-ATM launched (YTD)
~8 cr	43.43	360.03
Customers Served (YTD)	Lending Income (INR in cr) (FY 25)	Total Income (INR in cr) (FY 25)
1,11,689		
Average Ticket Size (FY 25)		

Opportunities

Vast Underserved Market: A large rural and semi-urban population remains excluded from formal banking, offering significant opportunities for digital lenders to extend credit and advance financial inclusion.

Rising Digital: Increasing smartphone usage and internet access, even in remote regions, empower users to engage with digital lending platforms seamlessly.

Policy-Driven Inclusion: Government initiatives, such as Jan Dhan Yojana, Aadhaar and UPI, foster digital identity and transactional transparency, simplifying onboarding and enhancing credit evaluation.

Alternative Credit Assessment: In the absence of formal credit history, digital lenders can harness mobile data, utility bill records and spending behaviour to effectively evaluate creditworthiness.

Our Strategies

We deliver digital lending in rural and semi-urban regions through a hybrid model that combines small-ticket, flexible loans with assisted services, ensuring responsible credit access across underserved markets.

Hybrid Delivery Approach: Our model integrates digital platforms with local agent support, enabling last-mile reach and bridging trust gaps. Assisted services via kiosks and agents make digital lending intuitive and approachable for the underbanked.

Flexible, Context-Aware Loan Products: We offer short-term loans with adaptable repayment schedules—daily, weekly, or monthly—to suit the unpredictable cash flows of informal workers. Disbursement via UPI or local agents ensures swift access to capital.

Human-Centred Collections: Collections are managed via local agents and digital nudges, prioritising borrower education over pressure. For those experiencing temporary financial distress, we offer flexible repayment solutions and restructuring options to support continuity.

CUSTOMER TESTIMONIALS

Voices of **Trust**



"I am Mrs. Kalpana Saini and I run a tailoring business from home. When I needed a loan to expand and refinance, approaching banks and NBFCs proved difficult and time-consuming. Through a personal reference, I connected with Capital India Finance Ltd. and the experience was seamless. Their team clearly explained the process, ensured quick approval and disbursement and offered strong support throughout. Their trust in me brought financial stability and renewed confidence. I'm truly grateful for their exceptional service."

Mrs. Kalpana Saini

Proprietor - Kalpana Sillai Center (Chomu, Rajasthan).



"I am Palle Venkatesh, owner of M/s New Venkatesh Tailors. I needed funds for working capital and Capital India Finance Limited made the process smooth and hassle-free. With quick approval, minimal paperwork and a supportive team, they provided exactly what I needed to strengthen my business."

Mr. Palle Venkatesh

Proprietor - M/S New Venkatesh Tailors.

"I am Mr. Nanik Tejumal Lulla, proprietor of M/s Jacky Dresses with over 21 years in the business. I approached Capital India Finance Limited for working capital requirement for my business and the experience was seamless. The process was swift, documentation minimal and the team was professional and supportive. The sanctioned loan met my needs and was disbursed promptly. I truly appreciate their excellent service."

Mr. Nanik Tejumal Lulla

Proprietor - M/s Jacky Dresses.



"I am Subhash Saini, a small business owner in Gurgaon. After being turned away by traditional lenders due to limited credit history, I found support in CIFL. They looked beyond the numbers and saw my passion. Thanks to their trust, I secured the loan to expand my Gift Centre. Today, my business is thriving—all because CIFL believed in me when no one else did."

Mr. Subhash Saini.

Proprietor - Saini Gift Centre.



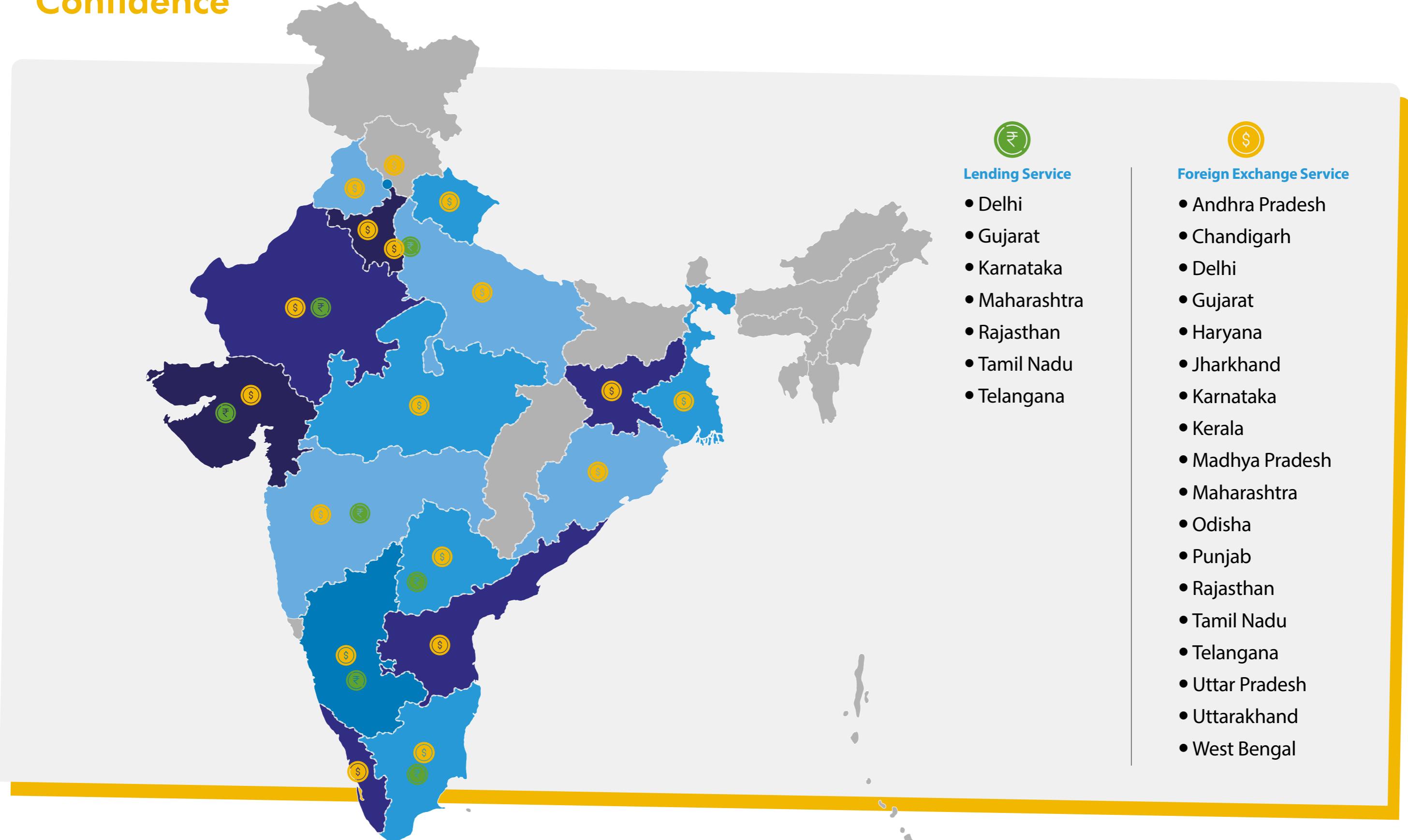
"I am Bhukya Venkatesh, owner of M/s Venkatesh Painting Works for over a decade. Capital India Finance Limited provided quick and hassle-free support when I needed funds for working capital. Their cooperative team ensured smooth processing with minimal paperwork. I'm truly grateful and would gladly recommend them."

Mr. Bhukya Venkatesh

Proprietor - Venkatesh Painting Works, Warangal, Telangana.

OUR PRESENCE

A Presence that Inspires Confidence





MESSAGE FROM THE CEO



Our near-term focus will remain on distribution, operational scalability and expanding our presence across key growth markets. In the medium to long term, we aim to become a comprehensive, tech-led financial solutions provider to India's new economy. 

Dear Shareholders,

FY25 was a year of resilience, recalibration and progress. Amid a challenging macroeconomic backdrop, we stayed committed to our mission: funding aspirations and transforming lives. While market dynamics tested the sector, your Company leveraged this environment to strengthen its core, sharpen focus and position itself for sustainable growth.

Navigating a Challenging Landscape

The NBFC sector witnessed significant regulatory and economic shifts in FY25-ranging from higher provisioning requirements for bank lending to NBFCs, to increased risk weights on unsecured consumer loans and a broad-based rise in delinquencies across the industry. These developments necessitated prudent risk management, liquidity discipline and robust governance.

In response, we doubled down on operational excellence and portfolio quality:

- Enhanced credit analytics for sharper underwriting
- Strengthened collections infrastructure with a dual on-ground and digital approach
- Scaled governance and compliance frameworks to meet evolving regulations

These measures ensured that we not only weathered the storm but laid a solid foundation for long-term value creation.



Key Highlights of FY25

FY25 was also marked by transformative milestones, reflecting both strategic intent and execution strength:

- Decision to Divest Stake in Capital India Home Loans. This strategic move underscores our commitment to sharpening focus on the NBFC business, where we see significant opportunities for scalable, technology-driven growth. By exiting the housing finance subsidiary, we are:
 - Reallocating Capital Efficiently: Redeploying resources to our core Micro, Small and Medium Enterprises (MSMEs) and retail lending segments, which offer higher growth potential and better risk-adjusted returns.
 - Sharpening Strategic Priorities: Concentrating on businesses where we hold competitive advantages, deep customer relationships and digital capabilities.
 - Positioning for Future Growth: With a leaner structure and focused balance sheet, we are better equipped to pursue new growth engines, strengthen our digital lending platforms and deliver superior shareholder value.

This decision is a deliberate recalibration-designed to build an agile, capital-efficient and resilient Company ready for the next phase of expansion.

- **Equity Shares Listed on NSE in April 2025**
Over and above our existing BSE listing, this step enhances market visibility, liquidity and investor reach.
- **New Credit Rating of 'A'**
A strong endorsement of our capital adequacy, governance and asset quality.
- **AUM Crossed INR 1,000 cr**
A significant scale milestone,

achieved through disciplined growth and customer-centric offerings.

- **Successful Fund Raise in a Tough Environment**

Demonstrating investor confidence and our ability to mobilize resources even amid liquidity challenges in the NBFC ecosystem.

Financial Performance

Amidst a challenging macroeconomic environment, the Company delivered a resilient performance with a total income of INR 184.45 crore in FY25, compared to INR 194.66 crore in FY24. EBITDA margins remained healthy at 50.65%, underscoring the Company's strong operating discipline despite economic headwinds and a cautious demand environment.

Micro, Small and Medium Enterprises (MSMEs): The Growth Engine of India

India, the fourth-largest economy today, is on track to become the third-largest by 2030. MSMEs will play a defining role in this journey-raising their GDP contribution from 30% currently to 50% by decade-end and powering India's transformation into a US\$10 trillion economy by 2032.

Our purpose aligns squarely with this opportunity. By delivering customised, affordable and accessible credit, Capital India is helping MSMEs grow, create jobs and drive inclusive economic progress.

Strategic Blueprint for the Future

Having consolidated our position in MSME financing, our focus now shifts to scaling and diversifying smartly, with technology and customer relationships at the core. Key priorities include:

- Branch network expansion with deeper penetration in key districts
- Phygital lending model for seamless customer experience
- Migration to Azure Cloud and

enterprise-wide BI deployment for predictive credit modelling

- Intelligent collection strategies to enhance portfolio quality

Our goal: evolve from a product-centric lender to a relationship-driven financial partner with a strong tech capability ensuring higher productivity across all functions.

Commitment Beyond Business

Capital India continues to champion financial inclusion and social empowerment by enabling micro-entrepreneurs. Our offerings aim to create opportunities, not just loans.

Internally, we prioritize diversity, safety and continuous learning, while our CSR initiatives focus on financial literacy, women's empowerment and digital enablement-creating impact beyond balance sheets.

The Road Ahead

FY25 was a year of foundation-building and strategic clarity. As we move into FY26 and beyond, we are positioned to:

- Scale distribution and operational capabilities
- Embed digital transformation into every process
- Unlock new growth engines through innovation
- Deliver sustainable value to shareholders and stakeholders alike

On behalf of the Board and the leadership team, I thank you for your continued trust and support. Together, let us create a future where financial access becomes a catalyst for India's growth story.

Warm regards,

Pinank Jayant Shah
Chief Executive Officer

KEY PERFORMANCE INDICATORS

Making **Constructive Headway**

Disbursement

(INR in cr)

	FY22	FY23	FY24	FY25
902.26	478.17	497.25	465.41	125.66
163.43	194.66	184.45		

Total Revenue

(INR in cr)

	FY22	FY23	FY24	FY25
125.66	163.43	194.66	184.45	

Debt Equity Ratio

(x)

	FY22	FY23	FY24	FY25
1.08	1.09	0.93	1.06	

Return on Equity

(%)

	FY22	FY23	FY24	FY25
2.06	2.60	3.37	1.92	

Profit After Tax

(INR in cr)

	FY22	FY23	FY24	FY25
11.66	15.05	20.10	11.78	
0.3	0.39	0.52	0.30	

Earnings Per Share

(INR)

Net Interest Margin

(%)

	FY22	FY23	FY24	FY25
9.90	6.43	6.22	7.96	
0.12	0.34	0.82	0.98	

Net NPA

(%)

Assets Under Management

(INR in cr)

	FY22	FY23	FY24	FY25
911.83	934.31	935.15	1004.52	570.84
585.42	606.54	621.54		

Net Worth

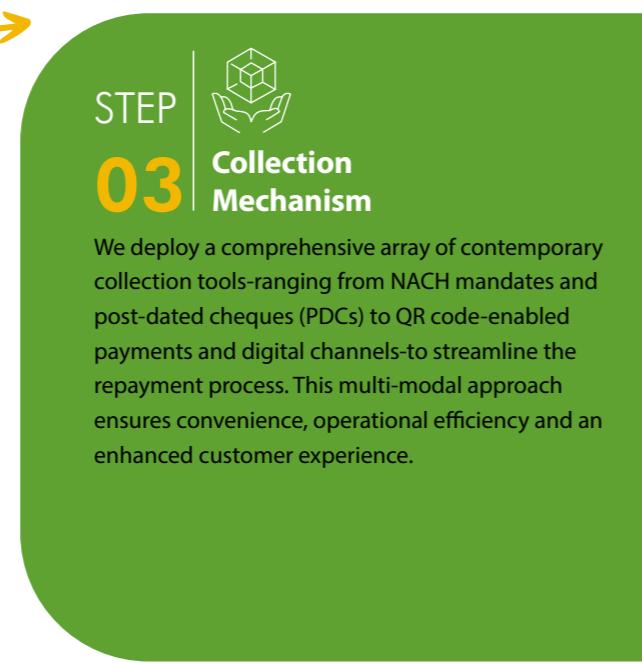
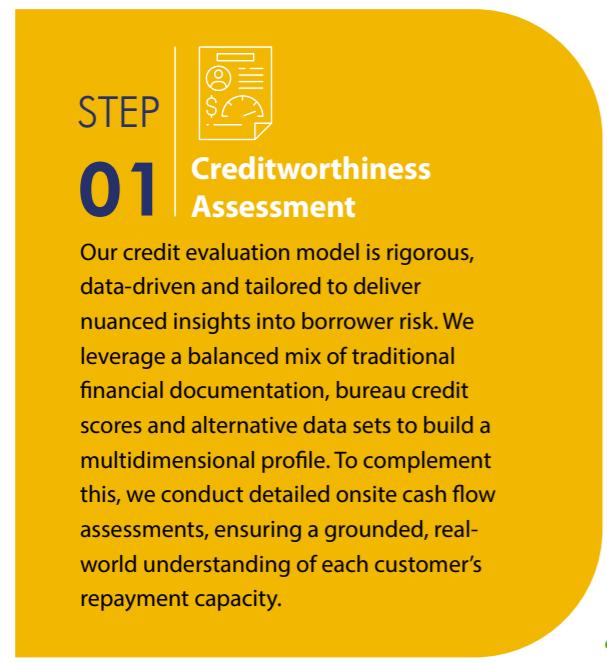
(INR in cr)



LOAN MANAGEMENT

Optimising Lending Process with Precision

At Capital India, our loan management philosophy is rooted in efficiency, transparency and a deep commitment to customer-centricity. We integrate advanced digital solutions with proactive field engagement to ensure seamless operations and responsive support.



Resource Mobilization: During FY 2024-25, the Company successfully raised INR 450 cr through term loans and Direct Assignments (DA), reflecting strong market confidence and disciplined capital stewardship. Our lender base expanded to 20 institutions, including public sector banks, private sector banks, small finance banks and NBFCs, with 6 new lenders and 2 new DA partners onboarded during the year. Continued support from existing lenders underscores their trust in our long-term strategy and enhances our standing in the debt market. We maintained a conservative capital structure, as evidenced by a prudent gearing ratio of 1.06x as of March 31, 2025.

IT INITIATIVES

Reimagining a Scalable, Digital-First Infrastructure for Tomorrow

In alignment with our vision for a future-ready, digitally empowered enterprise, FY25 marked a pivotal year of strategic IT transformation. We launched multiple initiatives to enhance operational resilience, unlock data-driven insights and deliver seamless customer experiences across all touchpoints. With a sharp focus on scalability, security and adoption, we reimagined our digital infrastructure to deliver faster, smarter and more personalised experiences for both existing and new customers.

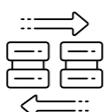
Recognising technology as a key driver of customer engagement and acquisition, we strengthened our IT backbone to better anticipate needs, increase reach and build lasting relationships. Our digital transformation reinforces Capital India's commitment to innovation, adaptability and inclusive growth—ensuring we remain ahead of evolving expectations in a competitive landscape.



1. Strengthening Security and Compliance Across Platforms

As part of our enterprise-wide digital transformation, we executed comprehensive enhancements to our security architecture in FY25. These initiatives focused on improving patch management, strengthening access controls and enforcing enterprise-grade security across platforms.

By embedding consistent compliance frameworks and proactive monitoring systems, we've reinforced platform integrity while safeguarding sensitive enterprise data. This not only builds trust and resilience but also ensures business continuity in an evolving digital landscape.



2. Fast-Tracking Cloud Transformation with Microsoft Azure

In a major leap forward, we successfully migrated our core lending applications to Microsoft Azure, boosting agility, scalability and system performance. This move modernised our technology infrastructure, enabling faster processing times, seamless integrations and superior uptime.



As part of this, we established a fully operational Disaster Recovery (DR) site in Azure's South India region—ensuring uninterrupted operations and real-time failover readiness. By leveraging cloud-native capabilities, we've significantly elevated our ability to meet evolving customer expectations with speed, scale and reliability.



3. Cloud-Native Business Intelligence (BI) for Smarter Decisions

In FY25, we deployed a next-gen, cloud-based Business Intelligence (BI) platform to unify reporting and enable real-time insights across mission-critical functions. This system empowers teams with dynamic dashboards and embedded analytics—fueling smarter decisions, faster responses and sharper performance tracking.



These capabilities now form the foundation for scalable, insights-led growth and are integral to shaping data-driven strategies across the organisation.



4. KYC-Led Digitisation of Customer Onboarding

To enhance efficiency and accelerate onboarding, we strengthened our integration with the Central KYC Registry (CKYC) through CERSAI. The upgraded system now enables digital pre-filling of customer data, dramatically reducing manual entry, drop-offs and onboarding time.

This initiative has led to faster conversions, improved data integrity and a seamless experience—particularly in digitally aware and time-sensitive customer segments.

TEAM BUILDING

AT CIFL, Team Building is an Ethos, Not an Effort

At CIFL, our people are not just contributors to success-they are the very reason for it. We recognise that behind every milestone is a network of committed individuals whose talent, passion and unity fuel our progress. For us, team bonding isn't a cultural add-on-it's a business imperative.

By nurturing meaningful connections across our workforce, we unlock collaboration, agility and shared purpose. From festive celebrations that bring joy to team-building retreats that strengthen trust, to sports tournaments and tributes to the families who support our journey, we create experiences that build resilience and camaraderie.

This deep-rooted sense of belonging drives operational excellence, accelerates performance and ensures that as we grow, we grow together. At CIFL, an inspired and connected team is not just part of the vision-it's our strongest competitive advantage.

Dil Se Ghar Tak

Honouring Families Behind Every Success

At Capital India, we understand that true professional success is never a solo journey-the quiet strength, sacrifices and unwavering support of family nurture it. Through our "Dil Se Ghar Tak" initiative, we honour those unsung heroes who stand firmly behind every milestone and achievement.

By extending our gratitude beyond office walls, we celebrate the families whose encouragement fuels ambition, resilience and excellence. This initiative reflects our deep belief that when we recognise and embrace the entire ecosystem behind every individual, we build not only stronger teams but a more empathetic and enduring culture of success.



The Spirit of Celebration At Work Spreading Festive Cheer: Christmas Celebrations

Our workplace came alive with festive cheer during the Christmas celebration, radiating joy, warmth and unity. The highlight of the day was the delightful visit from Santa Claus, who spread smiles across the office. Employees embraced the spirit of the season, dressed in vibrant hues of White, Green and Red, adding to the colourful and lively atmosphere. It was a heartwarming way to close the year, reflecting our culture of togetherness and celebrating the people who make our journey so meaningful.



Lighting The Way: Diwali Celebrations

At Capital India, Diwali is a celebration of purpose, progress and the people we serve. As lamps illuminated our workspaces and vibrant decorations filled the air with joy, we embraced the deeper meaning of the festival-renewal, resilience and shared prosperity. This moment reaffirmed our unwavering commitment to empowering lives, uplifting communities and driving sustainable growth for our customers and stakeholders.

Republic Day: A Celebration Of Unity And Pride

Republic Day was marked with patriotic zeal as employees dressed in tricolour-themed attire and participated in engaging team-building activities. The celebration blended national pride with workplace joy, bringing together employees from all departments in a lively and memorable tribute to unity and diversity.

A Heartfelt Women's Day Celebration

This International Women's Day, male employees turned the tables in a touching gesture of appreciation by cooking and serving home-cooked meals for their women colleagues. The act reflected genuine respect and gratitude, fostering a warm and inclusive environment that celebrated the indispensable contributions of women across the organisation.



Celebrating Togetherness Through Sport

The Capital India Premier League at Nagothane, Maharashtra, was more than just a cricket tournament-it was a spirited celebration of teamwork, grit and resilience. Braving unpredicted weather, our employees demonstrated unwavering determination and exceptional sportsmanship, making every match a testament to their drive and unity. The event emerged as one of the most memorable highlights of the year, spotlighting the passion and competitive spirit that define our culture of collaboration and excellence.

In addition, CIFL proudly participated in the IDFC Bank Cricket Tournament, where our team played five matches and secured the Runner-up title-showcasing talent, effort and enthusiasm. The event was a valuable opportunity for inter-organisational engagement and team camaraderie.

Off-Site Retreat

Team Bonding At Nagothane

Our off-site tour to Nagothane, Maharashtra, held during the year, was a rejuvenating getaway that brought employees from various regions together in a scenic setting. Over a 2-night, 3-day stay, the team engaged in trekking, rope climbing and adventure activities that fostered team spirit. The Rewards & Recognition (R&R) ceremony was a special moment, honouring top performers and inspiring continued excellence.

Empowering Every New Beginning

At CIFL, we believe that every great journey begins with a strong, purposeful start. Our structured New Employee Orientation (NEO) program is designed to provide new hires with a seamless transition into our organisation, immersing them in our culture, values and strategic vision from day one.

The NEO experience is more than just an introduction-it's an invitation to connect, collaborate and contribute. Through dynamic Q&A sessions, interactive discussions and a knowledge-reinforcing quiz, new team members gain clarity on our mission and confidence in their role within it.

CIFL's employee engagement framework goes beyond onboarding and is anchored in meaningful initiatives that foster connection, wellness and growth:

- **Sampark:** our flagship employee connect program encourages employees to share ideas for mutual growth, with top contributions being recognised and rewarded.
- **Health and Well-being Initiatives:** Through this initiative, we organise events such as health check-up camps, emphasise preventive care and reinforce our commitment to a healthy workforce.
- **Soulful Start Mornings:** Through our initiative, Soulful Start Mornings, we begin each day with a moment of prayer to foster mindfulness, gratitude and inner calm.
- **The Mentor-Mentee Program:** We nurture talent through structured guidance and collaboration, cultivating a culture of learning and leadership development.
- **Our monthly HR Connect Program:** This platform fosters open communication, enabling leadership to stay closely connected with employees across locations and respond proactively to their needs.



CORPORATE SOCIAL RESPONSIBILITY

Our Commitment to Communities

At Capital India Finance Limited (CIFL), we recognise that sustainable business growth is intrinsically tied to the inclusive development of the communities we serve. Our initiatives are designed to expand access to essential resources and opportunities, driving long-term social progress and resilience.

In FY25, we reaffirmed our commitment to Corporate Social Responsibility by advancing impactful programs across education, healthcare, environmental stewardship and livelihood enhancement. Through strategic partnerships and focused interventions, we continue to champion the upliftment and welfare of underserved communities, aligning economic progress with shared value creation.



Advancing Clean Energy and Greener Communities

At CIFL, our commitment to sustainability continues to shape inclusive and resilient communities. Through our rural infrastructure development initiatives, we installed 250 solar-powered streetlights, enhancing public safety and mobility across shared community spaces.

Expanding our clean energy focus to the education sector, CIFL equipped two government schools with rooftop

solar systems, delivering a 10 kW solution at the junior school and a 7.5 kW system at the primary school. These installations ensure a consistent power supply, promote energy-efficient learning environments and underscore our long-term vision for clean and equitable growth.

As part of its ecological stewardship efforts, CIFL spearheaded the plantation of 2,000 saplings in

Jugasana—cultivating greener landscapes, enriching local ecosystems and promoting long-term biodiversity.

Further reinforcing this vision, CIFL employees joined hands with orphaned children to plant 100 additional saplings across Delhi and Mumbai. This volunteer-led initiative embodies the organisation's belief in collective action, nurturing environmental consciousness and intergenerational sustainability.



Bridging Healthcare Gaps in Underserved Areas

Recognising the critical importance of early intervention, CIFL organised four preventive healthcare awareness sessions and three holistic health check-up camps across underserved communities. These initiatives addressed a spectrum of concerns—including general wellness, eye care and early screening for cervical, breast and oral cancers—facilitating timely diagnosis and access to medical support in areas with limited healthcare infrastructure.

Further reinforcing its commitment to public health, CIFL hosted blood donation camps in Delhi and Mumbai. These contributions have strengthened local emergency preparedness and underscore the organisation's dedication to life-saving support through community engagement.

Fostering Rural Livelihoods and Entrepreneurship

CIFL remains committed to fostering inclusive growth through community-led income-generation initiatives. As part of its capacity-building efforts, the company supported seven Self-Help Groups (SHGs) and one farmer collective with targeted entrepreneurship training and skills development.

These interventions have yielded tangible outcomes: one SHG successfully launched a candle-making enterprise during the festive season, generating revenue and reinvesting profits to expand its operations. Another SHG initiated the production of dhoopbatti (incense sticks), exemplifying the entrepreneurial drive of rural women and their expanding role in local value chains.

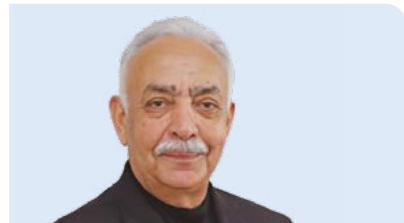
Through strategic funding and handholding support, four small enterprises were established in the village:

- A juice corner
- A stationery shop
- An artificial jewellery business
- A local clothing shop

These grassroots ventures are now delivering consistent income for their founders while generating employment within the wider community. By fostering entrepreneurial growth and expanding local value creation, CIFL is helping lay the groundwork for a self-reliant, inclusive and sustainable rural economy.

BOARD OF DIRECTORS

At the **Forefront**



Vinod Somani

Non-Executive Chairman
(Independent)

Mr. Vinod Somani is a distinguished fellow of the Institute of Chartered Accountants of India and has been a senior partner with M/s KG Somani & Co., Chartered Accountants since 1986. With extensive experience auditing the accounts of nationalised banks, insurance companies and public sector enterprises, he possesses deep expertise in finance, the Companies Act and tax laws. Given M/s KG Somani & Co's registration under SEBI Merchant Banker Category IV, Mr. Somani is well-versed in merchant banking activities. He has also contributed as a member of the MOU Task Force and the expert panel on the Memorandum of Understanding for Central Public Sector Enterprises.



Keshav Porwal

Managing Director

Mr. Keshav Porwal serves as the Managing Director of the company, shaping its overall growth strategy and guiding its evolution into a respected financial services institution.

With nearly two decades of experience in finance and real estate, he has closed complex real estate transactions and PE investments with leading developers nationwide. His expertise spans all aspects of real estate financing, from risk management to new product launches and he has played a crucial role in the restructuring and re-engineering of medium-sized enterprises in the auto and hospitality sectors. Mr. Porwal is a Chartered Accountant from the Institute of Chartered Accountants of India and holds a B.Sc. from Kanpur University, Uttar Pradesh.



Yogendra Pal Singh

Independent Director

Mr. Yogendra Pal Singh joined the Indian Police Service in 1981, holding various positions in executive policing, vigilance, police training and armed police in Uttar Pradesh. He served with the Central Bureau of Investigation for nine years in the fields of Special Crime and Anti-Corruption, rising to DIG (Special Crime) and Joint Director (Mumbai and Delhi Anti-Corruption zone). Additionally, Mr. Singh served as General Manager and Head of Anti-Corruption at the International Cricket Council in Dubai from June 2011 to March 2017.



Rashmi Fauzdar

Independent Director

Ms. Rashmi Fauzdar has over three decades of experience in implementing and formulating banking policy and regulation, as well as foreign exchange and currency management in India. She served at the Reserve Bank of India for more than 32 years, holding positions such as Regional Director for Punjab, Haryana and UT of Chandigarh, Banking Ombudsman for various regions and Chief General Manager of the Foreign Exchange Department. Her extensive experience has made her a key figure in the banking industry.



Jyuthika Mahendra Jivani

Independent Director

Ms. Jyuthika Mahendra Jivani had a remarkable 37-year career at the Reserve Bank of India, progressing from a direct recruit in Grade B to the position of Regional Director (Grade F) at Nagpur, where she retired in October 2017. She has worked in diverse departments, including banking, public debt operations, supervision of urban cooperative banks, planning and budget, government and bank accounts, external investments and operations, rural planning and credit and the Secretary's Department. Her extensive experience and contributions have been invaluable to the RBI.



General Dalbir Singh Suhag (Retd.)

Independent Director

General Dalbir Singh Suhag (Retd.) is the former Indian High Commissioner to Seychelles and served as the 25th Chief of the Army Staff (COAS) of the Indian Army from July 2014 to December 2016. With a distinguished military career spanning multiple leadership roles, he commanded key operations in Sri Lanka, Nagaland and Kashmir and led the 8 Mountain Division in Kargil along the Line of Control with Pakistan. He also served as the Inspector General of the Special Frontier Force and commanded the Eastern Army, overseeing critical operations in the North-Eastern states. General Suhag has been recognized with several prestigious honors, including the Param Vishisht Seva Medal, Uttam Yudh Seva Medal, Ati Vishisht Seva Medal, Vishisht Seva Medal and the Legion of Merit by the President of the United States. His extensive military expertise and strategic insights are invaluable assets to CIL.



THE LEADERSHIP TEAM

Leading the Journey


Pinank Shah

Chief Executive Officer

A highly experienced professional with over 22 years in the financial services sector, with expertise in business strategy, fund raise, investor engagement, handling scale, operations and sustainable growth.


Manvinder Singh Walia

Chief Operating Officer

A seasoned professional with 30 years of experience in building and scaling large distribution frameworks in financial services, with expertise in growth strategy, market penetration and operational excellence.


Vikas Srivastava

Chief Financial Officer

A finance professional with over 22 years of experience in banking and financial services, strategically driving fundraising for growth and ensuring financial reporting for informed decision-making.


Chetan Bafna

Chief Credit Officer

A highly experienced professional with over 20 years in retail lending, focused on the MSME segment, with proven expertise in credit evaluation, risk management and driving sustainable portfolio growth.


Navin Mishra

Chief Human Resource Officer

HR professional with over 20 years of experience across BFSI and fintech, with deep expertise in talent management, organisational development and strategic HR leadership.


Srinivas Vasuki Nidumolu

Chief Technology Officer

A seasoned professional with 20 plus years of experience in Information Technology, specialised in the Fintech and e-commerce domains.


Subhendu Bhanja

Chief of Service Delivery

A seasoned professional with over 25 years of experience in NBFC/ HFC sector having expertise in the entire gamut of functional areas of Operations, vendor management, Customer service & Administration.


Sulabh Kaushal

Chief Compliance Officer & Company Secretary

A legal and compliance professional with over 13 years of experience in governance, secretarial and regulatory affairs, with a strong track record of enabling business-aligned compliance.

Corporate Information

Board of Directors

Mr. Vinod Somanı
Non-Executive Chairman
(Independent)

Mr. Yogendra Pal Singh
Independent Director

Ms. Rashmi Fauzdar
Independent Woman Director

General Dalbir Singh Suhag (Retd.)
Independent Director

Ms. Jyuthika Mahendra Jivani
Independent Woman Director

Mr. Keshav Porwal
Managing Director

Chief Executive Officer

Mr. Pinank Jayant Shah

Chief Financial Officer
Mr. Vikas Srivastava

Chief Compliance Officer & Company Secretary
Mr. Sulabh Kaushal

Internal Auditor
Mr. Tarun Saboo

Statutory Auditors

V. Sankar Aiyar & Co.
Chartered Accountants
2-C, Court Chambers,
35, New Marine Lines
Mumbai-400020

Secretarial Auditors

Arun Gupta & Associates
Company Secretaries
Madan Park, East Punjab Bagh,
New Delhi – 110026

Registrar & Share Transfer Agent

KFin Technologies Limited
Selenium Tower B, Plot Nos. 31 & 32,
Hyderabad - 500032

Registered Office

701, 7th Floor,
Aggarwal Corporate Tower,
Plot No. 23, District Centre,
Rajendra Place,
New Delhi – 110008

Corporate Office
Level - 20, Birla Aurora,
Dr. Annie Besant Road, Worli,
Mumbai - 400030

Contact Us

Email: secretarial@capitalindia.com
Website: www.capitalindia.com
Ph. No.: +91 11 6914 6000 /
+91 22 4503 6000

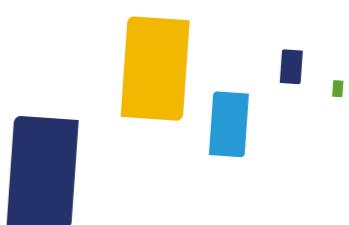
Trustees

Catalyst Trusteeship Limited
901, 9th Floor, Tower B, Peninsula
Business Park,
Senapati Bapat Marg, Lower Parel
(W), Mumbai- 400013

SBICAP Trustee Company Limited
Mistry Bhavan, 4th Floor, 122 Dinshaw
Wachha Road,
Near KC College, Churchgate, Mumbai,
Maharashtra – 400020

Lenders

- AU Small Finance Bank Limited
- Bandhan Bank Limited
- Bank of Baroda
- Canara Bank
- Dhanlaxmi Bank Limited
- Hinduja Leyland Finance Limited
- ICICI Bank Limited
- IDBI Bank Limited
- Indian Bank
- Indian Overseas Bank
- Jana Small Finance Bank Limited
- MAS Financial Services Limited
- Poonawalla Fincorp Limited
- Punjab & Sind Bank
- RBL Bank Limited
- Small Industries Development
Bank of India
- State Bank of India
- UCO Bank
- Union Bank of India
- Utkarsh Small Finance Bank Limited



Management Discussion and Analysis



An Economic Overview

As we reflect on the FY25, India stands as an emerging economy and a dynamic global force, confidently navigating an increasingly complex international landscape. This year, India overtook Japan to become the world's fourth-largest economy, with its GDP crossing the US\$4 trillion milestone—a powerful testament to its economic momentum and growing global influence.

Growth Drivers: FY25 underscored India's structural resilience and strategic momentum toward transformative growth, powered by its demographic dividend, accelerating digital innovation and sustained investment in core infrastructure.

GDP Momentum: As the fastest-growing major economy, India maintained a strong upward trajectory with a projected GDP growth of 6.5%, following the exceptional 9.2% expansion in the previous year. This performance was anchored by expansive public infrastructure investment and buoyant private consumption, while financial sector stability supported by robust credit expansion-catalysed activity across key economic segments.

Manufacturing Strength: India's manufacturing sector exhibited consistent growth throughout FY25, with the Manufacturing Purchasing Managers' Index (PMI) exceeding the 50-point expansion mark for the 44th consecutive month. This sustained momentum was coupled with rising employment levels and a clear tapering of inflationary pressures.

Inflation Trends: Retail inflation eased to a near six-year low of 3.34% in March, primarily due to softer prices of vegetables and protein-rich foods. This disinflationary trend coincides with the Reserve Bank of India's recent policy rate cut, targeting an average consumer price inflation (CPI) of 4% for FY26. Simultaneously, wholesale price inflation declined to a six-month low of 2.05%, underscoring continued deflation across key food segments.

External Performance: India's external sector recorded robust gains, with total exports of goods and services reaching a historic high of US\$820.93 billion in FY25—a 5.5% increase over the previous year's US\$773 billion, achieved despite global headwinds and trade disruptions.

Fiscal Position: India remains on course to meet its FY25 fiscal deficit target of 4.8% of GDP, driven by higher-than-expected nominal growth, resilient revenue inflows and disciplined expenditure. The current account deficit narrowed meaningfully, buoyed by a services trade surplus and unprecedented remittance inflows, reflecting improved employment trends across OECD economies and contributing to a stable external balance.

Geopolitical Uncertainties: Geopolitical tensions such as the Russia-Ukraine war, Israel-Hamas conflict, Red Sea crisis and tariff implementation are straining global supply chains. This is impacting revenue growth and increasing credit risk, especially for highly leveraged companies and vulnerable economies.

Outlook

In FY26, the Indian economy is expected to register moderate growth compared to the previous fiscal year, with real GDP projected to expand by 6.3–6.8%, a solid performance, considering the elevated base. This positions India to reinforce its status as one of the fastest-growing major economies and a key contributor to global GDP momentum.

The Government's decision to reduce income tax rates reflects a positive structural shift, aimed at boosting disposable income, improving compliance and stimulating growth through higher consumer spending and private sector investment.

Nonetheless, external headwinds—ranging from global economic deceleration and geopolitical uncertainty to tariff conflicts and trade volatility—pose potential challenges to India's growth trajectory. Domestically, pressures such as subdued urban consumption, rising food inflation and sluggish capital formation may also weigh on overall economic performance.

Sources: The Business Standard, India Today, Mint, PIB, The Economic Times, Trading Economics

The Backbone of Financial Inclusion

Non-Banking Financial Companies (NBFCs) have carved a vital niche within India's financial landscape by bridging credit gaps often overlooked by traditional banks. Their offerings span personal loans, vehicle financing, microcredit and MSME lending, catering to a broad spectrum of borrowers. According to recent data from the Reserve Bank of India (RBI), NBFCs account for nearly 25% of total credit disbursed across the financial system, with retail lending representing a substantial share of their activities.

The sector's resilience is attributed from its agility, customer-first ethos and tailored approach to underserved segments, especially rural communities and urban low-income populations. Fintech-driven and digital-first NBFCs have accelerated sectoral transformation by leveraging technology to deliver faster loan approvals, customised credit products and robust risk management systems. This digital evolution continues to expand financial inclusion and redefine India's broader lending architecture.

Performance in FY25

NBFCs have become key lenders in India, addressing credit needs that traditional banks often miss. They provide personal loans, vehicle finance, microcredit and MSME funding to underserved borrowers. As per RBI, NBFCs now deliver about 25% of total credit in the system, with retail lending making up a large part of their business.

In FY25, Non-Banking Financial Companies (NBFCs) recorded a notable 20% year-on-year growth in credit, outpacing the performance of commercial banks. This growth was primarily driven by the Gold Loan NBFC segment, contributing significantly to the rise in total net advances, which reached INR 24.5 lakh cr.

The sector's balance sheet expanded by 20%, with total assets increasing to INR 28.2 lakh cr. Simultaneously, borrowings rose by 22%, touching INR 19.9 lakh cr, reflecting strong funding activity that supported the sector's accelerated growth trajectory.

Profitability trends were mixed, while the broader NBFC sector posted an 8% increase in absolute profit, the Microfinance Institutions (MFI) segment reported a decline in profit after tax, indicating stress within that category.

On the operational front, the sector achieved greater efficiency, with the cost-to-income ratio improving from 36.7% in FY24 to 36.2% in FY25. Asset quality also showed marginal improvement, with the Gross Non-Performing Assets (GNPA) ratio improving by 10 basis points. However, MFIs remained an exception, witnessing a rise in NPAs despite the overall sectoral improvement.



Digital Transformation and Customer-Centricity:

The sector's resilience is rooted in its agility, customer-first ethos and adaptive strategies tailored to underserved communities, particularly in rural areas and urban low-income segments. Fintech-driven and digital-first NBFCs are leading this transformation by:

- Accelerating loan approvals
- Delivering customised credit solutions
- Strengthening risk management frameworks

This digital evolution continues to drive financial inclusion, reshaping the lending landscape and expanding access to credit across India.

The Road Ahead

NBFCs are set to play an increasingly strategic role in expanding credit access across India, particularly in underserved and semi-urban regions. With continued focus on digital innovation, customised lending solutions and operational agility, they are well-positioned to complement the banking sector and drive inclusive economic growth.

Sustained Credit Expansion with Structural Strength

NBFC credit is projected to grow at a healthy 13–15% in FY25 and FY26, normalising from the sharp ~17% seen in previous fiscals (ICRA). Yet, the sector remains resilient and vital to India's credit architecture—total NBFC credit crossed INR 52 trillion in Dec 2024 and is expected to exceed INR 60 trillion by FY26. This reflects:

- Strong demand across retail, MSME and infrastructure segments
- Continued digital innovation and product diversification
- Strategic foresight and adaptability in reaching new borrower segments

Policy Support and Structural Reinforcement

To sustain this momentum, targeted policy and regulatory interventions continue to fortify NBFC fundamentals:

- Partial Credit Guarantee Scheme (PCGS) and Special Liquidity Scheme (SLS) enhanced liquidity access
- SIDBI and NABARD recapitalisation facilitated low-cost refinancing for rural and MSME lending
- The RBI's Harmonised Regulatory Framework brought scalable reforms in governance and risk calibration

These coordinated policy moves reinforce long-term viability, resilience and NBFC leadership in last-mile credit delivery.

Accelerating Digital Transformation

The NBFC sector's transformation is underpinned by Digital Public Infrastructure (DPI), especially:

- Account Aggregator frameworks
- Aadhaar-enabled eKYC
- UPI integrations

These have sharply enhanced operating efficiency, frictionless onboarding and formal credit access—scaling inclusion at speed.

Demand Catalyst

Digital Transformation: By FY25, NBFCs are embedding AI and ML into risk models, with blockchain-based tools enhancing transparency and customer journeys—redefining speed, scale and trust.

Focus on Tier-2 and Tier-3 Cities: NBFCs are driving credit deep into Tier-2 and Tier-3 cities, unlocking untapped demand, especially in semi-urban and rural markets.

Regulatory Reforms: The RBI's regulatory framework has elevated sectoral oversight and resilience, encouraging co-lending partnerships and PSL-linked products, widening formal credit access.

Rising Entrepreneurship: The rise of entrepreneurship and startups is reshaping the MSME landscape. With more individuals entering the ecosystem, there's a surge in innovation-led ventures that bring fresh ideas and agility. Government initiatives, such as Atmanirbhar Bharat, are further fueling this momentum by promoting self-reliance and job creation, while encouraging grassroots entrepreneurship across both urban and rural regions.

Increased Collaboration: Strategic tie-ups between NBFCs, fintechs and traditional banks are powering hybrid distribution, ensuring faster decisions and enhanced financial inclusion.

Government Initiatives: The PCGS, SLS, ECLGS and CLM schemes continue to deepen NBFC penetration in rural and semi-urban areas, reinforcing their foundational role in the credit ecosystem.

(Sources: The Times of India, lians.in, The Indian Express, The Economic Times)

The MSME Landscape

Micro, Small and Medium Enterprises (MSMEs) form the backbone of India's economic development, contributing significantly to both rural and urban prosperity. Primarily engaged in manufacturing and production, MSMEs account for approximately 30% of India's GDP, contribute 40% of total exports and support employment for over 110 million

individuals. Their role is pivotal in fostering inclusive growth, entrepreneurial dynamism and supply chain resilience.

Strategic Growth Outlook

US\$1 Trillion Contribution by 2028

As India advances toward its goal of becoming a US\$5 trillion economy by FY2026-27, the MSME sector is expected to contribute US\$1 trillion by 2028, underscoring its role as a critical driver of sustainable economic expansion.

Credit Expansion and Policy Stewardship

In FY25, the MSME credit ecosystem expanded significantly, propelled by targeted policy interventions and proactive oversight by the Reserve Bank of India (RBI). This momentum reinforces the sector's growing relevance in India's economic narrative. According to the Economic Survey:

- Commercial credit exposure to MSMEs rose to INR 35.2 lakh cr in March 2025, reflecting 13% year-on-year growth from INR 31 lakh cr in March 2024
- Credit demand posted an 11% year-on-year increase during Q4 FY25, indicating continued borrower confidence and sectoral momentum
- Agricultural credit grew by 5.1%, while industrial credit improved to 4.4%, up from 3.2% the previous year

Enabling Infrastructure and Digital Empowerment

The Government of India has prioritised key initiatives to strengthen the MSME ecosystem by:

- Enhancing financial inclusion and streamlining access to formal credit
- Driving digitisation to enable efficient operations, transparency and scalability
- Fortifying supply chain infrastructure to support manufacturing and trade
- Easing regulatory burdens to foster innovation and entrepreneurship

These structural reforms are generating a ripple effect, stimulating GDP contribution, promoting job creation and positioning MSMEs as a cornerstone of India's inclusive and resilient economic future.

Government Support

Recognising the indispensable role of Micro, Small and Medium Enterprises (MSMEs) in powering India's economic engine, the Government of India has introduced a robust suite of targeted interventions. These initiatives encompass credit facilitation, digitisation and performance-linked incentives, including the Emergency Credit Line Guarantee Scheme

(ECLGS), Production-Linked Incentives (PLI) and simplified regulatory frameworks—all aimed at accelerating sectoral resilience and competitiveness.

NBFCs: NBFCs: Enabling Financial Access at Scale: Complementing public sector efforts, Non-Banking Financial Companies (NBFCs) have emerged as critical enablers of credit inclusion. Through timely, tailored credit solutions and advisory-led financial inclusion, NBFCs are bridging liquidity gaps, especially for emerging enterprises in underserved geographies, empowering sustainable and scalable business growth.

Flagship Initiatives: PMMY and SIDBI Outreach - A cornerstone of this transformation is the Pradhan Mantri MUDRA Yojana (PMMY), launched in 2015 to bolster non-corporate, non-farm micro and small enterprises. The loan limit under PMMY was increased to INR 20 lakh in the Union Budget 2024–25, marking a major push to fuel entrepreneurial momentum.

To strengthen last-mile access, the government announced the opening of 24 new SIDBI branches, expanding institutional coverage across 168 of the 242 key MSME clusters nationwide. This reinforces the sector's role as a job creation engine and a driver of economic equity.

Formalisation and Market Integration via Udyam:

The MSME Formalisation Project is strategically onboarding Informal Micro Enterprises (IMEs) into the formal economy through the Udyam Registration platform, enhancing access to credit, government schemes and market opportunities.

By March 2025, over 6.2 cr MSMEs were registered on the Udyam and Udyam Assist platforms, compared to 2.5 cr in March 2024—a clear indication of widening formalisation and greater sectoral integration.

Addressing Challenges and Building Future Resilience: Despite tangible progress, the MSME sector faces ongoing challenges:

- Limited access to formal finance
- Skill gaps and digital adoption hurdles
- Infrastructure bottlenecks in rural and semi-urban regions

Nonetheless, the confluence of policy support, private sector innovation and digital transformation is redefining the MSME landscape, positioning it as a cornerstone of India's inclusive growth journey.

As the nation advances toward its goal of becoming a US\$5 trillion economy, MSMEs remain at the forefront—empowering millions, fostering innovation and reshaping India's economic trajectory with resilience and scale.

Increasing Contribution of NBFC's MSME Lending

Non-Banking Financial Companies (NBFCs) are exhibiting strong momentum in MSME financing, underscoring their expanding role in inclusive credit delivery. The segment recorded an impressive 32% compounded annual growth rate (CAGR) in MSME lending—albeit from a smaller base—highlighting the sector's agility in servicing high-potential borrowers.

The share of MSME credit in NBFCs' overall loan portfolio surged from 5.9% in FY21 to 9.1% in H1 FY25, representing a growth of over 50% in proportional allocation. This upward trajectory contrasts with the relatively stable MSME exposure maintained by banks, whose share fluctuated modestly between 16.2% and 16.9% over the same period.

Looking ahead, NBFCs are projected to sustain their growth, with MSME lending expected to expand by approximately 20% in FY26. This continued momentum reaffirms the rising significance of NBFCs in driving credit inclusion, particularly among underserved micro and small enterprises.

2025-26 Budget Highlights

In a concerted effort to strengthen the Micro, Small and Medium Enterprises (MSME) sector, the Government of India unveiled a series of strategic initiatives in FY26 aimed at enhancing credit access, expanding classification coverage and promoting innovation-led enterprise development.

MSME Classification and Innovation Enablement:

To accommodate sectoral evolution, investment thresholds for MSME classification have been increased by 2.5 times, thereby expanding eligibility for MSME-specific incentives and schemes. Reinforcing its commitment to innovation and entrepreneurship, the government has also established a dedicated Fund of Funds, designed to support startups and emerging MSMEs in scaling operations and accessing institutional capital.

Economic Impact and Future Outlook: These measures are poised to:

- Deepen the penetration of formal credit across underserved enterprise segments
- Elevate entrepreneurial confidence, particularly among marginalised groups
- Enhance productivity and scalability across the MSME landscape
- Accelerate job creation and bolster GDP contribution

As these initiatives gain momentum, the MSME sector is expected to play an increasingly vital role in driving inclusive economic growth, enhancing employment generation and contributing to India's broader vision of becoming a US\$5 trillion economy.

(Sources: Taxscan, Deccan Herald, IIFL, SIDBI, The Economic Times, PIB, Care Edge, Altois)



Company Overview

The Company offers customised financial solutions to micro, small and medium-sized enterprises (MSMEs) that often lack access to traditional financing channels. With a strong belief in India's growth story, it is committed to serving the unique credit needs of small businesses, traders and self-employed individuals. By bridging the gap left by conventional lenders, the Company positions itself as a reliable credit partner, enabling business growth and meeting working capital requirements through tailored offerings.

Product Portfolio

Capital India Finance Limited (CIFL) is a pivotal NBFC focused on MSME lending, boasting a diversified business portfolio tailored to modern market demands. CIFL offers a suite of loan products, including:

MSME Secured Loans

The Company provides tailored financial solutions that empower sustainable business growth. By deeply understanding each client's credit behaviour, market conditions and expansion needs, the Company delivers financing aligned to their real-world requirements. As a trusted credit partner, it supports high-potential businesses with timely capital and flexible structures.

- **Micro / Affordable Loan Against Property (LAP):** Available for residential, commercial and industrial properties, with loan exposures of up to INR 40 lakh.
- **Prime LAP:** Designed to meet business needs such as working capital, expansion and asset acquisition.
- **Commercial Property Purchase:** Financing support for acquiring commercial premises.
- **Lease Rental Discounting:** Provides funding against anticipated rental cash flows from leased assets.

MSME Unsecured Loans

These loans are designed to meet the working capital and growth requirements of MSMEs. Our streamlined digital loan processing ensures quick approvals and seamless access to funds.

Technology and Risk Management

The Company leverages technology and robust risk assessment practices across the entire loan lifecycle, supported by seamless integrations and efficient in-house data management systems.

1. **API first methodology:** Implemented advanced tools for customer profiling and financial analysis, with integrated KYC/CKYC checks, digital signature, bank and bureau platforms enabling instant verification and credit checks.

2. **Loan Management System:** The system centralises loan data and enforces stringent checks through automated workflows.

3. **Future ready Digital Infrastructure:** Leverages cloud infrastructure for scalable and secure data hosting.

Strategic Path to Expansion and Diversification

Strengthening the MSME lending portfolio: Recognising the vital role of MSMEs in India's economic growth, the Company is committed to supporting this dynamic segment as part of its portfolio diversification strategy. This targeted approach aims to build a healthy, balanced and resilient portfolio. Backed by decades of experience in financial services, the Company's management possesses the expertise to effectively assess, understand and lend to this sector with prudence.

Leveraging leadership expertise for growth: As part of its strategy for sustained growth, the Company plans to expand operations in the upcoming financial year by increasing its branch network and scaling the Loan Against Property business, particularly in Tier 2 and Tier 3 towns across India. Backed by a seasoned senior management team with diverse experience and deep insight into market trends, credit dynamics and industry developments, the Company is well-positioned to identify and engage the right customer segments across various industries. This strategic use of leadership expertise will enable the Company to swiftly adapt to evolving market conditions and capitalise on emerging opportunities.

Strategic Risk Management Framework

At the heart of the Company's business strategy is a strong risk management culture that is deeply embedded across the organisation. As an NBFC operating in a dynamic financial landscape, the Company is inherently exposed to a range of risks linked to its lending activities. Its primary objective is to carefully assess, monitor and mitigate these risks through a comprehensive risk management framework supported by well-defined policies and advanced procedures.

Comprehensive Risk Mitigation Measures

The Company's credit risk management approach is founded on robust underwriting standards, strict regulatory compliance and comprehensive risk assessments. A delegated approval process, coupled with regular portfolio reviews, ensures continuous oversight and control. The experienced risk management team plays a pivotal role in proactively identifying potential risks and implementing effective mitigation strategies.

Advanced Risk Management Systems

The Company has established advanced risk management systems that address a wide range of potential exposures, including operational, liquidity, market, compliance and regulatory risks. It continuously enhances its sector-specific expertise to remain vigilant and responsive to event-driven risks across various product segments.

Role of The Risk Management Committee

Aligned with the Company's strategic objectives, the Risk Management Committee collaborates closely with the Board of Directors to oversee all facets of risk. The Committee plays a critical role in ensuring the effectiveness of risk management practices and reinforcing corporate accountability. It conducts regular reviews of the risk management framework's implementation and effectiveness, working in tandem with the Audit Committee to address and report on all identified risk categories.

Risk Mitigation

Credit Risks

The Company's Credit Committee, comprising experienced senior management, is responsible for evaluating medium and large-sized credit proposals. Smaller proposals are assessed at designated levels in accordance with the Board-approved approval matrix. Additionally, product-specific lending policies and regular exposure monitoring mechanisms are in place to ensure prudent credit decision-making and risk management.

Technology Risks

The Company has implemented a range of security measures to mitigate technology-related risks. These include restricted access to critical tools, secure internet protocols and robust access controls. Management conducts periodic reviews of key technology risks such as data leakage, identity theft, cybercrime and the protection of sensitive customer information. Business continuity is supported through well-defined cybersecurity protocols and proactive risk mitigation strategies.

Fraud Risks

The Risk Management Committee oversees matters related to fraud risk, with a strong focus on corrective and remedial actions involving personnel and processes. The Company has instituted robust due diligence protocols and automated fraud detection systems equipped with real-time alerts. A comprehensive framework of internal control, supports proactive risk identification and mitigation. Additionally, periodic fraud risk assessments, whistleblower policies and regular audits and reconciliations are in place to uphold transparency and strengthen organisational integrity.

Compliance Risks

The Company has implemented business-specific Compliance Manuals, limit monitoring systems and robust Anti-Money Laundering (AML) and Know Your Customer (KYC) policies to effectively address compliance risks. Active participation in the compliance process is ensured through structured reporting mechanisms across all business units, zones and departments. This is further supported by the submission of quarterly compliance reports, fostering a culture of accountability and regulatory adherence throughout the organisation.

Internal Control Systems and Their Adequacy

The Company's internal control system is meticulously structured to ensure operational efficiency, safeguard resources and uphold compliance with applicable laws and regulations. It plays a critical role in maintaining the accuracy and timeliness of financial reporting. This framework is reinforced by a robust internal audit mechanism that regularly evaluates the adequacy and effectiveness of internal controls, encompassing both front-end and back-end operations, as well as compliance with regulatory standards.

A key focus of the control framework is the continuous assessment of processes and systems to proactively identify and mitigate risks, thereby preventing potential leakages or fraud. This comprehensive and preventive approach supports strong corporate governance and operational integrity, forming a cornerstone of the Company's long-term sustainability and success.



Key Financial Indicators

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Total Income	184.45	194.66
Total Expenditure	171.57	167.22
PAT	11.78	20.10
Net Worth	621.54	606.54
Debt to Equity (Times)	1.06	0.93
CRAR	36.08%	36.58%

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

- I. Debtors Turnover: Not applicable being an NBFC
- II. Inventory Turnover: Not applicable being an NBFC
- III. Interest Coverage Ratio: Not applicable being an NBFC
- IV. Current Ratio: Not applicable being an NBFC

V. Debt Equity Ratio: 1.06
 VI. Operating Profit Margin (%): Not applicable
 VII. Net Profit Margin (%): 6.39%
 Details of any change in Return on Net Worth as compared to the immediately previous financial year, along with a detailed explanation thereof: The increase/decrease in net worth to INR 15cr is due to plough back of profit and issue of equity shares, for the year ended March 31, 2025 and increase in share capital and security premium on the same.

Human Resources

At Capital India Finance Limited (CIFL), employees are recognised as the cornerstone of organisational progress. The Human Capital function plays a critical role in steering growth by aligning people strategies with business objectives, encompassing talent acquisition, seamless onboarding, continuous learning, performance management and comprehensive compensation frameworks.

Leadership Strengthening and Talent Diversification:

In FY2024-25, CIFL significantly fortified its leadership and management teams, enhancing operational depth and laying the groundwork for long-term scalability. The company adopted a focused talent strategy to attract top-tier professionals while cultivating a diverse pipeline that integrates the dynamism of emerging talent with the experience of seasoned leaders. This synergy fosters a collaborative, high-performance culture built on innovation and excellence in execution.

Learning Culture and Regulatory Alignment: Talent development remained central to CIFL's people agenda. The company launched targeted upskilling and reskilling programs across key business functions, nurturing a culture of continuous learning and regulatory compliance. Structured training sessions-both on-the-job and classroom-based-covered:

- Frontline sales and marketing
- Credit assessment and customer service
- Mandatory KYC and RBI-aligned compliance modules

Cautionary statement: This document contains forward-looking statements about expected events and the company's financial and operational results. By their nature, forward-looking statements require the company to make assumptions and are subject to inherent risks and uncertainties. There is a significant chance that the assumptions, predictions and other forward-looking statements may not be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions and actual results and events to differ materially from those expressed here.

All programs were strategically aligned with regulatory expectations, reflecting CIFL's commitment to building a compliance-driven and ethically sound organisation.

Benchmarking and Performance Optimisation: As of 31 March 2025, CIFL employed 616 professionals across diverse functions. To enhance workforce productivity and credit delivery efficiency, the company continued to benchmark practices in:

- Customer acquisition and retention
- Credit lifecycle management
- Collections and manpower optimisation

Insights from peer NBFCs supported refinements in talent deployment and operational workflows, driving sustainable expansion across key markets.

Inclusivity, Diversity and Workplace Culture: CIFL's growing emphasis on inclusivity and gender diversity resulted in improved representation and supportive work-life balance initiatives, particularly benefiting women across roles and functions. The company remains deeply committed to nurturing a workplace anchored in:

- Meritocracy and equal opportunity
- Openness and transparency
- Mutual respect and trust

This ethos empowers every employee to contribute meaningfully to CIFL's shared success and long-term ambition of becoming a leading force in India's NBFC landscape.

Board's Report

To,
The Members,
Capital India Finance Limited ("Company")

Your Board of Directors ("Board") is pleased to present the 31st Annual Report of the Company, along with the Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2025 ("FY 2024-25" or "period under review").

This report provides an overview of the Company's operational and financial performance during the year, including key developments, and governance practices.

The summarized financial results of the Company for the year under review are as follows:

1. FINANCIAL HIGHLIGHTS

Particulars	Consolidated		Standalone	
	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024
Total Income	61,870.71	68,800.53	18,445.32	19,466.34
Less: Total Expenditure	62,759.76	69,702.69	17,157.02	16,721.78
Profit/(Loss) before tax	(889.05)	129.29	1,288.30	2,744.56
Less: Tax Expense	133.40	772.74	110.20	734.29
Profit/(Loss) for the year (Owners of the Company)	154.76	1,164.78	1,178.10	2,010.27
Other Comprehensive Income (Owners of the Company)	40.63	(46.14)	8.65	(40.99)
Total Comprehensive Income for the year (Owners of the Company)	195.39	1,118.64	1,186.75	1,969.28
Add: Balance brought forward from previous year	(2,587.98)	(3,412.61)	8,197.00	6,700.29
Less: Appropriations:				
• Transfer to Special Reserve under Section 45-IC of the RBI Act, 1934	291.27	426.80	235.62	402.05
• Dividend on equity shares	77.73	77.73	77.73	77.73
• Other Addition/ Deductions during the year	(433.29)	(210.51)	(63.98)	(7.21)
Surplus in the Statement of Profit/(Loss)	(2,328.30)	(2,587.98)	9,134.38	8,197.00

2. STATE OF COMPANY'S AFFAIRS

The Company is registered with the Reserve Bank of India ("RBI") as a Non-Banking Financial Company ("NBFC") not accepting public deposits. It holds a Certificate of Registration dated March 24, 1998, issued by the RBI under Section 45-IA of the Reserve Bank of India Act, 1934 ("RBI Act"). The Company is primarily engaged in providing financial services to the Retail and Small and Medium Enterprises (SME) sectors.

The Company is also registered with the RBI as an Authorised Dealer and holds an Authorised Dealer Category-II License, permitting it to undertake specified foreign exchange services. Additionally, the Company has received authorisation to conduct inward cross-border money transfer activities in India under the Money Transfer Service Scheme (MTSS), through a tie-up arrangement with Western Union Financial Services Inc. (Overseas Principal).

During the period under review, on standalone basis, the Company's total income was INR 18,445.32 Lakhs as compared to INR 19,466.34 Lakhs during the previous financial year and the Company has earned a Profit before tax of INR 1,288.30 Lakhs as compared to the Profit before tax of INR 2,744.56 Lakhs during the previous financial year.

On consolidated basis, the Company's total income was INR 61,870.71 Lakhs as compared to INR 68,800.53 Lakhs during the previous financial year and the Company has incurred a Loss before Tax of INR (889.05) Lakhs as compared to the Profit before Tax of INR 129.29 Lakhs earned during the previous financial year.

The Financial Statements, both on Standalone and Consolidated basis forms part of this Annual Report.

3. RESERVES

For the financial year ended on March 31, 2025, an amount of INR 235.62 Lakhs was transferred to Special Reserve Account in terms of Section 45-IC of the RBI Act.

The amounts proposed to be transferred to the other reserves, viz. general reserve, statutory reserve, ESOP reserve are mentioned in financial statements.

4. SHARE CAPITAL

During the period under review, the following changes have been made to the capital structure of the Company:

- **Stock Split:** Each equity share of the Company having a face value of INR 10 (Indian Rupees Ten only) was sub-divided/ split into 5 (five) equity shares having a face value of INR 2 (Indian Rupees Two only) each.
- **Allotment under ESOP:** The Company has allotted equity shares to the employees who exercised their stock options granted and vested under the CILF Employee Stock Option Plan 2018.

As on March 31, 2025, the capital structure of the Company stands as follows:

Particulars	Details
Authorised Share Capital	INR 214,00,00,000 (Indian Rupees Two Hundred and Fourteen Crores only) divided into 102,00,00,000 (One Hundred and Two Crore) Equity Shares having face value of INR 2 (Indian Rupees Two only) each and 1,00,00,000 (One Crore) Preference Shares having face value of INR 10 (Indian Rupees Ten only) each
Paid-up Share Capital	INR 77,82,63,788 (Indian Rupees Seventy Seven Crores Eighty Two Lakhs Sixty Three Thousand Seven Hundred and Eighty Eight only) divided into 38,91,31,894 (Thirty Eight Crore Ninety One Lakhs Thirty One Thousand Eight Hundred and Ninety Four) fully paid-up Equity Shares having face value of INR 2 (Indian Rupees Two only) each

National Stock Exchange of India Limited ("NSE"), with effect from April 17, 2025.

As a result, the Company's Equity Shares are now listed and actively traded on both the BSE Limited ("BSE") and the NSE, enhancing market accessibility and shareholder participation.

The Annual Listing Fee for the Financial Year 2024-25 has been duly paid to BSE Limited.

9. DETAILS OF HOLDING, SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANY(IES)

➤ Holding Company

Capital India Corp Private Limited, holding 72.95% of the paid-up share capital of the Company, continues to be the holding and promoter entity of your Company.

➤ Subsidiary Company

As on March 31, 2025, the Company has the following subsidiaries:

S. No.	Name of Subsidiary	Percentage (%) of Shareholding
1.	Capital India Home Loans Limited	99.82
2.	Rapipay Fintech Private Limited	52.50
3.	Capital India Asset Management Private Limited	100.00
4.	NYE Investech Private Limited*	52.50
5.	NYE Insurance Broking Private Limited*	52.50

*Step-down Subsidiary through Rapipay Fintech Private Limited

➤ Joint Venture / Associate Company

The Company does not have any associate or joint venture during the period under review.

Notes:

- As required under Rule 8 (1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on Standalone Financial Statements basis. A report on the performance and financial position of each of the Company's Subsidiary as per Section 129(3) of the Companies Act, 2013 ("Act"), read with the Companies (Accounts) Rules, 2014, in the prescribed form AOC-1 is attached as **Annexure I** to the Board's Report.
- As required under Regulation 16(1)(c) and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**Listing Regulations**"), the Board has approved and adopted the Policy for determining Material Subsidiaries. The Policy is available on the Company's website at <https://www.capitalindia.com/wp-content/uploads/2025/07/Policy-for-determining-Material-Subsidiaries.pdf>. Also, details of the Material Subsidiary(ies) are given in the Corporate Governance



Report which is annexed to and forms an integral part of this Board's Report.

- The standalone audited financial statements of each of the subsidiary of the Company are available on the Company's website at <https://capitalindia.com> under the "**Investors**" tab. Members interested in obtaining a copy of financial statements of the subsidiaries may write to the Company at secretarial@capitalindia.com.
- The Annual Report of the Company, containing Financial Statements, will be placed on the website of the Company at <https://capitalindia.com> under the "**Investors**" tab.

10. DIVIDEND DISTRIBUTION POLICY

Your Company has adopted a Dividend Distribution Policy, which outlines the key parameters and circumstances to be considered by the Board of Directors while determining the declaration of dividend and/or the retention of profits. This Policy ensures a balanced approach to rewarding shareholders while supporting the Company's long-term growth objectives.

The Dividend Distribution Policy is available on the Company's website at <https://www.capitalindia.com/wp-content/uploads/2025/07/Dividend-Distribution-Policy.pdf> under the "**Investors**" tab.

11. DIVIDEND

In line with the Dividend Distribution Policy of the Company, your Directors are pleased to recommend a final dividend of INR 0.02 (Indian Rupee Two Paisa only) per equity share having face value of INR 2 (Indian Rupees Two only) each, for the FY 2024-25, payable to shareholders of the Company whose names appear in the Register of Member as on the Record Date i.e. September 19, 2025.

12. INTERNAL CONTROL SYSTEM AND INTERNAL FINANCIAL CONTROLS

The Company has in place an adequate Internal Financial Control System with reference to the financial statements and Internal Control System, commensurate with the size, scale and complexity of its operations.

The Directors have laid down Internal Financial Control procedures to be followed by the Company which ensures compliance with various policies, practices and statutes, keeping in view the organization's pace of growth and increasing complexity of operations for orderly and efficient conduct of its business.

The Audit Committee of the Board is vested with the powers to evaluate the adequacy and effectiveness of the Internal Financial Control system of the Company, thereby ensuring that:

- Systems have been established to ensure that all the transactions are executed in accordance with the management's general and specific authorization.

- Systems and procedures exist to ensure that all the transactions are recorded so as to permit preparation of Financial Statements in conformity with the Generally Accepted Accounting Principles (GAAP) or any other criteria applicable to such Statements, and to maintain accountability for effective and timely preparation of reliable financial information.
- Access to assets is permitted only with the management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with the terms of employment or except as specifically permitted.
- The existing assets of the Company are verified / checked at reasonable intervals and appropriate action is taken with respect to differences, if any.
- Appropriate systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's various policies as listed on the website of the Company and otherwise disseminated internally.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board is governed by the relevant provisions of the Act and the rules made thereunder, the Listing Regulations, the Articles of Association of the Company, and all other applicable laws. It is structured to comply with, and reflect, the best practices of corporate governance prevailing from time to time.

i. Board of Directors

The Company aims for an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the effectiveness of the Board and separate its functions of governance and management. As on March 31, 2025, the Board of the Company consists of the following 6 (Six) directors:

S. No.	Name	DIN	Designation
1.	Mr. Vinod Soman	00327231	Non-Executive Chairman (Independent)
2.	Mr. Keshav Porwal	06706341	Managing Director
3.	Mr. Yogendra Pal Singh	08347484	Independent Director
4.	General Dalbir Singh Suhag (Retd.)	10742056	Independent Director
5.	Ms. Rashmi Fauzdar	07599221	Independent Woman Director
6.	Ms. Jyuthika Mahendra Jivani	10558392	Independent Woman Director

ii. Fit and Proper Criteria

Based on the declarations received from the Directors of the Company as of March 31, 2025, and as recorded by

the Board, none of the Directors were disqualified from holding office under Section 164(2) of the Act.

All Directors comply with the Fit and Proper Criteria prescribed under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("**Master Directions**") issued by the RBI, and have submitted their respective declarations in this regard.

Further, none of the Directors are disqualified under any provisions of Section 164 of the Act. All Directors have made the necessary disclosures as required under Section 184 and other applicable provisions of the Act.

Details including the brief resumes and other relevant information of the Directors proposed to be appointed or re-appointed at the forthcoming Annual General Meeting ("AGM"), as stipulated under the Secretarial Standard-2 issued by the Institute of Company Secretaries of India and Regulation 36 of the Listing Regulations, are provided separately in the Notice convening the AGM.

iii. Changes in Directors

During the period under review, the following changes took place in the directorships of the Company:

- The shareholders of the Company through resolution passed by way of Postal Ballot on June 14, 2024, have approved the appointment of Ms. Jyuthika Mahendra Jivani (DIN: 10558392) as an Independent Woman Director of the Company for a period of 5 (Five) consecutive years w.e.f. March 20, 2024.
- General Dalbir Singh Suhag (Retd.) (DIN: 10742056) was appointed as an Additional Independent Director of the Company w.e.f. August 13, 2024. Further, the members at the 30th AGM held on September 26, 2024, have approved his appointment as an Independent Director of the Company, for a term of 5 (Five) consecutive years commencing from the said date.
- Mr. Subhash Chander Kalia (DIN: 00075644) ceased to be associated as an Independent Director of the Company w.e.f. February 20, 2025.

Except for the changes highlighted above, there were no other changes in the composition of the Board of Directors of the Company during the period under review.

iv. Declaration of Independence

The Company has received necessary declarations from all its Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16 of the Listing Regulations. Further, in compliance with Rule 6(1) & (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors have

submitted declarations regarding their online registration with the Indian Institute of Corporate Affairs (IICA) for inclusion or renewal of their names in the databank of Independent Directors.

The Board is of the opinion that the Independent Directors of the Company possess the requisite qualifications, experience, and expertise, uphold the highest standards of integrity, and maintain independence from the Management of the Company.

During the period under review, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees and reimbursement of expenses incurred for attending the meetings of Board and its Committees.

v. Statement regarding the opinion of the Board with regard to integrity, expertise and experience (including proficiency) of the Independent Directors appointed during the year

With respect to the integrity, expertise and experience (including proficiency) of the Independent Director(s) during the FY 2024-25, the Board of Directors have taken on record the declarations and confirmations submitted by the Independent Director(s). The Board is of the opinion that all the Independent Directors are persons of integrity, possessing the relevant expertise and experience and their continued association as Directors will be of immense benefit and in the best interest of the Company.

vi. Directors and Officers (D&O) Liability Insurance

Your Company has an Insurance for its Directors/Officers for such quantum and risks as determined by the Board of the Company.

vii. Retirement by Rotation

In accordance with the provisions of the Act read with the rules made thereunder and the Articles of Association of the Company, Mr. Keshav Porwal, Managing Director of the Company, is liable to retire by rotation at the ensuing AGM and being eligible has offered his candidature for re-appointment as a Director of the Company.

viii. Key Managerial Personnel (KMP)

As on the date of this Report, the Company has the following KMPs in accordance with the provisions of the Act read with the rules made thereunder:

Mr. Keshav Porwal	: Managing Director
Mr. Pinank Jayant Shah	: Chief Executive Officer
Mr. Vikas Srivastava	: Chief Financial Officer
Mr. Sulabh Kaushal	: Chief Compliance Officer & Company Secretary

During the period under review:

- Mr. Rachit Malhotra ceased to be associated with the Company as Chief Compliance Officer &



Company Secretary w.e.f. June 28, 2024 (close of the business hours).

- Mr. Sulabh Kaushal was appointed as the Chief Compliance Officer & Company Secretary of the Company with effect from August 13, 2024.

ix. Board Meetings

During the period under review, Six (6) Board meetings were convened. Details regarding the composition of the Board, the meetings held during the year, and the attendance of each Director are provided in the Corporate Governance Report, which forms an integral part of this Annual Report. The intervals between consecutive meetings were within the limits prescribed under the Act and the applicable rules.

x. Committees of the Board

a. Statutory Committees

In accordance with the applicable provisions of the Act, the Listing Regulations, and the RBI Master Directions and guidelines, the Board has constituted the following Statutory Committees:

- i. Audit Committee
- ii. Nomination & Remuneration Committee
- iii. Stakeholders Relationship Committee
- iv. Corporate Social Responsibility Committee
- v. Risk Management Committee
- vi. Investment Committee
- vii. Asset-Liability Committee
- viii. IT Strategy Committee
- ix. Write-off & Settlement Committee
- x. Review Committee
- xi. IT Steering Committee
- xii. Information Security Committee
- xiii. Product Evaluation Committee
- xiv. Identification Committee

b. Non-Statutory Committees

The Company has also constituted the following Non-Statutory Committees to oversee its day-to-day operations:

- i. Credit Committee
- ii. Management Committee
- iii. Securities Issuance Committee

xi. Separate Meeting of Independent Directors

In compliance with the provisions of Schedule IV to the Act read with Regulation 25 of the Listing Regulations, the Independent Directors convened a meeting on March 26, 2025, during FY 2024-25. This meeting was held without the presence of Non-Independent

Directors or members of the management team and inter alia reviewed the following:

- a) The performance of Non-Independent Directors and the Board as a whole;
- b) The performance of the Chairman of the Board, taking into account the views of Executive and Non-Executive Directors; and
- c) The quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

14. POLICIES GOVERNING THE APPOINTMENT AND REMUNERATION OF THE DIRECTORS, EXECUTIVES AND EMPLOYEES

The Nomination & Remuneration Committee ("NRC") has been constituted to undertake the functions in accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations as amended from time to time.

In accordance with the provisions of the Act and the Listing Regulations, the Board has adopted a Policy on Diversity of the Board of Directors and a Policy on Compensation of Directors, Executives and other Employees.

The purpose of this Policy is to establish and govern the procedure as applicable inter-alia in respect to the following:

- a) the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate Directors, Executives and Other Employees of the quality required to run the Company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- c) remuneration to Directors, Executives and Other Employees involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals which will address issues arising out of excessive risk taking caused by misaligned compensation packages;
- d) the compensation levels are supported by the need to retain earnings of the Company and the needs to maintain adequate capital based on internal capital adequacy assessment process; and
- e) to enable the Company to provide a well-balanced and performance- related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

NRC develops the competency requirements of the Board based on the industry and strategy of the Company, conducts a gap analysis and recommends the reconstitution of the Board, as and when required. It also recommends to the Board the appointment of Directors

having good personal and professional reputation and conducts reference checks and due diligence, before recommending them to the Board. Besides the above, NRC ensures that the new Directors are familiarized with the operations of the Company and endeavors to provide relevant training to the Directors.

The detailed Policy on Compensation of Directors, Executives and other Employees is available on the website of the Company at www.capitalindia.com.

The Company has also formulated a Fit and Proper Criteria Policy for inter-alia determining the qualification, technical expertise, positive attributes, integrity and independence of the Directors. The Company has received declarations from all the Directors of the Company that they meet the criteria laid down in the Fit and Proper Criteria Policy and the applicable provisions of the Master Directions issued by the RBI in this regard.

15. REMUNERATION OF THE DIRECTORS AND EMPLOYEES

Disclosure with respect to the ratio of remuneration of each of the Director to the median employee's remuneration as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report as **Annexure II**.

Details as required under Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, with respect to information of employees of the Company will be provided upon request by a Member. In terms of the provisions of Section 136(1) of the Act, the Annual Report is being sent to all the Members of the Company whose email address(es) are registered with the Company/ Depository Participants via electronic mode, excluding the aforesaid Annexure which shall be made available for inspection by the Members via electronic mode. If any Member is interested in obtaining a copy thereof, the Member may write to the Company at its Registered Office in this regard or send an email to secretarial@capitalindia.com.

16. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a Policy on Prevention of sexual harassment of women at workplace and matters connected therewith and has also complied with the provisions relating to the constitution of Internal Complaint Committee ("ICC"). It is our constant endeavor to ensure that we provide harassment free, safe and secure working environment to all employees especially women.

During the period under review, there was no case of sexual harassment reported by the Company.

17. POLICY ON PERFORMANCE EVALUATION OF THE DIRECTORS, BOARD AND ITS COMMITTEES

NRC has devised a policy for the performance evaluation of the Independent Directors, Board, its Committees and the other Directors and has laid down the performance evaluation and assessment criteria/parameters. The Independent Directors in terms of Schedule IV to the Act and the provisions of the Listing Regulations, at its separate meeting, evaluated the performance of the Chairman, Non-Independent Directors, the Board as a whole and the flow of information between the management and the Board.

NRC has carried out the performance evaluation of each of the Directors, without the presence of the Director being evaluated and the Board carried out a formal evaluation of its own performance and the Board Committees. The Board of Directors has expressed their satisfaction with the evaluation process.

The criteria/parameters laid down for the evaluation of performance of the Independent Directors is provided in the Corporate Governance report, forming part of this Annual Report.

18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report is forming a part of this Annual Report.

19. DIRECTORS RESPONSIBILITY STATEMENT

The Board acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Act in preparation of the Financial Statements for the financial year ended on March 31, 2025 and state:

- a. that in the preparation of Annual Accounts for the Financial Year ended as at March 31, 2025, the applicable Accounting Standards have been followed along with the proper explanation relating to the material departures;
- b. that the Directors have selected such Accounting Policies and applied them consistently and made judgements 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 Financial Year ended as at March 31, 2025, and of the profit and loss of the Company for the Financial Year ended on March 31, 2025;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud or other irregularities;

- d. that the Directors have prepared the annual accounts on a going concern basis;
- e. that the Directors have 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. that there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the period under review.

20. PUBLIC DEPOSITS

The Company did not accept any public deposits during the period under review. Accordingly, the disclosures required under the Act, the rules framed thereunder, and the applicable provisions of the RBI's Master Directions on NBFC relating to public deposits are not applicable to the Company.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Act forms part of the Notes to the Financial Statements provided in this Annual Report.

22. AUDITORS

a) STATUTORY AUDITORS

In compliance with the relevant provisions of the Act read with the rules made thereunder and the circular no. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 issued by the Reserve Bank of India and the related FAQs issued thereafter and based on the recommendation of the Board of Directors, the members in their 30th AGM appointed V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration no. 109208W) as Statutory Auditors of the Company for a period of 3 (three) consecutive years, to hold the office of the Statutory Auditors from the conclusion of the 30th AGM until the conclusion of the 33rd AGM.

V. Sankar Aiyar & Co. has conducted the Statutory Audit for the period ended on March 31, 2025. The report submitted by the Statutory Auditors on the Financial Statements of the Company forms part of this Annual Report. There have been no qualifications, reservations or adverse remarks or disclaimers given by the Statutory Auditors in their report.

b) SECRETARIAL AUDITORS

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, the Board had appointed Arun Gupta & Associates, Company Secretaries, as the Secretarial Auditors of the Company to undertake the Secretarial Audit for the financial year 2024-25.

The Secretarial Auditors have submitted their report in Form MR-3, which forms part of this Annual Report. There are no observations, reservations or adverse remarks in the Secretarial Audit Report.

Pursuant to Regulation 24A of the Listing Regulations, every listed company shall annex with its annual report the Secretarial Audit Report of its material subsidiaries incorporated in India. In compliance with the said requirement, the Secretarial Audit Report(s) of Capital India Home Loans Limited and Rapipay Fintech Private Limited, the material subsidiaries of the Company, for the financial year 2024-25 forms part of this Annual Report.

c) INTERNAL AUDITORS

The Board had appointed KKC & Associates LLP, Chartered Accountants, as the Internal Auditors to undertake internal audit of the Company for the financial year 2024-25 in terms of the provisions of Section 138 of the Act and the rules made thereunder.

23. COST RECORDS

The provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, are not applicable on the Company for the period under review.

24. ANNUAL RETURN

Pursuant to the provisions of Section 92(3) and Section 134 of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as on March 31, 2025, will be available on the website of the Company at <https://www.capitalindia.com>.

25. CORPORATE GOVERNANCE REPORT

It has always been the Company's endeavor to excel better Corporate Governance through fair and transparent practices. The Company has put in place an efficient and effective system to ensure proper compliance with statutory regulatory provisions. The Company understands and respects its fiduciary role and responsibility towards its stakeholder and society at large.

The report on Corporate Governance in accordance with Regulation 34 read with Schedule V to the Listing Regulations and Master Directions is presented in a separate section, forming part of this Annual Report.

A certificate from Arun Gupta & Associates, Company Secretaries confirming compliance to the conditions of Corporate Governance as stipulated under Para E of

Schedule V to the Listing Regulations is enclosed to the Corporate Governance Report.

26. RELATED PARTY TRANSACTIONS

During the period under review, the contracts / arrangements / transactions entered into by the Company with the related parties were on arm's length basis and in the ordinary course of business, and wherever not, the transaction has been duly approved by the Board. Also, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Accordingly, the particulars of the transactions as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Act, are not required to be disclosed.

All the related party transactions entered are disclosed in Note 35 of Financial Statements of the Company forming part of this Annual Report.

In terms of Section 188 of the Act, read with the rules framed thereunder and Regulation 23 of the Listing Regulations, your Company has in place a Policy on Related Party Transactions for dealing with related party transactions. The policy is placed on the website of the Company at <https://www.capitalindia.com/wp-content/uploads/2025/02/Policy-On-Related-Party-Transactions.pdf>.

27. CODE OF CONDUCT

The Board has approved a Code of Conduct for Board of Directors and Senior Management Personnel which has been placed on the website of the Company at <https://www.capitalindia.com/wp-content/uploads/2025/07/Code-of-Conduct-for-Board-of-Directors-and-Senior-Management-Personnel.pdf>.

The Code of Conduct lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the workplace, in business practices and in dealing with stakeholders. All the members of the Board and the Senior Management Personnel have confirmed compliance with the Code of Conduct.

28. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company promotes ethical behavior in all its business activities and accordingly, pursuant to the provisions of Section 177(9) & (10) of the Act read with the rules made thereunder and pursuant to the provision of the Listing Regulations and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), the Company has established and implemented a Vigil Mechanism within the Company to be known as the 'Vigil Mechanism / Whistle Blower Policy' for its Directors and employees, to report instances

of unethical behaviour and actual or suspected fraud or violation of the Company's Code of Conduct. The aim of the policy is to provide adequate safeguards against victimization of the whistle blower who avails the mechanism and provides direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

Accordingly, the Vigil Mechanism / Whistle Blower Policy has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Vigilance and Ethics Officer or the Chairman of the Audit Committee of the Company in exceptional cases.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing and protect employees who are willing to raise a concern about serious irregularities within the Company.

During the period under review, no complaint of unethical or improper activity was reported to the Company.

29. COMPLIANCE WITH THE REGULATIONS ISSUED BY THE RESERVE BANK OF INDIA

The Company continues to fulfill the norms and standards laid down under the Master Directions and the other applicable regulations issued by the Reserve Bank of India, from time to time.

30. Capital Adequacy:

As on March 31, 2025, the Capital to Risk Assets Ratio ("CRAR") of your Company was 36.08% (Tier-I: 35.45%, Tier-II: 0.63%) which is well above the minimum requirement of 15% as prescribed by RBI.

31. PREVENTION OF INSIDER TRADING

In accordance with the PIT Regulations, the Company has formulated and approved:

- (i) an Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and
- (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information. The Board is responsible for the implementation of this Code. The Chief Compliance Officer & Company Secretary of the Company, is Compliance Officer for the purposes of Insider Trading Code.

The Code and Policy can be accessed from the website of the Company at <https://www.capitalindia.com/wp-content/uploads/2025/07/Prohibition-of-Insider-Trading-Code.pdf>.

32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO

Your Company is in the business of Non-Banking Financial Services and is not involved in any manufacturing activity. The information as applicable and required to be provided

under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is given hereunder:

a) CONSERVATION OF ENERGY

- (i) Steps taken or impact on conservation of energy
 - The operations of your Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy.
- (ii) Steps taken by the Company for utilising alternate sources of energy - though the operations of the Company are not energy intensive, the Company shall explore alternative sources of energy, as and when the necessity arises.
- (iii) Capital investment on energy conservation equipment - Nil

b) TECHNOLOGY ABSORPTION

- (i) Efforts made towards technology absorption - The minimum technology required for the business has been absorbed.
- (ii) 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) -
 - (a) the details of technology imported - Not Applicable
 - (b) the year of import - Not Applicable
 - (c) whether the technology has been fully absorbed - Not Applicable
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Not Applicable
 - (e) Expenditure incurred on Research and Development - Not Applicable

c) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is into the business of foreign exchange and the earnings and outgo in foreign currencies are as under:

(INR In Lakhs)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Earnings in foreign currency	157.39	122.52
Outgo in foreign currency	16.56	4.02

33. FRAUD REPORTING

There was no fraud reported by the Statutory Auditors of the Company, under Section 143(12) of the Act and the rules made thereunder to the Audit Committee or Board during the period under review.

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

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

35. MATERIAL CHANGES AND COMMITMENTS, IF ANY

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of this Report.

36. CORPORATE SOCIAL RESPONSIBILITY

In compliance with the provisions of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The Board of Directors has formulated and adopted a CSR Policy, which outlines the objectives, focus areas, governance structure, implementation strategy, and the monitoring and reporting framework for CSR activities.

Details regarding the composition of the CSR Committee and other relevant information are provided in the Corporate Governance Report, which forms part of this Annual Report. The CSR Policy is available on the Company's website at <https://www.capitalindia.com/wp-content/uploads/2024/11/Policy-on-Corporate-Social-Responsibility-280423.pdf> under the "Investors" section. A brief outline of the CSR Policy along with the Annual Report on CSR activities, in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014, is appended as **Annexure III** to this Report.

37. CREDIT RATING

The Company is enjoying credit ratings from Infomeris Valuation and Rating Limited and Acuite Ratings and Research Limited with respect to the financial facilities availed by the Company from time to time. The outstanding rating details as on March 31, 2025, are as under:

Rating Agency	Rated Facility / Instrument	Rated Amount (in Crores)	Rating / Outlook
Infomeris Valuation and Rating Limited	Bank Loan (Long Term)	900	IVR A / Stable
	Non-Convertible Debenture	100	IVR A / Stable
Acuite Ratings and Research Limited	Bank Loan (Long Term)	775	Acuite A- / [#]
	Bank Loan (Short Term)	25	Acuite A- / [#]

[#]The rating Outlook has been placed under "Rating Watch with Developing Implications" to evaluate the impact of the announcement made by Company regarding the divestment of its housing finance subsidiary Capital India Home Loans Limited.

38. CONSOLIDATED FINANCIAL STATEMENTS

Your Company has prepared the Audited Consolidated Financial Statements in accordance with Section 129(3) of the Act read with the applicable Indian Accounting Standards ("Ind AS") and Listing Regulations. As required under the Ind AS, notified under Section 133 of the Act and applicable provisions of the Listing Regulations, the Audited Consolidated Financial Statements of the Company reflecting the Consolidation of the Accounts of the Company with its Subsidiaries are included in this Annual Report.

The Annual Report including the Balance Sheet, Statement of Profit & Loss, other statements and notes thereto is available on the Company's website at <https://www.capitalindia.com>.

39. RISK MANAGEMENT

The Risk Management Committee constituted by the Board has framed and implemented a Risk Management framework depicting the process for loan proposal approval, loan management post disbursement and day to day monitoring to manage credit risk. It sets out the standards helpful in achieving a high-quality loan portfolio with optimal returns.

The framework is periodically reviewed and enhanced in response to changes in the external environment and business processes.

40. HUMAN RESOURCE-INITIATIVES

In FY 2024-25, the Company reaffirmed its commitment to a 'people-first' philosophy by focusing on nurturing talent and building a robust, future-ready workforce. The Company adopted a strategic approach that combined young, emerging leaders with seasoned professionals to develop a balanced leadership pipeline aligned with its long-term growth objectives.

Talent development continued to be a top priority, with targeted training programs across frontline sales, credit, operations, IT, and other functions, designed to enhance skills and performance. These initiatives included specialized trainings conducted periodically by the Reserve Bank of India (RBI). The Company also consistently benchmarked itself against industry best practices in customer acquisition, credit delivery, collections, and workforce structures among NBFCs serving similar customer segments.

The Company fostered a culture rooted in openness, respect, meritocracy, and trust, encouraging active employee engagement through various initiatives. Over the years, it has remained committed to advancing career progression by implementing initiatives to support employee growth. Performance-based, curated aspirational rewards were introduced to reinforce a high-performance culture and strengthen organizational

loyalty. A regional meeting and R&R (Rewards & Recognition) event was organized at Nagothane, Maharashtra, where top-performing employees from across regions were felicitated for their contributions. The Company aims to continue advancing its 'people-first' efforts to build a stronger, future-ready workforce.

Key employee engagement initiatives included:

- **Sampark**, the flagship employee connect program, which captured ideas and suggestions from employees for mutual growth, with the best ideas being recognized and rewarded.
- **Health and well-being initiatives**, such as organizing a health check-up camp, emphasizing preventive healthcare and overall wellness. Ensuring a healthy workforce remains integral to the Company's employee care agenda.
- **Soulful Start Mornings**, beginning the day with a morning prayer to instil mindfulness, gratitude, and foster a connected, positive, and purpose-driven work culture.
- **Dil Se Ghar Tak**, an initiative acknowledging the unwavering encouragement of employees' families, reaching beyond the workplace to honour the often unseen support that contributes significantly to collective success.
- The Company's **mentor-mentee program** is designed to provide structured guidance, support, and development for employees across levels. By pairing experienced leaders (mentors) with emerging talent (mentees), the program fosters a culture of continuous learning, collaboration, and shared growth.
- Furthermore, the monthly **HR Connect** initiative served as a vital platform for direct interaction with employees across different locations, fostering a deeper understanding of collective concerns and enabling the prompt delivery of appropriate solutions.

Regular CEO Townhall meetings, held quarterly, promoted transparency and inclusiveness, keeping employees informed and engaged with the Company's strategic direction.

As the Company continues its journey toward becoming a leading NBFC in India, it remains steadfast in nurturing a people-centric, customer-centric, and compliance-centric culture as the foundation for sustainable growth.

As on March 31, 2025, the Company's workforce stood at 616 employees.

41. STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

Your Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and such systems are adequate and operating effectively.

42. EMPLOYEE STOCK OPTIONS SCHEME

With a view to motivating, incentivize, and retain talent, your Company has instituted two Employee Stock Option Schemes, namely:

- (a) CIFL Employee Stock Option Plan - 2018; and
- (b) CIFL Employee Stock Option Plan - 2023

(collectively referred to as the "**CIFL ESOP Plans**".)

These Plans are designed to align employee interests with long-term shareholder value creation and to recognize the contributions of employees to the Company's growth and success

The NRC oversees the implementation and administration of the CIFL ESOP Plans. The relevant disclosures pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, ("SEBI SBEBSSE Regulations") as on March 31, 2025, are available on the website of the Company at www.capitalindia.com.

A certificate from the Secretarial Auditor confirming that the CIFL ESOP Plans have been implemented in accordance with the SEBI SBEBSSE Regulations will be presented before the members at the ensuing AGM. A copy of the certificate will also be available for inspection at the Registered Office and Corporate Office of the Company during business hours.

43. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

A report on Business Responsibility & Sustainability Reporting ("BRSR") of your Company for the financial year 2024-25, in accordance with Regulation 34(2) (f) of the Listing Regulations forms part of this Annual Report.

44. WEBSITE

The Company's website www.capitalindia.com provides information about the businesses carried out by the Company. It is the primary source of information to all the stakeholders of the Company and the general public at large. It also contains the Financial Results, Annual Reports, CSR, various Policies adopted by the Board and other general information about the Company and such other disclosures as required under various applicable regulations. In accordance with the Liquidity Risk Management Framework for Non-Banking Financial Companies, the Company on a quarterly basis provided a public disclosure on liquidity risk on its website.

45. OTHER DISCLOSURES

Your Directors states that no disclosure or reporting is required in respect of the following items during the period under review:

- a) The Company has not bought back any of its securities;
- b) The Company has not issued any bonus shares;
- c) The Company has not issued any sweat equity shares;
- d) The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;
- e) The Company is not liable to transfer the amount of dividend lying in the unpaid dividend account to Investor Education and Protection Fund (IEPF) pursuant to provisions of Section 125 of the Act;
- f) There was no revision in the financial statements between the end of the financial year and the date of this report;
- g) No application has been made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year; and
- h) During the financial year 2024-25, there was no instance of one-time settlement with Banks or Financial Institutions. Therefore, as per rule 8(5)(xii) of Companies (Accounts) Rules, 2014, reasons of difference in the valuation at the time of one-time settlement and valuation done while taking loan from the Banks or Financial Institutions are not reported.

46. CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company objective, projections, estimates and expectations may constitute forward looking statement within the meaning of applicable laws and regulations.

47. ACKNOWLEDGEMENTS

Your Directors would gratefully like to place their appreciation for the assistance and co-operation received from the Company's bankers during the period under review. The Directors also acknowledge, with appreciation, the support and co-operation rendered by various Government Agencies and Departments. Your Directors would also wish to place on record their deep sense of appreciation for the continued support from all the investors of the Company.

By order and on behalf of the Board
Capital India Finance Limited

Vinod Somanı
Non-Executive Chairman (Independent)
DIN: 00327231

Keshav Porwal
Managing Director
DIN: 06706341

Place: New Delhi

Place: Mumbai

Date: May 14, 2025

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Act
read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures for the year ended March 31, 2025

Part-A: Subsidiaries

(INR In Lakhs)

S. No.	Particulars	Name of Subsidiary companies				
		Capital India Home Loans Limited	Capital India Asset Management Private Limited	Rapipay Fintech Private Limited	NYE Investech Private Limited	NYE Insurance Broking Private Limited
1	The date since when the subsidiary was acquired	August 11, 2017	September 12, 2017	September 21, 2019	April 14, 2022	June 01, 2022
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period			Not Applicable		
3	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.					
4	Share Capital (Paid -up)	15,527.50	7.00	3,970.72	491.50	75.00
5	Reserves & surplus	(669.74)	(5.35)	1,609.16	323.51	(0.14)
6	Total Assets	46,778.76	1.83	19,066.60	855.91	79.18
7	Total Liabilities	31,921.00	0.18	13,486.72	40.90	4.32
8	Investments	954.15	-	2,356.53	-	-
9	Turnover	7,454.83	-	36,003.06	2.88	5.10
10	Profit before tax	301.46	(0.48)	(2,424.41)	(53.66)	(0.26)
11	Provision for tax	23.20	-	-	-	-
12	Profit after tax	278.26	(0.48)	(2,424.41)	(53.66)	(0.26)
13	Proposed dividend	-	-	-	-	-
14	% of shareholding	99.82	100.00	52.50	52.50*	52.50*

*Held through Rapipay Fintech Private Limited

Note:

1. Names of subsidiaries which are yet to commence operations: NYE Insurance Broking Private Limited
2. Names of subsidiaries which have been liquidated or sold during the year: Nil

Part B: Associates & Joint Ventures: NIL

By order and on behalf of the Board
Capital India Finance Limited

Vinod Somanı
Non-Executive Chairman (Independent)
DIN: 00327231

Keshav Porwal
Managing Director
DIN: 06706341

Pinank Jayant Shah
Chief Executive Officer

Vikas Srivastava
Chief Financial Officer

Sulabh Kaushal
Chief Compliance Officer &
Company Secretary
M. No.: A34674

Annexure - II
**Particulars of employees for the year ended on March 31, 2025 as required under Section 197 of the Companies Act, 2013
read with Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014**

The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Name of the Director	Ratio to the median
	Keshav Porwal	44.42
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Name of Director/CEO/CS/CFO	% increase
	Keshav Porwal	-
	Pinank Jayant Shah	10%
	Rachit Malhotra	35%
	Sulabh Kaushal	23%
	Vikas Srivastava	10%
The percentage increase in the median remuneration of employees in the financial year		8%
The number of permanent employees on the rolls of Company	616 as on March 31, 2025	
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Percentage increase in the salaries of employees other than KMPs: 10% Percentage increase in managerial remuneration: 9%	
Affirmation that the remuneration is as per the remuneration policy of the company	Yes, the remuneration paid is as per the remuneration policy of the Company.	

Annexure - III
Annual Report on Corporate Social Responsibility (CSR) Activities of the Company for the financial year 2024-25
1. Brief outline on CSR Policy of the Company:

Capital India Finance Limited has a Corporate Social Responsibility (CSR) Policy in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules), as amended from time to time, which outlines the Company's CSR objectives and its implementation.

The Company is a socially responsible organization which aims to create an empowered, equitable, and sustainable ecosystem. We truly believe that a nation only progresses when all the strata of its society, and all the forces in its environment live together in harmony.

Through our philanthropic arm ATULYA FOUNDATION, we reach out to the last mile communities and act as a catalyst in providing access to services & opportunities that help these communities live a prosperous life in a sustainable manner. Our focus areas are- Education, Livelihood, Rural development, Health & Hygiene, Sustainable Environment and Disaster Response.

2. Composition of CSR Committee:

SI. 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. Yogendra Pal Singh	Chairman	1	1
2.	Ms. Rashmi Fauzdar	Member	1	1
3.	Ms. Jyuthika Mahendra Jivani*	Member	-	-
4	Mr. Keshav Porwal	Member	1	1

*Ms. Jyuthika Mahendra Jivani was inducted as a Member of Committee w.e.f. May 22, 2024.

3. Provide the 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. CSR Policy:

<https://capitalindia.com/wp-content/uploads/2024/11/Policy-on-Corporate-Social-Responsibility-280423.pdf>

b. CSR Projects approved:

<https://capitalindia.com/wp-content/uploads/CSR-Annual-Action-Plan.pdf>

c. Current Composition of CSR Committee:

<https://capitalindia.com/wp-content/uploads/CSR-Annual-Action-Plan.pdf>

4. Provide the 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: INR 2,077.63 Lakhs
- b) Two percent of average net profit of the company as per sub-section (5) of section 135: INR 41.55 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: INR 5.66 Lakhs
- e) Total CSR obligation for the financial year [(b)+(c)-(d)]: INR 35.89 Lakhs

6.

- a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): INR 40 Lakhs
- b) Amount spent in Administrative Overheads: NIL
- c) Amount spent on Impact Assessment, if applicable: NA
- d) Total amount spent for the Financial Year [(a)+(b)+(c)]: INR 40 Lakhs



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

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	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.
INR 40,00,000/-	NA	NA	NA	NA	NA

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

Sl. No.	Particular	Amount (in INR Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	41.55
(ii)	Total amount spent for the Financial Year*	45.66
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	4.11
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	4.11

*Includes excess amount of INR 5.66 Lakhs carried forward from previous financial year.

7. 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 INR)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in INR)	Amount Spent in the Financial Year (in INR)	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 INR)	Deficiency, if any
					Amount (in INR)		
1	FY-1		NA				
2	FY-2		NA				
3	FY-3		NA				

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No

If Yes, enter the number of Capital assets created/ acquired

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner			
					(6)	CSR Registration Number, if applicable	Name	Registered Address
(1)	(2)	(3)	(4)	(5)	N.A.			

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
Corporate Social Responsibility Committee of Capital India Finance Limited

Mr. Yogendra Pal Singh
Independent Director & Chairman of CSR Committee
DIN: 08347484

Keshav Porwal
Managing Director
DIN: 06706341

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended on 31st March, 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,
Capital India Finance Limited
(CIN: L74899DL1994PLC128577)
701, 7th Floor, Aggarwal Corporate Tower,
Plot No. 23, District Centre, Rajendra Place,
Patel Nagar (Central Delhi), New Delhi-110008

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "**Capital India Finance 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 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, wherever applicable;
- 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018,
- d. The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021;
- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not Applicable during the Audit Period**);
- h. The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (**Not Applicable during the Audit Period**);
- i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and
- j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder ('Listing Regulations').
- vi) Other laws as applicable to the Company are based on the discussion with the heads of the department:
- a. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Provisions of The Employees State Insurance Act, 1948;
- b. The Employees Compensation Act, 1923, The Equal Remuneration Act, 1976, and all other allied labour laws;
- c. Income Tax Act, 1961;
- d. The Prevention of Money Laundering Act, 2002;
- e. The Central Goods and Service Tax Act, 2017 and other respective States Goods and Service Tax Acts;
- f. The Maharashtra Shops and Establishments (Regulation of Employment and Condition of Service) Act, 2017;
- g. Delhi Shops and Establishment Act, 1954;
- h. Other State laws on Shops and Commercial Establishments, wherever applicable;

- i. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- j. Reserve Bank of India Act, 1934, and rules, regulations, circulars, notification issued by Reserve Bank of India, from time to time for Non-Banking Finance Company and Authorised Dealers Category-II;

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 Uniform Listing Agreement entered into by the Company with BSE Limited as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standard, etc. mentioned above. However, pursuant to the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices, the Chief Information Security Officer (CISO) was appointed w.e.f. February 14, 2025 and the Information Security Committee was reconstituted with effect from April 30, 2025.

We further report that:

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

Adequate notices were given to all Directors/Members to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at 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.

All decisions of the Board and Committees were carried with requisite majority while the views of the dissenting

members, wherever any, were captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Chief Compliance Officer & Company Secretary and taken on record by the Board of Directors at their meeting(s), we have an opinion 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 period,

1. The Members of the Company have approved the:
 - a) Declaration of Final dividend on equity shares of the Company.
 - b) Approval of the divestment of 100% stake in Capital India Home Loans Limited, a material subsidiary of the Company.
 - c) Approved the sub-division/split of 1 (one) equity share having face value of INR 10 (Indian Rupees Ten only) each into 5 (five) equity shares having face value of INR 2 (Indian Rupees Two only) each.
 - d) Approved the alteration of Capital Clause of the Memorandum of Association of the Company.
2. The Company has made application for listing its equity shares on National Stock Exchange of India Limited.
3. The Company has allotted 4,60,594 (Four Lakhs Sixty Thousand Five Hundred Ninety Four) equity shares to the employees pursuant to the exercise of Options granted and vested under CIFL Employee Stock Option Plan, 2018.
4. The Company has granted 21,25,000 (Twenty One Lakhs Twenty Five Thousand) employee stock options exercisable into not more than 21,25,000 (Twenty One Lakhs Twenty Five Thousand) equity shares of the Company pursuant to the CIFL Employee Stock Option Plan, 2018 and 40,00,000 (Forty Lakhs) employee stock options exercisable into not more than 40,00,000 (Forty Lakhs) equity shares of the Company pursuant to the CIFL Employee Stock Option Plan, 2023.

For **Arun Gupta & Associates**
 Company Secretaries
 Firm Regn No. I2008DE626100

Arun Kumar Gupta
 Proprietor
 Membership No.: 21227
 C.P. No.: 8003
 PR: 1008/2020
 UDIN: A021227G000294775

Place: New Delhi
Date: May 14, 2025

Note 1: 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,
Capital India Finance Limited
(CIN: L74899DL1994PLC128577)
 701, 7th Floor, Aggarwal Corporate Tower,
 Plot No. 23, District Centre, Rajendra Place,
 Patel Nagar (Central Delhi), New Delhi-110008

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit, including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. 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.

Place: New Delhi
Date: May 14, 2025

For **Arun Gupta & Associates**
 Company Secretaries
 Firm Regn No. I2008DE626100

Arun Kumar Gupta
 Proprietor
 Membership No.: 21227
 C.P. No.: 8003
 PR: 1008/2020
 UDIN: A021227G000294775

Form No. MR-3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended on 31st March, 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,
Capital India Home Loans Limited
(CIN: U65990DL2017PLC322041)
 701, 7th Floor, Aggarwal Corporate Tower,
 Plot No. 23, District Centre, Rajendra Place,
 Patel Nagar (Central Delhi), New Delhi-110008

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "**Capital India Home Loans Limited**" (CIN: U65990DL2017PLC322041) (hereinafter called the "**Company**"). Secretarial audit was conducted in a manner that provided us with 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 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 31st March, 2025, complied with the statutory provisions listed hereunder to the extent applicable on the Company 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 made available to us and maintained by the Company for the financial year ended on 31st March, 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; (**Not applicable to the Company during the Audit Period**)
- 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, **wherever applicable**;

- v) Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable;
- vi) I have relied on the representation made by the Company and its officer for system and mechanism framed by the Company for compliances under the following Act, Laws & Regulations of the Company:
 - a. Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021;
 - b. Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023
 - c. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Provisions of The Employees State Insurance Act, 1948
 - d. The Employees Compensation Act, 1923, The Equal Remuneration Act, 1976, and all other allied Labour laws;
 - e. Income Tax Act, 1961;
 - f. The Prevention of Money Laundering Act, 2002;
 - g. The Goods and Service Tax Act, 2017;
 - h. Shops and Establishment Act(s) of various states, as applicable, to the Company;
 - i. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
 - j. Reserve Bank of India Act, 1934, National Housing Bank Act, 1987 and rules, regulations, circulars, notification issued by Reserve Bank of India and National Housing Bank respectively, from time to time for Housing Finance Company;

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standard, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Directors including Non-Executive Directors,

Independent Directors and Woman Director. There are 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 were given to all Directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at 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.

The majority of decisions are carried through with the unanimous consent, therefore dissenting members' views are not required to be captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary/ directors and taken on record by the Board of Directors at their meeting(s), we have an opinion 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 period:

1. Capital India Finance Limited, the holding company, alongwith other shareholders of the Company, has entered into a Share Purchase Agreement for the proposed sale of their entire shareholding in the Company to Weaver Services Private Limited ("proposed transaction"), pursuant to receipt of approvals for change in control from the Reserve Bank of India and other requisite approvals.
2. The Company has also approved proposed appointment of 4 individuals directors, upon execution of proposed transaction and pursuant to receipt of approvals for change in management from the Reserve Bank of India and other requisite approvals.

I further report that during the audit period there was no other event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards.

For Arun Gupta & Associates

Company Secretaries
 Firm Regn No. I2008DE626100

Arun Kumar Gupta

Proprietor
 Membership No.: 21227
 C.P. No.: 8003
 PR: 1008/2020
 UDIN: A021227G000272731

Place: New Delhi
Date: April 29, 2025

Note 1: 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,
Capital India Home Loans Limited
(CIN: U65990DL2017PLC322041)

701, 7th Floor, Aggarwal Corporate Tower,
 Plot No. 23, District Centre, Rajendra Place,
 Patel Nagar (Central Delhi), New Delhi-110008

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit, including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records 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's Representation Letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standard 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.
7. The maximum liability of my firm under the secretarial audit in respect of the aggregate of all claims shall not exceed the fee charged by us.

For Arun Gupta & Associates
 Company Secretaries
 Firm Regn No. I2008DE626100

Arun Kumar Gupta
 Proprietor
 Membership No.: 21227
 C.P. No.: 8003
 PR: 1008/2020
 UDIN: A021227G000272731

Place: New Delhi
Date: April 29, 2025

Form No. MR-3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended on 31st March, 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,
Rapipay Fintech Private Limited
(CIN: U72200DL2009PTC189149)
 701, 7th Floor, Aggarwal Corporate Tower,
 Plot No. 23, District Centre, Rajendra Place,
 Patel Nagar (Central Delhi), New Delhi-110008

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "**Rapipay Fintech 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 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 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 31st March, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 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; (**Not applicable to the Company during the Audit Period**)
- 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, wherever applicable;
- v) Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable;

vi) I have relied on the representation made by the Company and its officer for system and mechanism framed by the Company for compliances under the following Act, Laws & Regulations of the Company:

- a. The Payment and Settlement Systems Act, 2007;
- b. Master Direction on Prepaid Payment Instruments, 2021 (PPIs);
- c. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Provisions of The Employees State Insurance Act, 1948
- d. The Employees Compensation Act, 1923, The Equal Remuneration Act, 1976, and all other allied labour laws;
- e. Income Tax Act, 1961;
- f. The Prevention of Money Laundering Act, 2002;
- g. The Central Goods and Service Tax Act, 2017 and the applicable State Goods and Service Tax Act(s);
- h. Delhi Shops and Establishment Act, 1954;
- i. Other State laws on Shops and Commercial Establishments, wherever applicable;
- j. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- k. Reserve Bank of India Act, 1934 and rules, regulations, circulars, notification issued by Reserve Bank of India from time to time for Prepaid Instruments Company;

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standard, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There are 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 was given to all Directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at 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.

Majority decisions were carried through with the unanimous consent, therefore dissenting members' views are not required to be captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we

have an opinion 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, no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has occurred in the Company except as below:

- a) The Company has altered the provisions of Memorandum of Association with respect to Object Clause in the Board Meeting dated 28th October, 2024 and approved by shareholders in the Extra-Ordinary General Meeting dated 29th November, 2024.

For **Arun Gupta & Associates**
 Company Secretaries
 Firm Regn No. I2008DE626100

Arun Kumar Gupta
 Proprietor
 Membership No.: 21227
 C.P. No.: 8003
 PR: 1008/2020
 UDIN: A021227G000272720

Place: New Delhi
Date: May 5, 2025

Note 1: 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,
Rapipay Fintech Private Limited
(CIN: U72200DL2009PTC189149)
 701, 7th Floor, Aggarwal Corporate Tower,
 Plot No. 23, District Centre, Rajendra Place,
 Patel Nagar (Central Delhi), New Delhi-110008

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit, including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. 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.

Place: New Delhi
Date: May 5, 2025

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's Representation Letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standard 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.
7. The maximum liability of my firm under the secretarial audit in respect of the aggregate of all claims shall not exceed the fee charged by us.

For Arun Gupta & Associates
 Company Secretaries
 Firm Regn No. I2008DE626100

Arun Kumar Gupta
 Proprietor
 Membership No.: 21227
 C.P. No.: 8003
 PR: 1008/2020
 UDIN: A021227G000272720

Corporate Governance Report

1. CORPORATE GOVERNANCE PHILOSOPHY

Capital India Finance Limited ("Company") is committed to upholding high standards of corporate governance. The Company's philosophy is rooted in promoting transparency, accountability, and integrity in all its operations. This approach supports the effective management of the Company and ensures that the interests of all stakeholders are duly respected and safeguarded.

The Company has framed comprehensive Corporate Governance Guidelines with the objective of establishing a system of rules, practices, and processes that define the governance framework under which the Company is administered and controlled. These Guidelines are designed to balance the interests of all stakeholders, including shareholders, employees, customers, and the community in which the Company operates.

The Guidelines ensure that the Company consistently conducts its affairs in accordance with the highest standards of corporate governance, with integrity, fairness, accountability, and transparency at the core of all its activities.

The Company is in compliance with the provisions of Corporate Governance specified under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations").

2. BOARD OF DIRECTORS

The Company is managed and controlled by a professional and qualified Board of Directors ("Board"). The Board plays a pivotal role in safeguarding and enhancing the long-term interests of the Company's stakeholders. It provides leadership, strategic direction, and independent oversight to the Company's management while discharging its fiduciary responsibilities. In doing so, the Board upholds the highest standards of ethics, transparency, and disclosure.

As on March 31, 2025, the Board of the Company comprises 6 (Six) Directors, including 1 (One) Executive Director and 5 (Five) Non-Executive Independent Directors. The composition of the Board is in compliance with the provisions of the Companies Act, 2013 and the rules framed thereunder (collectively referred to as the "Act"), as well as the applicable provisions of the Listing Regulations.

The Board maintains an optimal combination of executive and non-executive independent directors and includes at least one-woman director, thereby ensuring a balanced and diverse leadership structure in line with statutory and regulatory requirements.

During the period under review, 6 (Six) meetings of the Board were held on May 22, 2024, August 13, 2024, October 16, 2024, November 12, 2024, December 24, 2024, and February 14, 2025.

The attendance of the members of the Board at the Board Meetings and the last Annual General Meeting held during the period under review, shareholding in the Company and position held in Board/Board committees of other companies, is as follows:

S. No.	Name, Designation and DIN of Director	No. of Board meetings held during the tenure of director/ financial year 2024-25	No. of Board meetings attended during the financial year 2024-25	Whether attended the last Annual General Meeting of the Company held on September 26, 2024	Shareholding in the Company as on March 31, 2025	Number of Directorships in other Companies as on March 31, 2025 ¹	Names of the other listed entities where the director is a director and the category of directorship	
							No. of Committee position held in other public Companies as on March 31, 2025 ²	Membership Chairmanship
1.	Mr. Keshav Porwal (Managing Director) (06706341)	6	5	Yes	Nil	1	1	Nil
2.	Mr. Vinod Soman (Non-Executive Chairman - Independent) (00327231)	6	6	Yes	Nil	1	1	Nil
3.	Mr. Yogendra Pal Singh (Independent Director) (08347484)	6	6	Yes	Nil	1	1	Nil
4.	Ms. Rashmi Fauzdar (Independent Woman Director) (07599221)	6	6	Yes	Nil	1	Nil	Nil
5.	Mr. Subhash Chander Kalia (Independent Director) (00075644) ³	6	6	No	NA	NA	NA	NA
6.	Ms. Jyothika Mahendra Jivani (Independent Woman Director) (10558392)	6	5	Yes	Nil	Nil	Nil	Nil
7.	General Dalbir Singh Suhag (Retd.) (Independent Director) (10742056) ⁴	4	2	Yes	Nil	Nil	Nil	Nil

¹Excludes directorship in the Company, deemed public company, private companies, foreign companies and Section 8 companies.

²Includes audit committee and stakeholders' relationship committee in all public limited companies.

³Mr. Subhash Chander Kalia resigned as the Independent Director of the Company w.e.f. February 20, 2025, to avoid potential conflict of interest arising from discussions with a Mumbai-based NBFC for regular role.

⁴General Dalbir Singh Suhag (Retd.) was appointed as an Independent Director of the Company w.e.f. August 13, 2024.

Inter-se relationship among Directors

None of the Directors are in any way related to each other.



Key Board skills/expertise/competencies

The Board of the Company is skill-based, comprising Directors who collectively possess the necessary skills, knowledge, and experience to effectively govern and guide the organization. The Company has identified key skill sets relevant to its business operations, the industry in which it operates, and in alignment with its Policy on Compensation of Directors, Executives and Other Employees.

The Directors are individuals of eminence with expertise across diverse domains such as business, industry, finance, law, administration, and economics. Their collective experience and professional acumen contribute meaningfully to the strategic direction and overall effectiveness of the Board, enhancing the Company's governance framework and performance.

The Directors of the Company and the Board as a whole possess such skills and knowledge as outlined below:

Core Skills / Expertise / Competencies	KP	VS	YPS	RF	DSS	JMJ
Leadership experience and ability in inspiring, motivating other officials together with practical understanding of the business of the Company.	✓					
Experience and ability to identify opportunities and threats to the Company and to develop strategies, inter-alia to grow revenue and market share, build brand awareness and equity.	✓					
Strong understanding of corporate finance, accounts and performance management principles.	✓	✓	✓	✓	✓	✓
Familiarity with diverse business functions such as finance, risk, investment, etc.	✓	✓	✓	✓	✓	✓
Experience and ability to acknowledge corporate governance and best management practices.	✓	✓	✓	✓	✓	✓
An entrepreneurial mindset with outstanding organizational and leadership skills.	✓	✓	✓	✓	✓	✓
Analytical abilities and problem-solving skills.	✓	✓	✓	✓	✓	✓
Excellent communication and public speaking skills.	✓	✓	✓	✓	✓	✓
Experience in identifying key risks to the Company related to each key area of operations, the ability to monitor risk, compliance and knowledge of legal and regulatory requirements that are applicable to the Company.	✓	✓	✓	✓	✓	✓
Experience and stature necessary to be highly effective, working with other members of the Board in serving the long-term interests of shareholders.	✓	✓	✓	✓	✓	✓
Ability and willingness to devote sufficient time to the affairs of the Board and the Company and to carry out their duties effectively.	✓	✓	✓	✓	✓	✓

Mr. Keshav Porwal – **KP**, Mr. Vinod Somani – **VS**, Mr. Yogendra Pal Singh – **YPS**,

Ms. Rashmi Fauzdar – **RF**, General Dalbir Singh Suhag (Retd.) – **DSS**, Ms. Jyuthika Mahendra Jivani – **JMJ**

Confirmation of Independence from Independent Director

During the period under review, all the Independent Directors have confirmed and submitted a declaration to the effect that they meet the criteria of independence as laid down under the Act and the Listing Regulations.

The Independent Directors have also submitted a declaration that they have registered themselves with the Indian Institute of Corporate Affairs for inclusion of their name in the Data Bank as required under rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Based on the disclosures received from all the Independent Directors, your Board confirms that, in its opinion, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

Change in Independent Director

During the period under review, the following changes were there in the Independent Directors of the Company:

- General Dalbir Singh Suhag (Retd.) was inducted as an Independent Director w.e.f. August 13, 2024.
- Mr. Subhash Chander Kalia ceased to be associated with the Company w.e.f. February 20, 2025.

Familiarization Programme for Independent Directors

All Independent Directors are periodically familiarized with various aspects of the Company to enable them to perform their roles effectively. This includes detailed briefings on their roles, rights, and responsibilities, the Company's business model, corporate governance practices, financial performance, business operations, and other relevant matters.

Additionally, updates are provided on changes in statutory and regulatory frameworks, the economic environment, and other developments that may impact the Company. This structured familiarization process ensures that Independent Directors are well-informed and equipped to make timely and prudent decisions in the best interest of the Company and its stakeholders.

The details of familiarization programme in terms of Regulation 25(7) of the Listing Regulations is uploaded on the website of the Company and can be accessed at www.capitalindia.com.

Board Functioning and Procedure

The Company ensures that all Directors and Members of the Board and its Committees receive timely and proper notice of upcoming meetings. A detailed agenda, along with relevant supporting documents, is circulated in advance to enable thorough preparation and informed decision-making during the meetings. This process ensures effective participation and deliberation, thereby supporting the Company's commitment to transparency, accountability, and good governance.

The Company has a well-established framework for the meetings of the Board and its Committees, which seeks to systematize the decision-making process during the meetings in an informative and efficient manner. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation during the meeting. The Members of the Board/Committees express their opinion and decisions taken based on the consensus arrived at, after detailed discussion/deliberation at the Board/Committee Meeting and the same is accordingly recorded in the minutes of the meetings.

3. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in strengthening the Company's corporate governance framework by focusing on specific issues and ensuring their timely and effective resolution. The guidelines applicable to

The attendance of the members of the Audit Committee at the meetings held during the period under review is as follows:

Name of Member	Designation in Committee	Category	No. of Committee meetings held during the tenure of member/ financial year 2024-25	No. of Committee meetings attended during the financial year 2024-25
Mr. Vinod Somani	Chairman	Non-Executive Chairman - Independent	5	5
Mr. Yogendra Pal Singh	Member	Independent Director	5	5
Mr. Subhash Chander Kalia ⁵	Member	Independent Director	5	5
Ms. Rashmi Fauzdar	Member	Independent Woman Director	5	5
Ms. Jyuthika Mahendra Jivani	Member	Independent Woman Director	5	4

⁵Mr. Subhash Chander Kalia ceased to be the Member of the Committee w.e.f. February 20, 2025.

The requisite quorum was present in all the meetings held during the year.

The composition of the Audit Committee as on the date of this report is as detailed below:

Name of Member	Designation in Committee	Category
Mr. Vinod Somani	Chairman	Non-Executive Chairman - Independent
Mr. Yogendra Pal Singh	Member	Independent Director
Ms. Rashmi Fauzdar	Member	Independent Woman Director
Ms. Jyuthika Mahendra Jivani	Member	Independent Woman Director

Board meetings are also extended to all Committee meetings, ensuring consistency in governance practices. The composition and terms of reference of each Committee comply with the applicable provisions of the Act, the Listing Regulations, and other relevant directions, circulars, and guidelines issued by the Reserve Bank of India ("RBI"), as amended from time to time.

The Board oversees the functioning of the Committees and remains accountable for their actions. Each Committee has the authority to engage external experts, advisors, or legal counsel as deemed necessary to support its responsibilities. Minutes of the Committee meetings are circulated to the respective members and presented to the Board for noting, as per the relevant provisions of the Act. The composition of the Committees is detailed below:

a. Audit Committee

The Audit Committee has been constituted in terms of the provisions of Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of the Listing Regulations, to provide assistance to the Board of Directors in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company. The Chief Compliance Officer & Company Secretary of the Company acts as the Secretary to the Audit Committee.

Meetings

During the period under review, 5 (Five) meetings of the Audit Committee were held on May 22, 2024, August 13, 2024, October 16, 2024, November 12, 2024, and February 14, 2025. The intervening period between Audit Committee Meetings was within the maximum time gap prescribed under the Act and the Listing Regulations.


Terms of Reference

The terms of reference of the Audit Committee of the Board includes the following:

- a) To approve the remuneration and terms of appointment of auditors of the company;
- b) To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c) To do examination of the financial statement and the auditors' report thereon;
- d) To approve or make subsequent modification of transactions of the company with related parties;
- e) To make scrutiny of inter-corporate loans and investments;
- f) To review valuation of undertakings or assets of the Company, wherever it is necessary;
- g) To do evaluation of internal financial controls and risk management systems;
- h) To monitor the end use of funds raised through public offers and related matters;
- i) To oversee the vigil mechanism established by the Company for Directors and employees to report genuine concerns.
- j) To investigate any activity within its terms of reference;
- k) To seek information from any employee;
- l) To obtain outside legal or other professional advice;
- m) To secure attendance of outsiders with relevant expertise, if it considers necessary;
- n) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- o) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- p) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- q) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv) Significant adjustments made in the financial statements arising out of audit findings;

- v) Compliance with listing and other legal requirements relating to financial statements;
- vi) Disclosure of any related party transactions;
- vii) Qualifications in the draft audit report;
- r) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- s) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- t) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- u) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- v) Discussion with the internal auditors on any significant findings and follow up there on;
- w) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- x) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- y) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- z) To review the functioning of the Whistle Blower mechanism, in case the same is existing;
- aa) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- bb) to consider and comment on:
 - rationale,
 - cost-benefits and
 - impact on the listed entity and its shareholders of schemes involving merger, demerger, amalgamation etc.; and
- cc) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

b. Nomination & Remuneration Committee

The Nomination & Remuneration Committee ("NRC") has been constituted in terms of the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations. The Chief Compliance Officer & Company Secretary of the Company acts as the Secretary to the NRC.

Meetings

During the period under review, 2 (Two) meetings of the NRC were held on April 26, 2024, and August 13, 2024.

The attendance of the members of the NRC at their meeting held during the period under review is as follows:

Name of the member	Designation in Committee	Category	No. of Committee meetings held during the tenure of member/financial year 2024-25	No. of Committee meetings attended during the financial year 2024-25
Mr. Yogendra Pal Singh	Chairman	Independent Director	2	2
Mr. Vinod Soman	Member	Non-Executive Chairman - Independent	2	2
Ms. Rashmi Fauzdar	Member	Independent Woman Director	2	2

The necessary quorum was present for the meeting held during the year.

The composition of the NRC as on the date of this report is detailed below:

Name of Member	Designation in Committee	Category
Mr. Yogendra Pal Singh	Chairman	Independent Director
Mr. Vinod Soman	Member	Non-Executive Chairman - Independent
Ms. Rashmi Fauzdar	Member	Independent Woman Director

Terms of Reference

The terms of reference of the NRC include the following:

1. identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment & removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
2. formulate the criteria for determining qualifications, positive attributes and independence of a Director, recommend to the Board a policy, relating to the remuneration for the directors, Key Management Personnel and other employees.

While formulating the policy under sub-section (3) of section 178 of the Companies Act ensure that:

- a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors of the quality required to run the company successfully;

8. ensure that all provision regarding disclosures of remuneration are fulfilled.
9. ensure that no director, executive or other employee is involved in any decision as to their own remuneration.
10. formulate the Company's Employee Stock Option Scheme(s) or other incentive schemes (if any) as applicable, approve grant of options and make amendments to terms of such schemes.

Annual Performance Evaluation

Pursuant to the relevant provisions of the Act read with the rules made thereunder, the Listing Regulations and the Performance Evaluation Policy ("PEP") of the Company, the Board, along with the NRC, has conducted a formal evaluation of the performance of the Board, its Committees, and individual Directors, including Independent Directors. The Independent Directors' performance evaluation was carried out by the entire Board excluding the Director being evaluated.

Further, the Independent Directors in their separate meeting held, reviewed the performance of Non-Independent Directors, the Board as a whole and

Chairman of the Board after taking into account the views of Executive Director and other Non-Executive Directors.

The evaluation has been carried out through a questionnaire, as provided in the PEP, covering various aspects of the functioning of the Board, its Committees and performance of the Directors, such as, adequacy of the constitution and composition of the Board and its Committees, discharge of roles and responsibilities by the Board, its Committees and Directors, frequency of the meetings, attendance, regulatory compliances and corporate governance. The individual Directors and members of the Board and its Committees had submitted their response on a scale of 1 (strongly disagree) – 5 (strongly agree) for evaluating the Board as a whole, Committees of the Board and of their peer Board members, including Chairman of the Board.

c. Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been constituted in terms of the provisions of Section 178 of the Act and the applicable provisions of the Listing Regulations. The Chief Compliance Officer & Company Secretary of the Company acts as the Secretary to the Stakeholders Relationship Committee.

The composition of the Stakeholders Relationship Committee as on the date of this report is as detailed below:

Name of Member	Designation in Committee	Category
Mr. Vinod Soman	Chairman	Non-Executive Chairman - Independent
Mr. Yogendra Pal Singh	Member	Independent Director
Ms. Rashmi Fauzdar	Member	Independent Woman Director
Ms. Jyuthika Mahendra Jivani	Member	Independent Woman Director

Terms of Reference

The terms of reference of the Stakeholders Relationship Committee of the Board include the following:

1. To take note of transfer and transmission of shares;
2. To approve requests of shareholders for dematerialization, re-materialisation of shares, issue

Meetings

During the period under review, 1 (one) meeting of the CSR Committee was held on April 18, 2024.

The attendance of the members of the CSR Committee at their meeting held during the period under review is as follows:

S. No.	Particulars	Details
i.	Name of Non-Executive Director heading the Stakeholders Relationship Committee	Mr. Vinod Soman, Non-Executive Chairman - Independent
ii.	Name and designation of the Compliance Officer	Mr. Sulabh Kaushal, Chief Compliance Officer & Company Secretary
iii.	Number of shareholders' complaints received during the financial year	15 (Fifteen) shareholders' complaints were received during the financial year 2024-25.
iv.	Number of complaints not resolved to the satisfaction of shareholders	All the complaints were resolved to the satisfaction of the shareholders.
v.	Number of pending complaints	No complaints were pending unresolved as on March 31, 2025.

Meetings

During the period under review, 1 (one) meeting of the Stakeholders Relationship Committee was held on April 19, 2024.

The attendance of the members of the Stakeholders Relationship Committee at their meeting held during the period under review is as follows:

Name of the member	Designation in Committee	Category	No. of Committee meetings held during the tenure of member/ financial year 2024-25	No. of Committee meetings attended during the financial year 2024-25
Mr. Vinod Soman	Chairman	Non-Executive Chairman - Independent	1	1
Mr. Yogendra Pal Singh	Member	Independent Director	1	1
Ms. Rashmi Fauzdar	Member	Independent Woman Director	1	1
Ms. Jyuthika Mahendra Jivani ⁶	Member	Independent Woman Director	Nil	Nil

⁶Ms. Jyuthika Mahendra Jivani was inducted as the Member of the Committee w.e.f. May 22, 2024.

The necessary quorum was present for the meeting held during the year.

or split of shares, consolidation of shares and issue of duplicate share certificates;

3. To look after the grievances of the security holders of the listed entity including but not limited to complaints related to:
 - a. Transfer of shares;
 - b. Non-receipt of annual report; and
 - c. Non-receipt of declared dividends.
4. To ensure expeditious redressal of investor complaints received through SCORES and other mediums; and
5. To ensure periodical reporting of investor grievances in the prescribed manner from time to time.

d. Corporate Social Responsibility Committee

In compliance with Section 135 of the Act, the Company has duly constituted Corporate Social Responsibility ("CSR") Committee. The Chief Compliance Officer & Company Secretary of the Company acts as the Secretary to the CSR Committee.

Name of the member	Designation in Committee	Category	No. of Committee meetings held during the tenure of member/ financial year 2024-25	No. of Committee meetings attended during the financial year 2024-25
Mr. Yogendra Pal Singh	Chairman	Independent Director	1	1
Mr. Keshav Porwal	Member	Managing Director	1	1
Ms. Rashmi Fauzdar	Member	Independent Woman Director	1	1
Ms. Jyuthika Mahendra Jivani ⁷	Member	Independent Woman Director	Nil	Nil

⁷Ms. Jyuthika Mahendra Jivani was inducted as the Member of the Committee w.e.f. May 22, 2024.

The necessary quorum was present for the meeting held during the year.

The composition of the CSR Committee on the date of this Report is as detailed below:

Name of the member	Designation in Committee	Category
Mr. Yogendra Pal Singh	Chairman	Independent Director
Mr. Keshav Porwal	Member	Managing Director
Ms. Rashmi Fauzdar	Member	Independent Woman Director
Ms. Jyuthika Mahendra Jivani	Member	Independent Woman Director

Terms of Reference

The terms of reference of the CSR Committee of the Board includes the following:

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in the areas or subject, specified in Schedule VII to the Companies Act, 2013;
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- c) monitor the Corporate Social Responsibility Policy of the Company from time to time; and
- d) any other matter(s) in relation to above which the Committee deems fit and which is not reserved to be approved by the Board under the Companies Act, 2013 or any other applicable law, for the time being in force.

The CSR activities undertaken by the Company are in line with the CSR Policy of the Company and are pursuant to Section 135 and Schedule VII of the Companies Act, 2013. The CSR Policy detailing the summary of CSR activities along with relevant details is accessible at the Company's website at www.capitalindia.com.

e. Risk Management Committee

The Company has constituted a Risk Management Committee ("RMC"). The RMC has a Policy in place that is intended to ensure that an effective Risk Management framework is established and implemented within the organisation. The RMC investigates various risks which may impact the Company's ability to achieve its strategy, objectives and results.

Meetings

During the period under review, 4 (Four) meetings of the RMC were held on April 20, 2024, August 12, 2024, November 12, 2024, and February 12, 2025.

The attendance of the members of the RMC at their meeting held during the period under review is as follows:

Name of the member	Designation in Committee	Category	No. of Committee meetings held during the tenure of member/financial year 2024-25	No. of Committee meetings attended during the financial year 2024-25
Mr. Vinod Soman ⁸	Chairman / Member	Non-Executive Chairman - Independent	4	4
Mr. Keshav Porwal	Member	Managing Director	4	2
Mr. Subhash Chander Kalia ^{9&10}	Chairman / Member	Independent Director	4	4
Ms. Rashmi Fauzdar	Member	Independent Woman Director	4	4
Ms. Jyuthika Mahendra Jivani ¹¹	Member	Independent Woman Director	3	2

⁸Mr. Vinod Soman ceased to be the Chairman of the Committee w.e.f. May 22, 2024, and continued as its Member.

⁹Mr. Subhash Chander Kalia was appointed as the Chairman of the Committee w.e.f. May 22, 2024.

¹⁰Mr. Subhash Chander Kalia ceased to be the Chairman of the Committee w.e.f. February 20, 2025.

¹¹Ms. Jyuthika Mahendra Jivani was inducted as the Member of the Committee w.e.f. May 22, 2024.

The necessary quorum was present for all the meetings held during the year.

The composition of the RMC as on the date of this Report is detailed below:

Name of the member	Designation in Committee	Category
Mr. Vinod Soman	Member	Non-Executive Chairman - Independent
Mr. Keshav Porwal	Member	Managing Director
Ms. Rashmi Fauzdar	Member	Independent Woman Director
Ms. Jyuthika Mahendra Jivani	Member	Independent Woman Director

Terms of Reference of RMC

1. To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed 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.

f. Other Committees of the Board

Apart from the above Committees, the Board also has the following Committees:

- (a) Investment Committee
- (b) Asset-Liability Committee
- (c) IT Strategy Committee
- (d) Credit Committee
- (e) Securities Issuance Committee
- (f) Write-off and Settlement Committee
- (g) Review Committee
- (h) Management Committee

The Composition of the above Committees and the details of the meetings held during the financial year 2024-25, along with the attendance of Members is as under:

Composition as on March 31, 2025

S. No.	Name of Committee	Composition	Designation in the Committee
1	Investment Committee	Mr. Vinod Soman	Chairman
		Mr. Keshav Porwal	Member
		Mr. Pinank Jayant Shah	
2	Asset-Liability Committee	Mr. Vinod Soman	Chairman
		Ms. Rashmi Fauzdar	Member
		Mr. Keshav Porwal	
		Mr. Pinank Jayant Shah	
		Mr. Vikas Srivastava	
		Mr. Chetan Bafna	
3	IT Strategy Committee	Mr. Yogendra Pal Singh	Member
		Ms. Rekha Kashyap	
		Mr. Keshav Porwal	
		Mr. Pinank Jayant Shah	
		Mr. V P Ravindran Menon	
		Mr. Srinivas Nidumolu	
4	Credit Committee	Mr. Vinod Soman	Chairman
		Mr. Keshav Porwal	Member
		Mr. Pinank Jayant Shah	
		Mr. Chetan Bafna	
5	Securities Issuance Committee	Mr. Vinod Soman	Chairman
		Mr. Keshav Porwal	Member
		Mr. Pinank Jayant Shah	
6	Write-off and Settlement Committee	Mr. Yogendra Pal Singh	Chairman
		Mr. Vikas Srivastava	Member
		Mr. Dilbag Dahiya	
7	Review Committee	Mr. Pinank Jayant Shah	Chairman
		Mr. Vinod Soman	Member
		Mrs. Rashmi Fauzdar	
8	Management Committee	Mr. Keshav Porwal	Chairman
		Mr. Pinank Jayant Shah	Member
		Mr. V P Ravindran Menon	

Meetings

S. No.	Name of Committee	No. of Meetings	Date of Meetings
1	Investment Committee (IC)	5	April 19, 2024
			August 12, 2024
			October 16, 2024
			November 11, 2024
			February 12, 2025
2	Asset-Liability Committee (ALCO)	4	April 19, 2024
			August 12, 2024
			November 11, 2024
			February 12, 2025

S. No.	Name of Committee	No. of Meetings	Date of Meetings
3	IT Strategy Committee (IT)	4	April 19, 2024 August 12, 2024 November 11, 2024 February 12, 2025
4	Credit Committee (CC)	--	--
5	Securities Issuance Committee (SIC)	--	--
6	Write-off and Settlement Committee (WOSC)	--	--
7	Review Committee (RC)	--	--
8	Management Committee (MC)	20	April 12, 2024 April 15, 2024 May 10, 2024 May 28, 2024 July 08, 2024 July 30, 2024 August 21, 2024 September 19, 2024 September 25, 2024 September 30, 2024 October 17, 2024 October 24, 2024 November 21, 2024 November 29, 2024 December 30, 2024 January 31, 2025 March 07, 2025 March 17, 2025 March 24, 2025 March 27, 2025

Members Attendance in the above Committees

Name of Director/ Member	IC	ALCO	IT	CC	SIC	WOSC	RC	MC
Mr. Keshav Porwal	3/5	2/4	3/4	-	-	-	-	15/20
Mr. Vinod Soman	5/5	4/4	1/1	-	-	-	-	-
Mr. Yogendra Pal Singh	-	-	4/4	-	-	-	-	-
Ms. Rashmi Fauzdar	-	4/4	-	-	-	-	-	-
Mr. Pinank Jayant Shah	5/5	4/4	4/4	-	-	-	-	20/20
Mr. Ravindran Menon	-	-	4/4	-	-	-	-	19/20
Ms. Rekha Kashyap	-	-	2/4	-	-	-	-	-
Mr. Vikas Srivastava	-	4/4	-	-	-	-	-	-
Mr. Piyush Mistry	-	-	1/1	-	-	-	-	-
Mr. Chetan Bafna	-	4/4	-	-	-	-	-	-
Mr. Subhash Chander Kalia	-	-	3/3	-	-	-	-	-
Mr. Srinivas Nidumolu	-	-	3/3	-	-	-	-	-

4. REMUNERATION/SITTING FEES PAID TO DIRECTORS

Details of remuneration/sitting fees paid to all the Directors of the Company for the Financial Year 2024-25 are as under:

(INR in Lakhs)							
Sr. No.	Name	Sitting Fees	Salary	Perquisites and Benefits	Details of Stock options	Shares in profit/ Incentive	Total
1.	Mr. Vinod Soman	14.05	--	--	--	--	14.05
2.	Mr. Yogendra Pal Singh	10.90	--	--	--	--	10.90
3.	Mr. Subhash Chander Kalia	10.20	--	--	--	--	10.20
4.	Mr. Keshav Porwal	--	200.00	1.00	--	--	201.00
5.	Ms. Rashmi Fauzdar	12.30	--	--	--	--	12.30
6.	Ms. Jyuthika Mahendra Jivani	7.45	--	--	--	--	7.45
7.	Gen Dalbir Singh Suhag (Retd.)	2.35	--	--	--	--	2.35

Notes:

a) Salary and perquisites include all elements of remuneration i.e. salary, reimbursement and other allowances and benefits including employer's provident fund contribution and perquisite value.

Tenure of Service of Executive Director

Sr. No.	Name & Designation of Executive Director	Period of appointment	Date of appointment	Notice period
1.	Mr. Keshav Porwal, Managing Director	3 years	November 27, 2022	3 Calendar months

The appointments of the Executive Director(s) are governed by the resolution passed by the Board and the Shareholders of the Company, which cover the terms and conditions of such appointments, read with the service rules of the Company. There is no separate provision for payment of severance fee under the resolution(s) governing the appointment of Executive Director(s). The remuneration paid to the Executive Director(s) of the Company is approved by the Shareholders of the Company upon the recommendation of the Nomination & Remuneration Committee and the Board. The Company's remuneration strategy is market driven and aims at attracting and retaining high caliber talent. The strategy is in consonance with existing industry practice and is directed towards rewarding performance, based on review of achievements on a periodical basis.

b) During the period under review, there were no other pecuniary relationships or transactions with Independent Directors of the Company.

c) No stock options were granted by the Company to its Independent Directors.

5. KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL AND CHANGES THEREIN

The Company has the following Key Managerial Personnel & Senior Management Personnel and as on March 31, 2025:

Sl. No.	Name	Designation
1.	Mr. Pinank Shah	Chief Executive Officer
2.	Mr. Vikas Kumar Srivastava	Chief Financial Officer
3.	Mr. Sulabh Kaushal*	Chief Compliance Officer & Company Secretary
4.	Mr. Ravindran Menon	Chief Executive Officer - Remitx
5.	Mr. Manvinder Singh Walia [^]	Chief Operating Officer
6.	Mr. Chetan Bafna	Chief Credit Officer
7.	Mr. Subhendu Bhanja	Chief Operations Officer
8.	Mr. Navin Mishra [#]	Chief Human Resources Officer
9.	Mr. Srinivas Vasuki Nidamolu	Chief Technology Officer
10.	Mr. Gaurav Vyas ^{\$}	Chief Information Security Officer

*Mr. Sulabh Kaushal has been appointed w.e.f. August 13, 2024

[^]Mr. Manvinder Singh Walia has been appointed w.e.f. March 03, 2025

[#]Mr. Navin Mishra has been appointed w.e.f. March 13, 2025

^{\$}Mr. Gaurav Vyas has been appointed w.e.f. February 14, 2025



During the period:

- a. Mr. Rachit Malhotra ceased to be associated as Chief Compliance Officer & Company Secretary of the Company w.e.f. June 28, 2024.
- b. Ms. Shraddha Suresh Kamat ceased to be associated as Head – Human Resources of the Company w.e.f. January 31, 2025.

6. GENERAL BODY MEETINGS

a. Annual General Meeting ("AGM")

The location, date and time of the AGMs held during the last 3 years along with Special Resolution(s) passed thereat are as follows:

Sr. No.	Year of AGM	Place	Date & Time	Brief description of Special Resolution(s) passed
1.	2024	Video Conferencing/ Other Audio Visual Means	September 26, 2024 11:00 A.M.	i) appointment of General Dalbir Singh Suhag (Retd.) (DIN: 10742056) as an Independent Director of the Company for a period of 5 (Five) consecutive years.
2.	2023		September 21, 2023 9:30 A.M.	i) re-appointment of Dr. Harsh Kumar Bhanwala (DIN: 06417704) as Executive Chairman of the Company for a period of 3 (Three) years. ii) appointment of Ms. Rashmi Fauzdar (DIN: 07599221) as an Independent Woman Director of the Company for a period of 5 (Five) consecutive years.
3.	2022		September 23, 2022 9:30 A.M.	i) re-appointment of Mr. Vinod Somani (DIN: 00327231) as an Independent Director of the Company for a second term of 5 (Five) consecutive years. ii) re-appointment of Mr. Keshav Porwal (DIN: 06706341) as Managing Director of the Company for a period of 3 (Three) years. iii) approval for raising of funds by way of issuance of debt securities.

b. Extra-ordinary General Meeting

No Extra-ordinary General Meeting was held during the financial year ended on March 31, 2025.

c. Postal Ballot

During the financial year ended on March 31, 2025, the Company had passed the following resolutions through Postal Ballot(s):

- Postal Ballot dated May 10, 2024

The Company sought the approval of the shareholders by way of a special resolution passed through the postal ballot on June 14, 2024, for:

- i. Appointment of Ms. Jyuthika Mahendra Jivani (DIN: 10558392) as a Non-Executive Independent Director on the Board of the Company.

Mr. Arun Kumar Gupta, Company Secretary in Practice (COP No. 8003) of M/s. Arun Gupta & Associates, Company Secretaries, was appointed as the Scrutinizer to conduct the Postal Ballot through e-voting processes in a fair and transparent manner. The details of e-voting pattern are as under:

Particulars	Percentage of Total Votes Polled (in %)	Result
Votes in favour of the resolution	100.00	Passed with requisite majority on June 14, 2024
Votes against the resolution	0.00	
Total	100.00	

- Postal Ballot dated December 24, 2024

The Company sought the approval of the shareholders by way of special resolution(s) passed through the postal ballot on January 29, 2025, for:

- i. Sub-division/split of 1 (one) equity share having face value of INR 10 (Indian Rupees Ten only) each into 5 (five) equity shares having face value of INR 2 (Indian Rupees Two only) each.
- ii. Alteration of Capital Clause of the Memorandum of Association of the Company.
- iii. Divestment of 100% stake in Capital India Home Loans Limited, a Material Subsidiary of the Company.

Mr. Arun Kumar Gupta, Company Secretary in Practice (COP No. 8003) of M/s. Arun Gupta & Associates, Company Secretaries, was appointed as the Scrutinizer to conduct the Postal Ballot through e-voting processes in a fair and transparent manner. The details of e-voting pattern are as under:

Particulars	Percentage of Total Votes Polled (in %)			Result
	Item No. 1	Item No. 2	Item No. 3	
Votes in favour of the resolution	100.00	100.00	100.00	Passed with requisite majority on January 29, 2025
Votes against the resolution	0.00	0.00	0.00	
Total	100.00	100.00	100.00	

Procedure for Postal Ballot(s)

Pursuant to the applicable circulars issued by the Ministry of Corporate Affairs, the Postal Ballot Notice(s) dated May 10, 2024 and December 24, 2024, were sent in electronic mode to those Members whose email addresses are registered with the Company/Depositories as on the respective cut-off date(s). Hard copy of the Postal Ballot Notice(s) along with the Postal Ballot Form(s) and pre-paid business reply envelope(s) were not sent to the Members for the Postal Ballot(s) in accordance with the applicable Circulars and Members were required to communicate their assent or dissent only through the remote e-voting, whose facility was provided by Kfin Technologies Limited. The newspaper advertisement to this effect were published, both in Financial Express (English) and Jansatta (Hindi) newspapers, in accordance with the provisions of the Act and Secretarial Standard-2 on General Meetings. Upon completion of the remote e-voting, the scrutinizer submitted his report on postal ballot(s) addressed to the Chairman of the Company and the result of Postal Ballot(s) were declared by the Company and submitted to the Stock Exchanges where shares of the Company were listed and uploaded on the website of the Company.

7. MEANS OF COMMUNICATION

The Company regularly discloses important information, including quarterly, half-yearly, and annual financial results, as well as press releases on significant developments, on its official website at www.capitalindia.com. These disclosures are also submitted to the stock exchange(s) where the Company's securities are listed.

To ensure effective communication with shareholders, extracts of the financial results and other statutory information are published in leading newspapers, Jansatta (Hindi) and Financial Express (English). Additionally, the Company electronically files all mandatory reports and disclosures, including financial results, shareholding patterns, and the corporate governance report on the stock exchange(s) portals. A detailed Management Discussion and Analysis Report is provided as a part in this Annual Report.

8. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company promotes ethical conduct across all its business operations. In line with this commitment and pursuant to the provisions of Section 177(9) & (10) of the Act, the Listing Regulations, and Securities and

Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") the Company has established and implemented a robust Vigil Mechanism within the Company to be known as the 'Vigil Mechanism / Whistle Blower Policy'. This mechanism provides a safe and confidential platform for Directors and employees to report concerns relating to unethical behavior, actual or suspected fraud, or violations of the Company's Code of Conduct.

The objective of the Policy is to provide adequate safeguards against victimization of whistle blowers using the Vigil Mechanism, and to ensure direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

Accordingly, the Vigil Mechanism / Whistle Blower Policy offers a structured channel for Directors and employees to report such concerns to the Vigilance and Ethics Officer, or, where appropriate, directly to the Chairman of the Audit Committee.

The purpose of this Policy is to establish a clear framework that promotes responsible and secure whistle blowing. It seeks to encourage employees to raise concerns about serious irregularities or misconduct within the Company, while ensuring that they are protected from any form of retaliation or victimization for doing so in good faith.

During the period under review, no complaints regarding unethical conduct or improper activity were reported under the Vigil Mechanism. Furthermore, no individual was denied access to the Audit Committee, and the mechanism continues to operate effectively in accordance with the established policy framework.

9. CODE OF CONDUCT

A commitment to ethical and professional conduct is expected of every employee, including the members of the Board of Directors and senior management personnel of the Company.

The Code of Conduct is intended to serve as a basis for ethical decision making in the conduct of professional work. The Code of Conduct entitles that every individual in the organisation must know & respect existing laws, accept & provide appropriate professional views and be upright in his/her conduct & observe corporate discipline. The Code of Conduct is available on the website of the Company at www.capitalindia.com.

All the members of the Board and Senior Management Personnel affirm compliance with the Code of Conduct annually. Declaration signed by the Managing Director to this effect, is as under:

I hereby declare that all the members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended on March 31, 2025.

For and on behalf of the Board of
Capital India Finance Limited

Date: May 14, 2025
 Place: Mumbai

Keshav Porwal
 Managing Director

10. COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

A certificate from M/s Arun Gupta & Associates, Company Secretaries, certifying the Company's compliance with the provisions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule V to the Listing Regulations, is appended herewith and forms part of this Report.

11. DISCRETIONARY REQUIREMENTS

A) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

The Company has appointed separate individuals to the post of Chairperson, Managing Director and the Chief Executive Officer of the Company. As on March 31, 2025, the positions is as under:

S. No.	Name	Designation
1.	Mr. Vinod Soman	Non-Executive Chairman - Independent
2.	Mr. Keshav Porwal	Managing Director
3.	Mr. Pinank Jayant Shah	Chief Executive Officer

B) Unqualified financial statements

The Auditors' Report on the Audited Annual Financial Statements (Standalone & Consolidated) of the Company does not contain any qualification from the Statutory Auditors, and it shall be the endeavor of the Company to continue the trend by building up accounting systems and controls which ensure complete adherence to the applicable accounting standards and practices obviating the possibility of the Auditors' qualifying their report as to the Audited Accounts.

C) Reporting of Internal Auditor

The Internal Auditors of the Company report directly to the Audit Committee.

12. GENERAL SHAREHOLDERS INFORMATION

A) Company Registration Details

The Corporate Identity Number (CIN) of the Company is L74899DL1994PLC128577.

B) Annual General Meeting

Date & Day	Thursday, September 25, 2025
Time	11:00 A.M.
Venue	VC/OAVM

C) Financial Year

The financial year of the Company is a period of twelve months beginning on 1st April every calendar year and ending on 31st March the following calendar year.

D) Dividend and its Payment

Dividend of INR 0.02 per share (previous year Re. 0.10 per share) is proposed on the Equity Shares of the Company having face value of INR 2 (Indian Rupees Two only) each. The recommended dividend will be accounted for when approved by the shareholders at this AGM. Date of payment of dividend would be within 30 days from the date of AGM.

E) Listing of Securities on Stock Exchange & Payment of Listing Fees

The Company's Equity Shares are listed on BSE Limited ("BSE"), Piroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

Annual Listing Fees for the financial year 2024-25 have been duly paid to BSE.

Further, as of March 31, 2025, the Company has applied to the National Stock Exchange of India Limited ("NSE") seeking listing of its shares on the NSE.

F) Scrip code

BSE: 530879

G) Registrar and Share Transfer Agent

Shareholders may correspond with the Registrar & Share Transfer Agent at the following address for all matters related to securities of the Company:

KFin Technologies Limited

Selenium Building, Tower B, Plot 31-32, Financial District Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana 500 032
 Toll Free No.: 1800-309-4001
 Email ID: einward.ris@kfintech.com
 Website: www.kfintech.com

H) Share Transfer System

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialized form. As per Regulation 40 of the Listing Regulations, requests for effecting transfer of securities shall not be processed unless the securities are held in demat form with a depository.

I) Distribution of Shareholding

The shareholding distribution of equity shares as on March 31, 2025, is given hereunder:

Shareholding between	No. of shareholders	% of Total	Total Shares	Amount (INR in Lakhs)	% of Amount
1 to 10,000	3,484	93.16	36,42,141	72,84,282	0.94
10,001 to 20,000	102	2.73	15,18,721	30,37,442	0.39
20,001 & above	154	4.12	38,39,71,032	76,79,42,064	98.67
Total	3,740	100.00	38,91,31,894	77,82,63,788	100.00

J) Dematerialisation of Shares and Liquidity

As on March 31, 2025, the number of equity shares held in dematerialised form was 38,82,28,194 (99.77%) and in physical form was 9,03,700 (0.23%) of the total equity share capital of the Company. To enable us to serve the shareholders better, we request our shareholders whose shares are in physical mode to get their shares dematerialised and update their bank accounts and email ids with respective DPs. The Company does not have any GDRs/ADR or any Convertible instruments having any impact on equity.

K) Compliances under Listing Regulations

The Company has been in regular compliance with the Listing Regulations, and all requisite information, certificates, and returns, as mandated under the applicable provisions of the Listing Regulations, have been duly submitted to the stock exchange where the Company's shares are listed, within the prescribed timelines.

L) CEO & CFO Certification

In accordance with Regulation 17(8) of the Listing Regulations, the Chief Executive Officer and the Chief Financial Officer of the Company have submitted a compliance certificate confirming the matters specified under Part B of Schedule II of the Listing Regulations.

M) Information on Deviation from Accounting Standards

There has been no deviation from the Accounting Standards in preparation of the Annual Financial Statements of the Company for the financial year 2024-25.

N) Investor Correspondence

Mr. Sulabh Kaushal
 Chief Compliance Officer & Company Secretary

Capital India Finance Limited

701, 7th Floor, Aggarwal Corporate Tower, Plot No. 23, District Centre, Rajendra Place, New Delhi – 110008

Email: secretarial@capitalindia.com

During the year ended on March 31, 2025, the Company has resolved all the investors' complaints satisfactorily. There was no pending investor complaint as on March 31, 2025.

O) Commodity price risk or foreign exchange risk and hedging risk

The Company does not have any exposure to commodity price risks during the financial year ended on March 31, 2025.

P) Plant location

In view of the nature of the Company's business viz. Non-Banking Financial Services and activities of Authorised Dealer Category-II, the Company carries its business activities from various branch offices in India.

Q) Address for Correspondence

Registered Office:
 701, 7th Floor, Aggarwal Corporate Tower, Plot No. 23, District Centre, Rajendra Place, New Delhi – 110008
 Tel: 011-6954 6000
 Email: secretarial@capitalindia.com
 Website: www.capitalindia.com

Corporate Office:

Level - 20, Birla Aurora, Dr. Annie Besant Road, Worli, Mumbai - 400030
 Tel: 022-4503 6000

R) Disclosures

- The Company has, except stated elsewhere in the Annual Report, not entered into any materially significant related party transactions which have potential conflict with the interest of the Company at large. Your Board, on the recommendation of the Audit Committee, has approved a Policy on Related Party Transactions. The policy can be accessed from the Website of the Company at www.capitalindia.com.
- The Company has complied with the requirements of the Stock Exchange(s), Securities and Exchange Board of India ("SEBI") and other statutory authorities on all matters relating to capital markets during the last three years. During the period under review, no penalties or strictures have been imposed on the Company by the Stock Exchange(s), SEBI or other statutory authorities relating to the above.



- c) Your Board has approved a Policy for determining material subsidiaries. The policy can be accessed from the Website of the Company at www.capitalindia.com.
- d) The Company has obtained a certificate from M/s Arun Gupta & Associates, Company Secretaries, to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/the Ministry of Corporate Affairs or any such statutory authority(ies).
- e) Your Board had accepted all the necessary recommendations of the Committee(s) of the Board during the financial year ended on March 31, 2025.
- f) The details of the total fees paid during the financial year 2024-25, for the services availed by the Company, to the Statutory Auditors of the Company, and all entities in the network firm/network entity of which the Statutory Auditors are part of, are provided below:

Statutory Auditors	Nature	INR in Lakhs
Singhi & Company*	Audit fees including Taxation matters (Tax audit fees)	-
	Auditor's remuneration (net of GST credit availed)	2.73
	Certification & other services	1.70
V. Sankar Aiyar & Co.**	Audit fees including Taxation matters (Tax audit fees)	2.18
	Auditor's remuneration (net of GST credit availed)	19.35
	Certification & other services	2.63
Total		28.59

*Ceased as Statutory Auditor w.e.f. conclusion of 30th Annual General Meeting held on September 26, 2024

**Appointed as a Statutory Auditor w.e.f. conclusion of 30th Annual General Meeting held on September 26, 2024

- g) The Company has framed a Policy on Prevention of Sexual Harassment at Workplace in accordance with the applicable laws for all employees of the Company to inter alia ensure that the employees are not subject to any form of sexual harassment and to constitute the Internal Complaints Committee.

Your Company is fully committed to protect the rights of all women, of any age, whether employed or not, who alleges to have been subjected to any act of sexual harassment within the Company's premises. Your Company provides a safe and healthy work environment. There were no cases of sexual harassment reported during the year ended on March 31, 2025.

Details of Material Subsidiary(ies)

Sl. No.	Particulars	Name of the Company(ies) identified as Material Subsidiary	
		Capital India Home Loans Limited	Rapipay Fintech Private Limited
1.	Date of Incorporation	August 11, 2017	April 6, 2009
2.	Place of Incorporation	Delhi	Delhi
3.	Name of the Statutory Auditors	S C Mehra & Associates LLP	Nangia & Co. LLP
4.	Date of Appointment of Statutory Auditors by Shareholders	June 15, 2024	August 30, 2024

S) Credit Rating

The Company is enjoying credit ratings from Infomercis Valuation and Rating Limited and Acuite Ratings and Research Limited with respect to the financial facilities availed by the Company from time to time. The outstanding rating details as on 31st March 2025 are as under:

Rating Agency	Rated Facility / Instrument	Rated Amount (in Crores)	Rating / Outlook
Infomercis Valuation and Rating Limited	Bank Loan (Long Term)	900	IVR A / Stable
	Non Convertible Debenture	100	IVR A / Stable
Acuite Ratings and Research Limited	Bank Loan (Long Term)	775	Acuite A- / #
	Bank Loan (Short Term)	25	Acuite A- / #

*The rating Outlook has been placed under "Rating Watch with Developing Implications" to evaluate the impact of the announcement made by Company regarding the divestment of its housing finance subsidiary Capital India Home Loans Limited.

T) Equity Shares in the Suspense Account

There were no outstanding equity shares in the Unclaimed Suspense account of the Company, as on March 31, 2025.

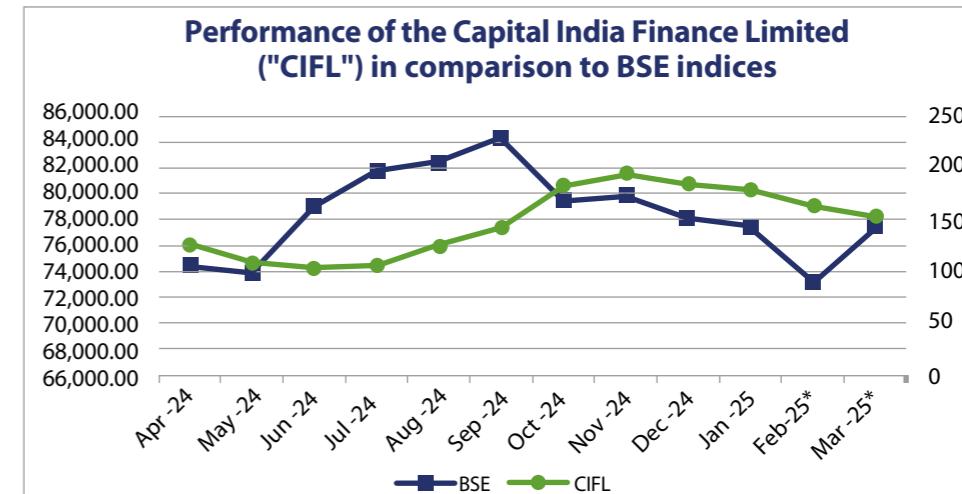
U) Stock Market Price at BSE Limited (BSE)

The monthly high and low market prices of equity shares at BSE Limited (BSE) for the year ended on March 31, 2025, are as under:

Month	High Price (INR)	Low Price (INR)	No. of Shares Traded
Apr-24	138.90	120.00	98,382
May-24	147.00	101.20	3,35,064
Jun-24	118.00	97.55	1,03,545
Jul-24	118.70	98.60	1,78,523
Aug-24	163.95	104.50	12,93,106
Sep-24	170.80	117.05	10,72,185
Oct-24	278.40	136.00	25,07,227
Nov-24	218.80	177.30	3,20,953
Dec-24	209.00	182.55	16,85,068
Jan-25	194.00	169.00	14,19,571
Feb-25*	187.90	157.00	8,15,158
Mar-25*	169.50	144.95	6,88,433

*The indicated share prices and number of shares traded reflects the pre-split / sub-division prices of the Company.

V) Performance of the Company in comparison with the BSE Indices



*The indicated share prices reflect pre-split / sub-division prices of the Company.

W) Details of the Directors seeking Appointment/Re-appointment

Inter alia, the following information related to the Director's appointment/re-appointments is being disclosed in the Notice convening the 31st AGM of the Company:

- a) brief resume;
- b) nature of expertise in specific functional areas;
- c) disclosure of relationships between directors inter-se;
- d) names of listed entities in which the director also holds the directorship and the membership of Committees of the board; and
- e) shareholding.

CEO & CFO CERTIFICATE

To,
The Shareholders and Board of Directors,
Capital India Finance Limited

Sub: Certificate under Regulation 17(8) and Regulation 33(2)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended on March 31, 2025

We, Pinank Jayant Shah, Chief Executive Officer and Vikas Srivastava, Chief Financial Officer of Capital India Finance Limited ("Company"), to the best of our knowledge and belief, certify that:

- A. We have reviewed the financial statements and cash flow statements for the financial year ended March 31, 2025 (both standalone and consolidated basis) ("Financial Results") and to the best of our knowledge and belief:
 - i. these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii. these financial statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There is, to the best of our knowledge and belief, no transaction(s) entered into by the Company during the year ended March 31, 2025 which are fraudulent, illegal or violative of the Code of Conduct of the Company.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to the financial reporting and that we have disclosed to the Auditors' and the Audit Committee of the Board, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee of the Board:
 - i. that there are no significant changes in internal control over financial reporting during the year; and
 - ii. that there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to these financial statements.
- E. To the best of our knowledge and belief, there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: May 14, 2025

Pinank Jayant Shah
Chief Executive Officer

Vikas Srivastava
Chief Financial Officer

Statutory Reports

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members,
Capital India Finance Limited
701, 7th Floor, Aggarwal Corporate Tower, Plot No. 23,
District Centre, Rajendra Place, New Delhi-110008

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Capital India Finance Limited (CIN: L74899DL1994PLC128577), having its registered office at 701, 7th Floor, Aggarwal Corporate Tower, Plot No. 23, District Centre, Rajendra Place, New Delhi-110008 (hereinafter referred to as 'Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

S. No.	Name of Directors	DIN	Designation	Date of appointment in Company
1.	Mr. Vinod Somani	00327231	Non-Executive Chairman (Independent Director)	20/12/2017
2.	Mr. Keshav Porwal	06706341	Managing Director	27/11/2017
3.	Mr. Yogendra Pal Singh	08347484	Independent Director	13/02/2019
4.	Ms. Rashmi Fauzdar	07599221	Independent Woman Director	24/08/2023
5.	Ms. Jyuthika Mahendra Jivani	10558392	Independent Woman Director	20/03/2024
6.	Mr. Dalbir Singh Suhag	10742056	Independent Director	13/08/2024

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

For Arun Gupta & Associates
Company Secretaries
Firm Regn No. I2008DE626100

Arun Kumar Gupta
Proprietor
ACS: 21227
C.P. No. 8003
PR 1008/2020
UDIN: A021227G000294797

Place: New Delhi
Date: May 14, 2025


Certificate Regarding Compliance of Conditions of Corporate Governance

To,
The Members,
Capital India Finance Limited
701, 7th Floor, Aggarwal Corporate Tower, Plot No. 23,
District Centre, Rajendra Place, New Delhi-110008

1. We have examined the Compliance of conditions of Corporate Governance by Capital India Finance Limited (the "Company") for the year ended 31st March, 2025 as stipulated under regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and paragraph C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

Management's Responsibility

2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedure to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations given to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of regulation 46(2) and paragraph C, D and E of Schedule V of the Listing Regulations during the financial year ended 31st March 2025.
6. We state that such compliances are neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Arun Gupta & Associates**
Company Secretaries
Firm Regn. No. I2008DE626100

Arun Kumar Gupta
Proprietor
Membership No. A21227
C.P. No. 8003
PR 1008/2020
UDIN: A021227G000294821

Place: New Delhi
Date: May 14, 2025

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES
I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L74899DL1994PLC128577
2.	Name of the Listed Entity	Capital India Finance Limited
3.	Year of incorporation	1994
4.	Registered office address	701, 7 th Floor, Aggarwal Corporate Tower, Plot No. 23, District Centre, Rajendra Place, New Delhi – 110008
5.	Corporate address	Level - 20, Birla Aurora, Dr. Annie Besant Road, Worli Mumbai - 400030
6.	E-mail	secretarial@capitalindia.com
7.	Telephone	011 69146000
8.	Website	www.capitalindia.com
9.	Financial year for which reporting is being done	2024-25
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited
11.	Paid-up Capital	INR 77,82,63,788
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Sulabh Kaushal Chief Compliance Officer & Company Secretary 011 691446000 secretarial@capitalindia.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Lending activities performed as Systemically Important Non-Deposit accepting Non-Banking Financial Company	Business of loans, advances and investments	85.44%
2.	Foreign Exchange services as an Authorised Dealer Category-II and Money Transfer Service Scheme	Business related to foreign exchange money changing activity and inward cross border international money transfers	14.56%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Financial Service Activities	649	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NIL	Lending operations – 29 Foreign Exchange operations – 38	67
International	NIL	NIL	NIL



17. Markets served by the entity:

a. Number of locations

Locations		Number	
National (No. of States)		Lending operations – 7	
International (No. of Countries)		Foreign Exchange operations – 18	
NIL			

b. What is the contribution of exports as a percentage of the total turnover of the entity? NIL

c. A brief on types of customers

The Company primarily focus on lending to corporates, Micro, Small and Medium Enterprises Entities and also Individuals, as per the need of the customer.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	613	530	86.46	83	13.54
2.	Other than Permanent (E)	3	1	33.33	2	66.67
3.	Total employees (D + E)	616	531	86.20	85	13.80
WORKERS						
4.	Permanent (F)	--	--	--	--	--
5.	Other than Permanent (G)	--	--	--	--	--
6.	Total workers (F + G)	--	--	--	--	--

b. Differently abled Employees and workers: NIL

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	--	--	--	--	--
2.	Other than Permanent (E)	--	--	--	--	--
3.	Total differently abled employees (D + E)	--	--	--	--	--
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	--	--	--	--	--
5.	Other than permanent (G)	--	--	--	--	--
6.	Total differently abled workers (F + G)	--	--	--	--	--

19. Participation/Inclusion/Representation of women

		Total (A)	No. and percentage of Females	
			No. (B)	% (B / A)
Board of Directors		6	2	33.33
Key Management Personnel		4	NIL	NA

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	52%	34%	49%	52%	23%	48%	39%	27%	38%
Permanent Workers	--	--	--	--	--	--	--	--	--

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / Subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Capital India Corp Private Limited	Holding	72.95	No, the holding / subsidiary companies of the Company are not involved in the business responsibility initiatives of the Company.
2.	Capital India Home Loans Limited	Subsidiary	99.82	
3.	Rapipay Fintech Private Limited		52.50	
4.	Capital India Asset Management Private Limited		100.00	
5.	NYE Investech Private Limited	Step-down Subsidiary through Rapipay Fintech Private Limited	52.50*	
6.	NYE Insurance Broking Private Limited		52.50*	

*Held through Rapipay Fintech Private Limited

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
 (ii) Turnover: INR 19,466.34 Lakhs as on March 31, 2024
 (iii) Net worth: INR 60,654.18 Lakhs as on March 31, 2024

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	2024-25		2023-24			
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Investors (other than shareholders)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Shareholders	Yes	15	0	N.A.	23	0	N.A.
Employees and workers	Yes	0	0	N.A.	0	0	N.A.
Customers	Yes, https://capitalindia.com/uploads/CorporateGovernance/Policy/Grievance%20Redressal%20Policy.pdf	100	0	N.A.	157	0	N.A.
Value Chain Partners	Yes	0	0	N.A.	0	0	N.A.
Other (please specify)	--	--	--	--	--	--	--

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
No Sustainability Issues identified during FY 24-25					

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements. These nine principles are as follows:

- P1** Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable
- P2** Businesses should provide goods and services in a manner that is sustainable and safe
- P3** Businesses should respect and promote the well-being of all employees, including those in their value chains
- P4** Businesses should respect the interests of and be responsive to all its stakeholders
- P5** Businesses should respect and promote human rights
- P6** Businesses should respect and make efforts to protect and restore the environment
- P7** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
- P8** Businesses should promote inclusive growth and equitable development
- P9** Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)									
	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Policies wherever stated have been approved by the Board/ Committee of the Board/ Senior Management of the Company.								
c. Web Link of the Policies, if available	www.capitalindia.com								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	The Company strives to influence its value chain partners to participate in responsible and sustainable business conduct depending upon their means and resources. For this purpose, the Board of the Company has approved various policies such as Direct Selling Agents (DSA) Outsourcing Policy, Code of Conduct for Outsourced Activities, Fair Practice Code, Whistle Blower Policy, etc. These policies enable participation of value chain partners in fair and ethical conduct of their business.								
4. Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All policies have been developed based on industry practices, as per the regulatory requirements and through appropriate consultation with relevant stakeholders.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Ensuring adherence to the values, principles and business ethics envisaged by the Principles of NGRBC in all dealings of the Company and its value chain partners and protecting the long-term interest of the stakeholders of the Company and ensuring highest standards of ethics, transparency and disclosures.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company constantly monitors the performance towards the goals and take adequate actions wherever required and have a robust governance mechanism to monitor the progress. The Board oversees the vision and focus towards our goals and as well as monitoring the progress against the stated vision and reviewing the policies and practices, ensuring that they remain effective.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)									
	Doing business in a responsible and sustainable manner is one of the key imperatives for us at Capital India Finance Limited. We remain committed to promoting financial inclusion through affordable finance. We continuously engage in discussion with all our stakeholders to identify Ethical Business Conduct, Efficient and Transparent Customer Service, Corporate Governance, Risk Management, Human Capital Development, among other important issues. Engaging with stakeholders on sustainability issues builds trust, enhances brand reputation, and strengthens relationships with customers, investors, and communities.								
	We instituted practices like Comprehensive Code of Conduct, sound risk culture, investment in emerging areas of cyber security and information security, employee welfare policies, monitoring consumption of resources in an efficient and prudent manner among several other practices.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Keshav Porwal Managing Director 022 - 4503 6000 secretarial@capitalindia.com No								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.									
10. Details of Review of NGRBCs by the Company:									
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	As a practice, all the policies of the Company are reviewed periodically or on a need basis by department heads, business heads, senior management personnel/ respective committees and as and when required the policies are placed before the Board for their comments/ review/ approval. During this assessment, the efficacy of these policies is also reviewed and necessary changes to policies and procedures are implemented.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable.								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.									
	Evaluation is a continuous process and is done internally by the Company.								
12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:									
Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	The Principle 7 is not related to the Company, since the Company is in the financial services sector therefore this principle doesn't relate to the nature of the business.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	On an ongoing basis, the Company carries out familiarization programs for its directors, as required under the SEBI Listing Regulations and keeps the Directors and KMPs abreast on matters relating to the industry, business models, risk metrics, mitigation and management, governing regulations, ESG, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company, etc.		100%
Key Managerial Personnel			100%
Employees other than BoD and KMPs	We aim towards formal and informal training and development of our employees, to help them stay ahead of latest trends and technology. Further, for certain relevant topics periodical awareness programs are carried out through emails, posters / banners (physical and digital) and other modes of internal communication. Such training / awareness programs are on array of topics, such as Code of Conduct, Ethics, Cyber Security, Data Privacy, Fraud Prevention, Functional Trainings, Insider Trading, Prevention of Sexual Harassment, Skill Upgradation, etc.		100%
Workers	N.A.		N.A.

2. Details of fines / penalties / punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement/ agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			NIL		
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement/ agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			NIL	
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	N.A.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

N.A.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024-25	FY 2023-24
Directors	NIL	NIL
KMP's	NIL	NIL
Employees	NIL	NIL
Workers	N.A.	N.A.

6. Details of complaints with regard to conflict of interest:

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	N.A.	NIL	N.A.
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	N.A.	NIL	N.A.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

N.A.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year.

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
		NIL

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has a separate Code of Conduct for Board of Directors and Senior Management Personnel of the Company which provides that Directors and Senior Management shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgement.

A declaration from the Directors and Senior Management's affirmation to the said Code of Conduct is communicated to all stakeholders by the MD, through the Annual Report.

In addition, the Company has adopted a 'Policy on Related Party Transactions' to ensure compliance of the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 at the time of entering into any transaction with its related parties.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current financial year	Previous financial year	Details of improvements in environmental and social impacts
R&D			The Company operates in the financial services sector therefore this aspect doesn't relate to the nature of the business. However, the Company monitors its energy consumption, and waste generation as a part of its sustainability roadmap.
Capex			

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

The Company's present nature of business doesn't present opportunities for sustainable sourcing aspect in a holistic way.

b. If yes, what percentage of inputs were sourced sustainably?

N.A.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

N.A.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

The Company operates in a financial services sector therefore this aspect doesn't relate to the nature of the business.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
No					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
	Not Applicable	

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25	FY 2023-24
As stated, the Company provides financial services to its customers and does not manufacture any products, hence this aspect does not relate to the nature of business of the Company.		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024-25			FY 2023-24		
	Re-used	Recycled	Safely Deposited	Re-used	Recycled	Safely Deposited
Plastics (including packaging)	N.A.					
E-waste	N.A.					
Hazardous waste	N.A.					
Other Waste	N.A.					

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category	
	N.A.	

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
	Total (B)	% (B/A)	Total (C)	% (C/A)	Total (D)	% (D/A)	Total (E)	% (E/A)	Total (F)	% (F/A)	
Permanent Employees											
Male	530	530	100	--	--	NA	NA	530	86.46	N.A.	N.A.
Female	83	83	100	--	--	83	13.54	NA	N.A.	N.A.	N.A.
Total	613	613	100	--	--	83	13.54	530	86.46	N.A.	N.A.
Other than Permanent Employees – Nil											
Male	--	--	--	--	--	--	--	--	--	--	--
Female	--	--	--	--	--	--	--	--	--	--	--
Total	--	--	--	--	--	--	--	--	--	--	--

b. Details of measures for the well-being of workers: N.A.

Category	% of workers covered by									
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)
Permanent Workers										
Male										N.A.
Female										
Total										
Other than Permanent Workers										
Male										N.A.
Female										
Total										

2. Details of retirement benefits, for Current FY and Previous and Financial Year.

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	-	Y	100%	-	Y
Gratuity	100%	-	N.A.	100%	-	N.A.
ESI	100%	-	Y	100%	-	Y
Others – please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. As a principle, the Company prohibits any kind of discrimination against any person with disability in any matter related to employment as per the Right of Person with Disabilities Act, 2016. Our various corporate offices have ramps for easy movement of differently abled people and wheelchair accessible restrooms are available.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

We prohibit discrimination against any person with disability in any matter related to employment. We further provide remuneration and equal opportunities at the time of recruitment as well as during employment irrespective of age, sex, color, caste, disability, marital status, ethnic origin, race, religion, sexual orientation, disease (viz. HIV/Aids) or any other status of individuals, thereby presenting an opportunity to excel and grow best suited to the individual's suitability and ability to perform the related work.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	100%		N.A.
Female	100%	100%		
Total	100%	100%		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	N.A.
Other than Permanent Workers	
Permanent Employees	Redresses grievances through following mechanism:
Other than Permanent Employees	A. Employee portal B. Internal Complaints Committee for 'Prevention of sexual harassment of women at workplace'

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25			FY 2023-24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	--	--	--	--	--	--
- Male	--	--	--	--	--	--
- Female	--	--	--	--	--	--
Total Permanent Workers	N.A.					
- Male						
- Female						

8. Details of training given to employees and workers:

Category	FY 2024-25				FY 2023-24					
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	531	531	100	531	100	493	493	100	493	100
Female	85	85	100	85	100	80	80	100	80	100
Total	616	616	100	616	100	573	573	100	573	100
Workers										
Male	N.A.									
Female										
Total										

All the employees have access to relevant learning and development opportunities. The learning needs are identified by a combination of self, manager and department head and classified under functional, behavioural and organizational needs in their KRAs.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	531	531	100	493	493	100
Female	85	85	100	80	80	100
Total	616	616	100	573	573	100
Workers						
Male	N.A.					
Female						
Total						

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Organisation comprehends that occupational health & safety and overall physical & mental well-being of its employees is integral part to its success and growth aspirations. The Company ensures occupational health & safety awareness and build competency among associates at all levels to handle individual and team occupational health and safety responsibility, through organising appropriate trainings such as Yoga Sessions, training on strengthening of mental, social and emotional health, online training on food safety and personal hygiene, and so on.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company ensures occupational health and safety awareness and build competency among associates at all levels to handle individual and team occupational health and safety responsibility, through organising appropriate trainings such as Yoga Sessions, training on strengthening of mental, social and emotional health, online training on food safety and personal hygiene, and so on

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) - Not Applicable

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) - Yes

11. Details of safety related incidents, in the following format: NIL

Safety Incident/ Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	--	--
	Workers	--	--
Total recordable work-related injuries	Employees	--	--
	Workers	--	--
No. of fatalities	Employees	--	--
	Workers	--	--
High consequence work-related injury or ill-health (excluding fatalities)	Employees	--	--
	Workers	--	--

12. Describe the measures taken by the entity to ensure a safe and healthy work place. - Please refer 10(a) above

13. Number of Complaints on the following made by employees and workers: NIL

Category	FY 2024-25		FY 2023-24			
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	--	--	--	--	--	--
Health & Safety	--	--	--	--	--	--

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	We aim to respect the employees' dignity while maintaining a safe, hygienic, and humane work environment. Internal inspections are conducted on a regular basis to evaluate the working conditions and many areas of health and safety procedures in our offices.	
Working Conditions		

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions. NA

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of
 - (A) Employees (Y/N) Y
 - (B) Workers (Y/N) NA
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

All the value chain partners abide with their respective contracts wherein it is clearly provided that they will be responsible for compliance with applicable laws such as GST, Provident Fund, Labour Law or any other applicable law including registration/approval from statutory authority. Further, the Company has a system in place to check the statutory dues deducted and deposited through the challans submitted along with the bills by value chain partners.
- Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment: NIL

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	-	-	-	-
Workers	-	-	-	-

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes / No) - No
- Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	We expect all our value chain partners to follow extant regulations, including health and safety practices and working conditions.
Working Conditions	

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. N.A.

PRINCIPLE 4
Businesses should respect the interests of and be responsive to all its stakeholders Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity.

The Company has identified institutions, individuals or a group of individuals furthering the mission of the Company as its key stakeholder groups and it includes employees, shareholders including prospective investors, customers, lenders, and the society.
- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Multiple channels - physical and digital	Weekly	Employee Engagement
Shareholder	No	Multiple channels - physical and digital such as press releases, disclosure on stock exchanges etc.	Periodic and need based	To inform about the performance, major developments and other relevant updates regarding the Company
Customer	No	Multiple channels - physical and digital.	Periodic and need based	Servicing across the lifecycle of the customer, redressal to queries / grievances, periodic communication to provide relevant update.

Leadership Indicators

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company ensures transparent communication and access to relevant information about its decisions that impact relevant stakeholders, keeping in mind the need to protect confidential competitive plans and information.

Engagement with stakeholders is a continuous process, as a part of the Company's business activities. Such engagement is generally driven by the responsible business functions, with senior executives also participating based on the need of the engagement.
- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Continuous engagement with stakeholders helps in aligning expectations, thereby enabling the Company to better serve its stakeholders.

The Company personnel interact with various stakeholders to understand the involvement and relevance of ESG topics, their impact, and expectations from the Company. Based on such interactions, the Company has, over last few years, enhanced its reporting on business responsibility. The Company believes that it is still learning the evolving aspects of ESG and lays significant importance to such interactions.
- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company through their CSR policies have taken up various initiatives and activities for the benefit of different segments of the society, with focus on the marginalised, poor, needy, deprived and underprivileged persons.

PRINCIPLE 5
Businesses should respect and promote human rights Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25		FY 2023-24			
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	--	--	--	--	--	--
Other than Permanent	--	--	--	--	--	--
Total Employees	--	--	--	--	--	--
Workers						
Permanent	N.A.					
Other than Permanent	N.A.					
Total Workers	N.A.					

Every employee in the organisation must adhere to the commitment of integrity and ensure following the principles of mutual respect, privacy, equal opportunities and non-discrimination, health, safety and environment, prevention of sexual harassment.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25				FY 2023-24					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	530	0	530	100	487	0	487	100		
Female	83	0	83	100	77	0	77	100		
Other than Permanent										
Male	3	0	3	100	6	0	6	100		
Female	2	0	2	100	3	0	3	100		
Workers										
Permanent	N.A.									
Male										
Female										
Other than Permanent										
Male										
Female										

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	1	2,00,00,000	-	-
Key Managerial Personnel	4	71,75,000	-	-
Employees other than BoD and KMP	526	4,50,190	83	4,15,356
Workers	-	-	-	-

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) - Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

- The Company remains firmly committed to providing equal employment opportunities and fostering an inclusive workplace. We do not discriminate on the basis of disability, gender, caste, religion, race, ethnicity, place of origin, or colour. Our workplace promotes fairness, respect, and dignity for all employees. We are equally dedicated to maintaining a work environment that is free from any form of harassment or bias.
- The Company ensures strict compliance with the provisions of the Minimum Wages Act, 1971. Minimum wages for employees and contractual staff are reviewed and revised periodically in accordance with applicable laws. Salaries across all employee categories fully adhere to the norms and requirements prescribed under the Act.
- The Company maintains a zero-tolerance policy towards sexual harassment at the workplace, ensuring a safe and respectful work environment across all its offices and operational locations. In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Internal Complaints Committees (ICCs) have been duly constituted to address and redress any complaints related to sexual harassment in a timely and effective manner.
- The Company has implemented a comprehensive Whistle Blower Policy that encourages employees to report concerns related to unethical behavior, misuse or abuse of authority, fraud or suspected fraud, violation of Company policies, or any conduct that may adversely impact the interest of the Company. The policy includes robust safeguards to ensure the confidentiality of the whistleblower and protect against any form of retaliation.

6. Number of Complaints on the following made by employees and workers: Nil

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	--	--	--	--	--	--
Discrimination at workplace	--	--	--	--	--	--
Child Labour	--	--	--	--	--	--
Forced Labour/Involuntary Labour	--	--	--	--	--	--
Wages	--	--	--	--	--	--
Other human rights related issues	--	--	--	--	--	--

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases. - As detailed in the respective policies

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No) - Yes

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	We are in compliance of the relevant laws, as applicable
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. N.A

Leadership Indicators

- Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints. - There have been no significant human rights grievances / complaints warranting modification / introduction of business processes.
- Details of the scope and coverage of any Human rights due-diligence conducted. – N.A.
- Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? - Yes
- Details on assessment of value chain partners.

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	We strive to influence our value chain partners to adhere to the same values, principles and business ethics upheld by us in all their dealings. No specific assessment in respect of value chain partners has been carried out, other than certain elements covered in annual review of processes and controls of select sample of value chain partners by the Company
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. N.A.

PRINCIPLE 6:

Businesses should respect and make efforts to protect and restore the environment Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format: -The Company operates in the financial service sector and do not undertakes any energy intensive activities, therefore, this aspect doesn't relate to the nature of business.

Parameter	FY 2024-25	FY 2023-24
Total electricity consumption (A)	--	--
Total fuel consumption (B)	--	--
Energy consumption through other sources (C)	--	--
Total energy consumption (A+B+C)	--	--
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	--	--
Energy intensity (optional) – the relevant metric may be selected by the entity	--	--

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) - the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. Not Applicable

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx			N.A.
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others - please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		The Company is a service-oriented company and is in the business of providing finance and has a very limited environmental impact in terms of greenhouse gas emissions. Our focus on environmental indicators is passive.
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.
No

8. Provide details related to waste management by the entity, in the following format: The Company is a service-oriented company and is in the business of providing finance and has a very limited waste generation. Efforts have been made to keep the waste generation to minimum levels.

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)		
E-waste (B)		
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)		
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Total (A+B + C + D + E + F + G + H)		

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2024-25	FY 2023-24
(i) Recycled	--	--
(ii) Re-used	--	--
(iii) Other recovery operations	--	--
Total		

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2024-25	FY 2023-24
(i) Incineration	--	--
(ii) Landfilling	--	--
(iii) Other disposal operations	--	--
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Given the nature of the business, there is no usage of hazardous and toxic chemicals by the Company and the Company has systems in place to manage and dispose of e-waste.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
			Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
			Not Applicable		

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The Company is in compliance with applicable environmental norms applicable to the nature of its business.				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format: - The Company operates in the financial service sector and do not undertakes any energy intensive activities, therefore, this aspect doesn't relate to the nature of business.

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A)	--	--
Total fuel consumption (B)	--	--
Energy consumption through other sources (C)	--	--
Total energy consumed from renewable sources (A+B+C)		
From non-renewable sources		
Total electricity consumption (D)	--	--
Total fuel consumption (E)	--	--
Energy consumption through other sources (F)	--	--
Total energy consumed from non-renewable sources (D+E+F)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged:

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): N.A.

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	--	--
(ii) Groundwater	--	--
(iii) Third party water	--	--
(iv) Seawater / desalinated water	--	--
(v) Others	--	--
Total volume of water withdrawal (in kilolitres)	--	--
Total volume of water consumption (in kilolitres)	--	--
Water intensity per rupee of turnover (Water consumed / turnover)	--	--
Water intensity (optional) – the relevant metric may be selected by the entity	--	--
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	--	--
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(ii) Into Groundwater	--	--
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(iii) Into Seawater	--	--
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(iv) Sent to third-parties	--	--
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(v) Others	--	--
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
Total water discharged (in kilolitres)	--	--

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent		N.A.
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
		N.A.	

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.
Yes. The Company has Business Continuity Plan (BCP) Policy in place to have a planned response in the event of any contingency ensuring recovery of critical activities at agreed levels within agreed timeframe thereby complying with various regulatory requirements and minimizing the potential business impact to the Company. BCP Policy is compliant with applicable regulatory requirements and includes disaster management protocols. BCP Policy provides for a Business Continuity Management (BCM) activities for planning, implementing, verifying, reviewing and evaluating continuity.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.
Company's operations as a financial services company does not present any significant adverse impact to the environment.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
NIL

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent N.A.

Essential Indicators

- a. Number of affiliations with trade and industry chambers/ associations.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.		

3. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
					NIL

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
						Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.
In our projects, CSR team play a crucial role in fostering dialogue among stakeholders — including beneficiaries, local leaders, and local authorities — to effectively address and resolve the issues.
Our grievance redressal process involves the following steps:

1. Quarterly review meetings: We organize regular meetings with all stakeholders to maintain open lines of communication.
2. Community discussions: During these meetings, we engage with groups such as Mohalla Committees, Self Help Groups, School Development Committees, and Village Development Committees to discuss concerns and gather feedback.
3. Joint analysis and solution-finding: Together with stakeholders, we analyse the underlying issues, explore possible alternatives, evaluate their pros and cons, and determine the most appropriate course of action. If conflicts exist within or between community groups, we encourage them to negotiate and resolve matters collaboratively.
4. Internal resolution: If the issue pertains to our project team, we conduct an internal review and ensure timely implementation of suitable solutions.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers		Not Applicable since we are not involved in manufacturing of goods and sourcing of goods is not a part of our core activities.
Sourced directly from within the district and neighbouring districts		

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
	Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
			NIL

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) No
(b) From which marginalized /vulnerable groups do you procure? N.A.
(c) What percentage of total procurement (by value) does it constitute? N.A.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
				Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Rural Development- Street light	4000	90
2	Rural Development- Solar Panels in Schools	254	100
3	Health Check-up & Cancer Screening	930	85
4	Livelihood- SHG & Enterprise	33	100
5	Environment- Tree plantation	4000	90

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

As per the Grievance Redressal Policy of the Company, the mechanisms for Redressal of the Complaints are as below:

- The Customers are advised to file the Complaint by furnishing complete details of the same to the Company.
- Upon receipt of the Complaint by the Company, the acknowledgement along with a complaint identification number and the details of the designated officer, who will be dealing with the Complaint, shall be provided to the Customer within 3 (Three) working days from the date of receipt of such Complaint.
- The Company shall provide the necessary clarification / justification with respect to the Complaint, to the satisfaction of the Customer and take all appropriate measures to resolve the Complaint within 30 (Thirty) working days from the date of receipt of such Complaint.
- In case any additional time is required for resolution of the Complaint, the Company shall inform the Customer about the requirement of such additional time along with the expected timelines for the resolution of such Complaint.
- The Chief Executive Officer and the Head of Operations of the Company shall ensure that all Complaints filed by the Customers are resolved within the stipulated time frame.
- A record of all Complaints filed by the Customers and the response or resolution provided by the Company shall be maintained by the Company as per the Company's policy formulated for document preservation and archival.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

		As a percentage to total turnover
Environmental and social parameters relevant to the product		Transparency and fairness in dealings with customers is followed by the Company. None of the products withhold any relevant information needed by the customers to make informed decisions.
Safe and responsible usage		
Recycling and/or safe disposal		

3. Number of consumers complaints in respect of the following:

	FY 2024-25			FY 2023-24		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Others	100	0	-	157	0	-

4. Details of instances of product recalls on account of safety issues: N.A.

	Number	Reason for recall
Voluntary recalls		
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company have in place Data Security and Cyber Security Policies to ensure the Confidentiality, Integrity, availability and authenticity of data belonging to the Company and to prevent, detect and respond to cyber-attacks, protect critical assets which have been impacted, build a knowledgebase of the attacks and continuously improve protection against new and emerging threats.

Web-link: <https://www.capitalindia.com/privacy-policy>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No penalties or regulatory action has been levied or taken on the above-mentioned parameters.

Leadership Indicators

- Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
<https://www.capitalindia.com/>
- Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
 Emailer and/or SMS
- Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
 Not Applicable
- Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)
 Not Applicable

5. Provide the following information relating to data breaches:

- Number of instances of data breaches along-with impact - NIL
- Percentage of data breaches involving personally identifiable information of customers - Not Applicable

Independent Auditor's Report

To
 The Members of
Capital India Finance Limited

Report on the Audit of Standalone Financial Statements

1. Opinion

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

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

2. Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as 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 Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute

of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on Standalone Financial Statements.

3. Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 Standalone 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 Standalone 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 Standalone Financial Statements.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	<p>Expected Credit Loss (ECL) on Loans and Advances</p> <p>As at March 31, 2025, the carrying value of loan assets measured at amortized cost, aggregated Rs.91,215.64 Lakhs (net of allowance of ECL of Rs. 1,916.13 Lakhs) constituting approximately 67% of the Company's total assets.</p> <p>The estimation of ECL on financial instruments involves significant judgement and estimates. As part of our risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.</p> <p>The elements of estimating ECL which involved increased level of audit focus are the following:</p> <ul style="list-style-type: none"> a) Data inputs - The application of ECL model requires several data inputs. b) Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. c) Qualitative and quantitative factors used in staging the loan assets measured at amortized cost. d) Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them. e) Adjustments to model driven ECL results to address emerging trends. <p>Refer Note 6 of the Standalone Financial Statements.</p>	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> • We read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the board of directors pursuant to Reserve Bank of India ("RBI") guidelines issued on March 13, 2020. • Tested the assumptions used for staging of loan portfolio into various categories and default buckets for determining the Probability of Default (PD) and Loss Given Default (LGD) rates. • Assessed the criteria for staging of loans based on their past-due status. Tested samples of performing (Stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 as per Ind AS 109. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.
2.	<p>Information technology (IT) systems used in financial reporting process.</p> <p>The Company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily.</p> <p>We therefore identified IT systems and controls over financial reporting as a key audit matter for the Company.</p>	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Company's IT control environment relevant to the audit. • We tested the design, implementation and operating effectiveness of the Company's General IT controls over the key IT systems which are critical to financial reporting. • We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements. • In addition to above, we have also relied on the work of the internal auditors and system auditors.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
3.	Investment in Subsidiaries <p>The Company has equity investments in subsidiaries. The Company accounts for such investments at cost (subject to impairment assessment). The carrying value of investments is assessed for impairment and where applicable, impairment provision is recognized. The accounting for investments is a key audit matter as the determination of recoverable value for impairment assessment involves significant management judgment and estimates such as future expected level of operations and related forecast of cash flows, market conditions, discount rates, terminal growth rate, etc. Refer Note 7 of the Standalone financial statements.</p>	Principal Audit Procedures: <ul style="list-style-type: none"> • We understood the management's process of evaluating the triggers for impairment, forecasting the future cash flows, evaluation of assumptions and comparison of estimates to externally available industry, economic and financial data, wherever available and necessary. • We assessed that the methodology used by management to estimate the recoverable value of each investment is consistent with accounting standards. • We assessed the assumptions used by the management to determine the recoverable amount of the investment in subsidiaries. • We compared the carrying values of the Company's investment in these subsidiaries to their respective financial statements which were available with their respective net asset values and fair values and discussed with management about their performance and future outlook.
4.	Information other than the Financial Statements and Auditor's report thereon <p>The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Financial Statements, Standalone Financial Statements, and our auditor's report thereon.</p> <p>Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.</p> <p>In connection with our audit of the Standalone 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.</p> <p>We have nothing to report in this regard.</p>	<p>of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.</p> <p>This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p> <p>In preparing the Standalone Financial Statements, Company's Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.</p> <p>The Board of Directors are also responsible for overseeing the Company's financial reporting process.</p>
5.	Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements <p>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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133</p>	<p>6. Auditors' Responsibilities for the Audit of the Standalone Financial Statements</p> <p>Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high</p>

level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing (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 Standalone Financial Statements.

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

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

Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Standalone Financial Statements for the 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.

7. Report on Other Legal and Regulatory Requirements

- i. 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.
- ii. As required by section 143 (3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- c. The Standalone Balance Sheet, Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e. On the basis of written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to the Standalone Financial Statements of the Company and the operating effectiveness of such controls, we request you to refer to our separate Report in "Annexure B" to this report.
- g. With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion, and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance of 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 does not have any pending litigations as at 31 March 2025 on its financial position in its standalone financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were 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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Note 50 (a)] to Standalone 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 50 (b)] to Standalone Financial Statements; and
- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 30 to the Standalone Financial Statements, the Board of Directors of the Company has proposed final dividend

for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which include test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail

(edit log) facility and same has operated for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Further audit trail has been preserved by the company as per the statutory requirements for record retention and during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For V. Sankar Aiyar & Co.,
Chartered Accountants
Firm Registration No.: 109208W

S. Nagabushanam
Partner
Membership No. 107022
UDIN: 25107022BMLYSB3418

Place: Mumbai
Date: May 14, 2025

Annexure A to the Independent Auditors' Report of even date on the Standalone Financial Statements of Capital India Finance Limited
Referred to in paragraph [7(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

According to 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:

- (i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-of-use Assets.
- B) The Company has maintained proper records showing full particulars including quantitative details and situation of Intangible Assets.
- b) As per information and explanations given to us the Property, Plant and Equipment have been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the operations of the Company and on the basis of explanations received no material discrepancies were noticed during the verification.
- c) According to the information and explanations given to us the Company does not have any immovable property.
- d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets during the year.
- e) According to the information and explanations given to us, no proceedings have been initiated or is pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) The Company is primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus paragraph 3(ii)(a) of the Order is not applicable to the Company.
- b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Basis the information and explanation provided to us and basis our audit procedures undertaken, we have not come across any difference between the information submitted in the quarterly returns / statements filed by the company with such banks or financial institutions when compared with the books of account and other relevant information provided by the Company.

(iii) a) The Company is primarily engaged in lending activities and hence reporting under paragraph 3(iii) (a) of the Order is not applicable to the Company.

b) Considering that the Company is a Non – Banking Finance Company, the investments made, security given, guarantees provided and the terms and conditions of the grant of all loans and advances in the nature of loans are not *prima facie* prejudicial to the Company's interest.

c) In respect of the loans given and advances in the nature of loans, the Company has stipulated the schedule of repayment of principal and payment of interest. However, given the nature of business of the Company being a Non – Banking Finance Company, there are some cases during the year and as at March 31, 2025 wherein the amounts were overdue vis-à-vis stipulated terms.

d) In respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount for more than ninety days (including NPAs) as at the Balance Sheet date except for the following cases as on March 31, 2025:

(INR In Lakhs)			
Number of Cases	Principal Amount Overdue	Interest Amount Overdue	Total Amount Dues
441	1680.15	279.29	1959.44

Further, basis discussions with the management and representation given by the management, we understand that the reasonable steps have been taken by the Company for recovery of the principal and interest.

e) The Company is engaged primarily in lending activities and hence reporting under paragraph 3(iii) (e) of the Order is not applicable to the Company.

f) Basis the information and explanations provided to us, we did not come across loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Thus, reporting under paragraph 3(iii)(f) of the Order is not applicable to the Company.

(iv) Section 185 is not applicable to Non – Banking Finance Company. According to the information and explanations given to us, the Company has complied with Section 186 of the Act.

(v) According to the information and explanation given to us, the Company being NBFC ND-SI registered with RBI, has not accepted any deposit during the year. Therefore, reporting under paragraph 3 (v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act for the business activities carried out by the Company. Thus, reporting under paragraph 3(vi) of the Order is not applicable to the Company.

(vii) In respect of Statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and value added tax.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the basis of our examination of the records, there are no dues of provident fund, employees' state insurance, Income Tax and goods and services tax that have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.

b) Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

c) According to the information and explanations given to us and to the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application of proceeds.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis do not seem to have been used during the year for long-term purposes.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of subsidiaries and associates.

f) According to the information and explanation given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and associates.

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

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

(xi) a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and according to the information and explanations given by the management, there have been no instances of fraud on or by the Company.

b) According to the information and explanations given to us and to the best of our knowledge, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) According to the information and explanations given to us the Company has not received any whistle blower complaints during the year.

(xii) The Company is not a nidhi company and hence reporting under paragraph 3 (xii)(a) to (c) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable accounting standards.

(xiv) 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 taken into consideration, the internal audit reports for the period under audit issued to the Company till the date while determining the nature, timing and extent of audit procedures.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act. Thus, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) a) According to the information and explanation given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India (RBI) Act, 1934 as Authorized Dealer II and the registration has been obtained.

b) The Company is a registered Non Banking Finance Company and holds a valid Certificate of Registration (CoR) from the Reserve Bank of India and hence reporting under paragraph 3(xvi)(b) of the Order is not applicable to the Company.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable.

d) According to the information and explanations given to us, there is one CIC in the Group, Capital India Corp Private Limited ("CICPL"), which is registered with the Reserve Bank of India.

(xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

Place: Mumbai
Date: May 14, 2025

(xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause (xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and 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, 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 that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount on account of ongoing projects or other than ongoing projects for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of sub-section (6) of section 135 of the Act.

(b) According to the information and explanations given to us, no amount is remaining unspent under sub-section (5) of section 135 of the Act, pursuant to any ongoing project, which is required to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the Act.

For **V. Sankar Aiyar & Co.,**
 Chartered Accountants
 Firm Registration No.: 109208W

S. Nagabushanam
 Partner
 Membership No. 107022
 UDIN: 25107022BMLYSB3418

Annexure B to the Independent Auditors' Report of even date on the Standalone Financial Statements of Capital India Finance Limited
Referred to in paragraph [7(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date
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 with reference to the Standalone Financial Statements of Capital India Finance Limited ("the Company") as at March 31, 2025 in conjunction with our audit of the Standalone 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 (the "Guidance Note") 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025 based on the criteria for internal financial control over financial reporting 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India.

For **V. Sankar Aiyar & Co.,**
 Chartered Accountants
 Firm Registration No.: 109208W

S. Nagabushanam
 Partner
 Membership No. 107022
 UDIN: 25107022BMLYSB3418

Place: Mumbai
Date: May 14, 2025

Standalone Balance Sheet

as at 31st March, 2025

(Currency: INR In Lakhs)

Sr. No.	Particulars	Note No.	As at 31 st March, 2025	As at 31 st March, 2024
ASSETS				
1 Financial Assets				
a	Cash & cash equivalents	3	10,093.24	8,311.68
b	Bank balances other than Cash & cash equivalents	4	5,954.93	6,446.25
c	Receivables	5		
(i)	Trade Receivables		1,004.47	663.98
(ii)	Other Receivables		7.01	15.52
d	Loans	6	89,883.79	85,705.69
e	Investments	7	23,013.15	17,643.51
f	Other financial assets	8	2,231.65	1,367.59
2 Non-financial Assets				
a	Current tax assets(Net)	9	44.85	16.35
b	Deferred tax asset (Net)	10	706.66	661.77
c	Property, plant and equipment	11	959.11	1,157.51
d	Capital work in progress	11A	-	30.17
e	Intangible asset under development	11B	-	24.00
f	Other Intangible assets	11C	56.15	19.87
g	Right of use assets	11D	1,177.55	869.19
h	Other non-financial assets	12	1,536.67	1,412.68
Total Assets			1,36,669.23	1,24,345.76
LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial Liabilities				
a	Payables	13		
I	Trade Payables			
(i)	Total outstanding dues of micro and small enterprises		-	-
(ii)	Total outstanding dues of other than micro and small enterprises		963.55	1,024.66
II	Other Payables			
(i)	Total outstanding dues of micro and small enterprises		-	-
(ii)	Total outstanding dues of other than micro and small enterprises		30.30	70.77
b	Borrowings (Other than Debt Securities)	14	65,940.20	56,662.88
c	Other financial liabilities	15	5,333.72	3,890.91
d	Lease liabilities	38	1,331.73	1,023.76
2 Non-Financial Liabilities				
a	Provisions	16	682.56	724.55
b	Other non-financial liabilities	17	233.60	294.05
3 EQUITY				
a	Equity share capital	18	7,782.64	7,773.43
b	Other equity	19	54,370.93	52,880.75
Total Liabilities and Equity			1,36,669.23	1,24,345.76

Corporate Information

1

Material accounting policies

2

Notes 3 to 52 forms integral part of the Standalone Financial Statements

In terms of our report attached

For V. SANKAR AIYAR & Co.

Chartered Accountants

Firm Registration No.: 109208W

For and on behalf of the board

Capital India Finance Limited

S. Nagabushanam

Partner

Membership No. : 107022

Place: Mumbai

Vinod Somani

Non-Executive Chairman (Independent)
DIN : 00327231

Place: Delhi

Keshav Porwal

Managing Director
DIN : 06706341
Place: Mumbai

Pinank Jayant Shah

Chief Executive Officer
Place: Mumbai

Date: 14th May, 2025

Date: 14th May, 2025

Standalone Statement of Profit and Loss

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Sr. No.	Particulars	Note No.	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Revenue from operations :				
i Interest income				
ii Fees and commission income		20	14,493.36	13,940.75
iii Income from foreign exchange services			1,377.39	1,402.90
iv Net gain on fair value changes		21	1,225.27	2,977.20
v Net gain / (Loss) on derecognition of financial instruments under amortized cost category			484.99	356.94
(I) Total revenue from operations			18,322.01	19,212.36
(II) Other income			22	123.31
(III) Total income (I+II)				18,445.32
Expenses :				
i Finance costs		23	7,121.44	7,155.12
ii Impairment of financial instruments		24	404.25	167.25
iii Employee benefits expenses		25	6,420.68	6,030.14
iv Depreciation and amortization expenses		11,11C & 11D	933.39	909.48
v Other expenses		26	2,277.26	2,459.79
(IV) Total expenses				17,157.02
(V) Profit before exceptional items and tax (III-IV)				1,288.30
(VI) Exceptional items				-
(VII) Profit before tax (V-VI)				1,288.30
(VIII) Tax Expense:				
Current Tax			353.73	737.00
Deferred Tax(Credit)		10	(47.80)	(2.71)
Excess/ Short provision of tax of earlier years			(195.73)	-
(IX) Profit for the year (VII-VIII)				1,178.10
(X) Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
i Re-measurement of net defined benefit plan			11.56	(54.78)
ii Income tax impact on above		10	(2.91)	13.79
Total Other Comprehensive Income				8.65
(XI) Total Comprehensive Income for the year (IX+X)				(40.99)
(XII) Earnings per equity share (face value of INR 2 each)			28	
i Basic (INR)			0.30	0.52
ii Diluted (INR)			0.29	0.51

Corporate Information

1

Material accounting policies

2

Notes 3 to 52 forms integral part of the Standalone Financial Statements

In terms of our report attached

For V. SANKAR AIYAR & Co.

Chartered Accountants

Firm Registration No.: 109208W

For and on behalf of the board

Capital India Finance Limited

S. Nagabushanam

Partner
Membership No. : 107022
Place: Mumbai

Vinod Somani

Non-Executive Chairman (Independent)
DIN : 00327231
Place: Delhi

Keshav Porwal

Managing Director
DIN : 06706341
Place: Mumbai

Pinank Jayant Shah

Chief Executive Officer
Place: Mumbai

Date: 14th May, 2025

Date: 14th May, 2025

Standalone Statement of Cash Flow

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before exceptional items and taxes	1,288.30	2,744.56
Adjustments for:		
Depreciation and amortisation expenses	933.39	909.47
Provision for employee benefits	42.60	74.97
Share based payments to employees	324.04	220.37
Interest on lease liability	158.62	108.87
Interest income on lease rental deposits	(24.12)	(14.83)
Impairment on financial instruments	404.25	167.25
(Profit) / Loss on sale of property plant & equipment	52.97	(19.70)
(Gain)/Loss on direct assignment transactions	(741.00)	(534.57)
Net gain on fair value changes	(484.99)	(356.94)
Interest on income tax refund	-	(37.19)
Finance cost	6,962.82	7,046.25
Operating profit before working capital changes	8,916.88	10,308.51
Changes in -		
(Increase) / Decrease in loans and advances	(4,582.35)	3,369.37
(Increase) / Decrease in trade and other receivables	(331.98)	(280.34)
(Increase) / Decrease in other financial assets	(98.94)	(92.87)
(Increase) / Decrease in other non-financial assets	(131.64)	(249.72)
Increase / (Decrease) in trade payables	(101.58)	254.71
Increase / (Decrease) in other financial liabilities	1,442.81	1,710.90
Increase / (Decrease) in other non-financial liabilities	(60.45)	120.61
Increase / (Decrease) in provision	(75.94)	(169.53)
Cash generated from/ (used in) operations	4,976.81	14,971.64
Income tax paid	(183.59)	(113.64)
Net cash generated from/ (used in) operating activities (A)	4,793.22	14,858.00
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and Intangible assets	(278.31)	(455.09)
Proceeds from sale of property, plant and equipment	10.20	20.27
Investment in Subsidiary Company	-	(1,000.00)
(Investment)/ Redemption in Mutual Fund	(4,884.65)	4,784.07
(Investment)/ Maturity in Fixed Deposits	491.32	(2,520.78)
Net cash generated from/ (used in) investing activities (B)	(4,661.44)	828.47
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of equity shares	66.33	-
Payment of dividend	(77.73)	(77.73)
Payment of lease rent	(653.32)	(649.63)
Proceeds from borrowings	40,000.00	23,848.11
Repayment of borrowings	(30,722.68)	(31,049.76)
Interest payment on borrowings	(6,962.82)	(7,046.25)
Net cash generated from/ (used in) financing activities (C)	1,649.78	(14,975.26)
D) Net increase in cash and cash equivalents (A+B+C)	1,781.56	711.21
E) Cash and cash equivalents as at the beginning of the year	8,311.68	7,600.47
F) Cash and cash equivalents as at the end of the year	10,093.24	8,311.68

Standalone Statement of Cash Flow (Contd.)

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Cash and cash equivalents comprises:

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Cash in hand	30.81	22.07
Foreign currencies in hand	828.98	604.83
Balances with banks		
- in current accounts	2,224.46	7,684.78
- in deposit accounts	7,008.99	-
	10,093.24	8,311.68

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

Notes 3 to 52 forms integral part of the Standalone Financial Statements

In terms of our report attached

For V. SANKAR AIYAR & Co.

Chartered Accountants
Firm Registration No. : 109208W

S. Nagabushanam

Partner
Membership No. : 107022
Place: Mumbai

For and on behalf of the board

Capital India Finance Limited

Vinod Somani

Non-Executive Chairman (Independent)
DIN : 00327231
Place: Delhi

Keshav Porwal

Managing Director
DIN : 06706341
Place: Mumbai

Pinank Jayant Shah

Chief Executive Officer
Place: Mumbai

Vikas Srivastava

Chief Financial Officer
Place: Mumbai

Sulabh Kaushal

Chief Compliance Officer & Company Secretary
Place: Delhi

Date: 14th May, 2025

Date: 14th May, 2025

Standalone Statement of Changes in Equity

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

A Equity share capital

Particulars	Amount
Balance as at 01 April, 2023	7,773.43
Changes in equity share capital during the year	-
Balance as at 31st March, 2024	7,773.43
Changes in equity share capital during the year	9.21
Balance as at 31st March, 2025	7,782.64

B Other equity

Particulars	Employee stock option outstanding	Reserves and Surplus					Total
		Statutory reserve	Securities premium	General reserves	Retained earnings	Other comprehensive income	
Balance as at 01 April, 2023	116.69	1,830.69	42,119.40	1.76	6,620.97	79.32	50,768.83
Dividend On Equity Share	-	-	-	-	(77.73)	-	(77.73)
Transfer to/from retained earnings	-	402.05	-	-	(402.05)	-	-
Share based payment expenses	220.37	-	-	-	-	-	220.37
Transferred to retained earnings for options lapsed	(7.21)	-	-	-	7.21	-	-
Profit for the year after income tax	-	-	-	-	2,010.27	-	2,010.27
Share options exercised during the year	-	-	-	-	-	-	-
Securities premium on ESOP exercised during the year	-	-	-	-	-	-	-
Other Comprehensive Income for the year before income tax	-	-	-	-	-	(54.78)	(54.78)
Less: Income Tax on Other Comprehensive Income	-	-	-	-	-	13.79	13.79
Balance as at 31st March, 2024	329.85	2,232.74	42,119.40	1.76	8,158.67	38.33	52,880.75
Dividend On Equity Share	-	-	-	-	(77.73)	-	(77.73)
Transfer to/from retained earnings	-	235.62	-	-	(235.62)	-	-
Share based payment expenses	324.04	-	-	-	-	-	324.04
Transferred to retained earnings for options lapsed	(63.98)	-	-	-	63.98	-	-
Profit for the year after income tax	-	-	-	-	1,178.10	-	1,178.10
Share options exercised during the year	(7.99)	-	7.99	-	-	-	-
Securities premium on ESOP exercised during the year	-	-	57.12	-	-	-	57.12
Other Comprehensive Income for the year before income tax	-	-	-	-	-	11.56	11.56
Less: Income Tax on Other Comprehensive Income	-	-	-	-	-	(2.91)	(2.91)
Balance as at 31st March, 2025	581.92	2,468.36	42,184.51	1.76	9,087.40	46.98	54,370.93

In terms of our report attached

For V. SANKAR AIYAR & Co.
Chartered Accountants
Firm Registration No.: 109208W

S. Nagabushanam
Partner
Membership No.: 107022
Place: Mumbai

Date: 14th May, 2025

For and on behalf of the board
Capital India Finance Limited

Vinod Somani
Non-Executive Chairman (Independent)
DIN : 00327231
Place: Delhi

Vikas Srivastava
Chief Financial Officer
Place: Mumbai

Date: 14th May, 2025

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Sulabh Kaushal
Chief Compliance Officer & Company Secretary
Place: Delhi

Pinank Jayant Shah
Chief Executive Officer
Place: Mumbai

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

1 Corporate Information

Capital India Finance Limited ('the Company') is a public company domiciled in India and incorporated on 16th November 1994 under the provisions of Companies Act, 1956. The Company has received a Certificate of Registration (COR) number B-14.03278 dated 30th August 2017 from the Reserve Bank of India ('RBI') to carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits. The Company has been classified as a Non-Deposit Accepting NBFC-Middle Layer (NBFC-ML) in accordance with Reserve Bank of India ('RBI'), Act, 1934 and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. The Company is entitled to continue to hold the COR based on its asset/income pattern, which have been computed in terms of RBI Press Release 1998-99/1269 dated 8th April, 1999. The company is also engaged in the business of foreign exchange services as an Authorised Category II Dealer vide RBI license No. 15/2020 dated 1st September 2020 under the RBI/DNBR/2016-17/45 Master Direction DNBR. PD.008/03.10.119/2016-17. The Company has also been granted an authorization by RBI to undertake inward cross border money transfer activities in India under Money Transfer Service Scheme ("MTSS"). The equity shares of the Company are listed on the National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE") in India.

2 Material accounting Policies

2.1 Basis of Preparation of financial statements

A) Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and in addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations which require a different treatment. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

The Company has complied with the disclosures as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India (RBI) vide their Notification No. RBI/DoR/2023-24/106 DoR.FIN.REC. No.45/03.10.119/2023-24 dated October 19, 2023.

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Loss due to these regrouping / reclassifications.

The accounting policies are applied consistently to all the periods presented in the financial statements.

A summary of the material accounting policy information and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) as specified under Section 133 of the Act including applicable Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India.

B) Functional and presentation currency

The Company's presentation and functional currency is Indian Rupees. All figures appearing in the financial statements are in Indian rupees in lakh rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

C) Basis of preparation, presentation and disclosure of financial statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Further, Assets and liabilities are classified as per the normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act as applicable to NBFCs.

D) Fair value measurement

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognized in Statement of Profit and Loss on an appropriate basis over the life of the instrument but not later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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:

- **Level 1 - Valuation using quoted market price in active markets:** The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price, without any deduction for transaction costs. A market is regarded as active, if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- **Level 2 - Valuation using observable inputs:** If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates most of the factors that market participants would take into account in pricing a transaction.
- **Level 3 - Valuation with significant unobservable inputs:** The valuation techniques are used only when fair value cannot be determined by using observable inputs. The Company regularly reviews significant unobservable inputs and valuation adjustments. Level 3 assets are typically very illiquid, and fair values can only be calculated using estimates.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

E) Use of judgment and Estimates

The preparation of the financial statements requires the management to make judgments, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities and

the accompanying disclosures along with contingent liabilities as at the date of financial statements and revenue and expenses for the reporting period. 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 outcomes different from the estimates. Difference between actual results and estimates are recognized in the year in which the results are known or materialized, i.e., prospectively.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas involving estimation uncertainty, higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements include:

- i) Impairment of financial assets
- ii) Estimation of fair value measurement of financial assets and liabilities
- iii) Effective interest rate
- iv) Business model assessment
- v) Provisions and Contingencies
- vi) Useful life and expected residual value of assets
- vii) Tax position for current tax and recognition of deferred tax assets/liabilities
- viii) Measurement of Defined Benefit Obligations and actuarial assumptions
- ix) Classification of lease and related discount rate

2.2 Financial Instruments

a) Recognition and initial measurement –

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through profit and loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

Fair Value through profit and loss (FVTPL) are recognized immediately in Statement of Profit and Loss.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognized amounts and it is intended to either settle on net basis or to realize the asset and settle the liability simultaneously.

b) Classification and Subsequent measurement of financial assets –

On initial recognition, a financial asset is classified as measured at

- Amortized cost
- Fair Value through other comprehensive income (FVTOCI) – debt instruments
- Fair Value through other comprehensive income (FVTOCI) – equity instruments
- Fair Value through profit and loss (FVTPL)

Amortized cost - The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortized cost.

Fair Value through other comprehensive income - debt instruments - The Company measures its debt instruments at FVTOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

Fair Value through other comprehensive income - equity instruments - The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortized cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement of financial assets

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is recognized in Statement of Profit and Loss.

Debt investment at FVTOCI is subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in Statement of profit and loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

For equity investments, the Company makes selection on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These selected investments are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognized in Statement of Profit and Loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognized in Statement of Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of Profit and Loss.

c) 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 primarily derecognized when:

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and
- Either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

d) 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 Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

e) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

f) Impairment of financial instruments

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets measured at amortized cost or FVTOCI, except for investments in equity instruments. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition.

Stage 1 (Performing Assets) – includes financial assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL is recognized and interest income is calculated on the gross carrying amount of the assets (that is, without deduction for credit allowance). 12-month ECL are the portion of ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date, if the credit risk has not significantly increased since initial recognition.

Stage 2 (Underperforming Assets with significant increase in credit risk since initial recognition) – includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognized, but interest income is calculated on the gross carrying amount of the assets. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the instrument.

Stage 3 (Non-performing or Credit-impaired assets) – includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognized.

Measurement of Expected Credit Loss

Expected Credit Losses (ECL) on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. Measurement of expected credit losses are based on 3 main parameters.

Probability of default (PD): It is defined as the probability of whether borrowers will default on their obligations in future. Since the company don't have any history of past losses therefore it was not adequate enough to create our own internal model through which actual defaults for each grade could be estimated. Hence, the default study published by one of the recognized rating agency is used for estimating the PDs for each range grade.

Loss given default (LGD): It is the magnitude of the likely loss, if there is a default. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

- **Exposure at default (EAD):** EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

g) Write offs – The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off and when there is no reasonable expectation of recovery from the collaterals held. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

h) Presentation of allowance for ECL in the Balance Sheet

Loss allowances for ECL are presented in the statement of financial position as follows:

- For financial assets measured at amortized cost; as a deduction from the gross carrying amount of the assets;
- For debt instruments measured at FVTOCI; loss allowance is recognized separately in Balance Sheet and the carrying amount is at fair value.

i) Financial liabilities and equity instruments:

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 Group are recognized at the proceeds received, net of direct issues costs.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTOCI if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognized in Statement of Profit or Loss. Any gain or loss on derecognition is also recognized in Statement of Profit or Loss.

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

j) Foreign currency risk

The company entered into foreign currency transactions in the Foreign currency business. The currency risk arising out of foreign currency transactions in the foreign currency business is monitored by a central dealing room, which then hedges the positions transactions entered into at individual locations across the country, through deals in the interbank market, or through forward contracts, thereby ensuring that they are minimal open positions.

2.3 Cash and Cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, foreign currencies and notes, demand deposits with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than or equal to three months.

Other bank balances include balances and deposits with banks that are restricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

2.4 Statement of Cash Flow

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealized foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.5 Property, plant and equipment

a) Recognition and Measurement

Tangible property plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment comprise purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

The residual values and useful lives and method of depreciation of PPE are reviewed at each financial year end and adjusted prospectively.

b) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

c) Depreciation, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives as prescribed in Part C of Schedule II to the Companies Act 2013. The estimated

lives used and differences from the lives prescribed under Schedule II are noted in the table below:

Type of Assets	Estimated useful life as assessed by the Company	Estimated useful life under Schedule II of the Act
Computers	3 years	3 years
Software and system development	3 years	3 years
Office equipment	5 years	5 years
Motor cars	5 years	8 years
Furniture and fixtures	10 years	10 years
Leasehold improvements	Tenure of lease agreements	Tenure of lease agreements

Depreciation is provided on a pro-rata basis i.e. from the month in which asset is ready for use. Individual assets costing less than or equals to INR 5,000 are depreciated in full, in the year of purchase. Depreciation on assets sold during the year is recognized on a pro-rata basis in the Statement of Profit and Loss up to the date prior to the date by which the assets have been disposed off.

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

d) De-recognition

Property, plant and equipment are de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is recognised in other income/expense in the statement of profit and loss (including other comprehensive income) in the year the asset is de-recognised.

2.6 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/ duty credits availed, if any , less accumulated amortization and cumulative impairment. Direct expenses and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of intangible assets.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

The useful life of these intangible assets is estimated at 3 years with zero residual value.

Any expenses on such software for support and maintenance payable annually are charged to the Statement of Profit and Loss.

2.7 Impairment of non-financial assets

The carrying values of assets at each Balance Sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognized for such excess amount in Statement of Profit and Loss. Recoverable amount is the greater of the net selling price and value in use. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

2.8 Investment in subsidiaries

Subsidiaries are entities over which the company has control. The Company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Investment in subsidiaries are measured at cost less accumulated impairment, if any.

2.9 Provisions, contingent liabilities and contingent assets

Provisions are recognized only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognized as finance cost. A provision for onerous contracts is measured

at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognized in the financial statements

2.10 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on loan sanctioned and on investments partly paid; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.11 Foreign exchange transactions and translations

Initial recognition: Transactions in foreign currencies are recognized at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction date. On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e., Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

using the exchange rates at the date when the fair value is measured. When any non-monetary foreign currency item is recognised in Other Comprehensive Income, gain or loss on exchange fluctuation is also recorded in Other Comprehensive Income.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

2.12 Revenue recognition

Revenue (other than those items to which Ind AS 109 Financial Instruments is applicable) is measured based on the consideration specified in the contracts with the customers. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured

at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

a) Recognition of Interest income

Interest income on financial asset at amortized cost is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). Interest Income is recognized in the statement of Profit and Loss using effective interest rate (EIR) on all financial assets subsequently measured under amortized cost or fair value through other comprehensive income (FVTOCI) except for those classified as held for trading.

The calculation of EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognized in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e., at the amortized cost of the financial asset before adjusting for any expected credit loss allowance). For credit- impaired financial assets the interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets. For financial assets originated or purchased credit-impaired (POCI) the EIR reflects ECLs in determining the future cash flows expected to be received from the financial asset.

Interest income on penal interest and tax refunds is recognized on receipt basis.

Interest income on fixed deposit is recognized on time proportionate basis.

b) Fee and Commission income

Fee and commission income include fees other than those that are an integral part of EIR. Income from consultancy and commission is recognized on completion of relevant activity based on agreed terms of the contract.

c) Other financial charges

Cheque bouncing charges, late payment charges and foreclosure charges are recognized on a point-in-time basis, and are recorded when realized since the

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

probability of collecting such monies is established when the customer pays.

d) Income from securities

Gains or losses on the sale of securities are recognized in Statement of profit and loss on trade date basis as the difference between fair value of the consideration received and carrying amount of the investment securities.

e) Net gain/ Loss on fair value changes

Any differences between the fair values of the financial assets classified at fair value through the profit or loss, held by the Company on the Balance Sheet date is recognized as an unrealized gain/loss in the Statement of Profit and Loss. In cases there is a net gain in aggregate, the same is recognized in "Net gains on fair value changes" under income and if there is net loss in aggregate, the same is recognized in "Net loss on fair value changes" under expense in the Statement of Profit and Loss.

f) Dividend income

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

g) Income from Foreign Currency

It comprises of income arising from the buying and selling of foreign currencies on the net margins earned, commissions on sale of foreign currency denominated prepaid cards and agency commissions from on currency remittances. Revenue from financial services are recognized by reference to the time of services rendered.

h) Income from de-recognition of assets:

Gains arising out of de-recognition transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the transaction is entered into with the transferee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the transferee is recorded upfront in the statement of profit and loss. EIS is evaluated and adjusted for expected prepayment and other factors.

2.13 Employee benefits

Short term employee benefits

Employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Long Term employee benefits

Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Long-term employee benefit primarily consists of Leave encashment benefits wherein employees are entitled to accumulate leave subject to certain limits for future encashment/availment. Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year using Projected Unit Credit (PUC) Method. Actuarial gains/losses, if any, are recognized immediately in the Statement of Profit and Loss

Post-employment benefits

a) Defined contribution Plans

Provident fund: Contributions as required under the statute, made to the Provident Fund (Defined Contribution Plan) are recognized immediately in the Statement of Profit and Loss. There is no obligation other than the monthly contribution payable to the Regional Provident Fund Commissioner.

ESIC and Labour welfare fund: The Company's contribution paid/payable during the year to Employee state insurance scheme and Labour welfare fund are recognized in the Statement of Profit and Loss.

b) Defined benefit Plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation performed by an independent actuary based on projected unit credit method, at the end of each financial year.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

Defined benefit costs are categorized as follows:

- i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- ii) Net interest expense or income
- iii) Re-measurement

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI, net of taxes. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

The Company's net obligation in respect of gratuity (defined benefit plan), is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The retirement benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is recognized as an asset to the extent of present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Share based Payments

Equity-settled share-based payments to employees are recognized as an expense at the fair value of equity stock options at the grant date. The fair value of the options has been determined under the Black-Scholes model. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognized as expense in each year is arrived at based on the number of grants expected to vest.

2.14 Finance cost

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortized cost. Financial instruments include bank term loans, Vehicle

loans and non-convertible debentures. Finance costs are charged to the Statement of Profit and Loss. Ancillary and other borrowing costs are amortized on straight line basis over the tenure of the underlying loan.

2.15 Leases

The company's lease asset classes primarily consist of leases for Premises. The Company at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control use of an identified asset for a time in exchange for a consideration.

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves—

- a) the use of an identified asset,
- b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (ROU) asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of the ROU assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The ROU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU assets.

ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the ROU assets. Where the carrying amount of the ROU assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the Statement of Profit and Loss.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

2.16 Collateral

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as securities, letter of credit/guarantees, receivables, inventories, other non-financial assets and credit enhancements such as netting arrangements.

The Company provides fully secured, partially secured and unsecured loans to Corporates and individuals.

2.17 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Current Tax

The Current tax is based on the taxable profit for the year of the Company. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible

in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax assets and tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

2.18 Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.19 Segment reporting

The Board of Directors of the Company has identified Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted at company level. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment Income / costs which relate to the company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

Operating segments identified by the Company comprises as under:

- Lending services
- Forex services including MTSS business

2.20 Dividend distribution to equity holders of the Company

The Company recognizes a liability to make distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorized when it is approved by the shareholders and interim dividend is authorized when it is approved by the Board of Directors of the Company.

2.21 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received and when there is no uncertainty in availing/ utilizing the credits.

2.22 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 March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

3 Cash and cash equivalents

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Cash on hand	30.81	22.07
Balances with bank		
in current accounts	2,224.46	7,684.78
in fixed deposits with original maturity 3 months or less	7,008.99	-
Foreign Currencies in hand	828.98	604.83
Total	10,093.24	8,311.68

Note :

Fixed deposit with banks includes lien marked fixed deposit aggregating to INR 445 Lakhs (31st March 2024 INR NIL) for borrowing.

4 Bank Balances other than cash and cash equivalents

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Fixed deposit with bank (Maturity more than 3 months)	5,951.98	6,443.42
Dividend account balance	2.95	2.83
Total	5,954.93	6,446.25

Note :

Fixed deposit with banks includes lien marked fixed deposit aggregating to INR 5,380.97 Lakhs (31st March 2024 INR 5,635.61 Lakhs) for borrowing.

5 Receivables

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Trade receivables		
Secured considered good;	-	-
Unsecured considered good	1,004.47	663.98
Subtotal (A)	1,004.47	663.98
Other receivables		
Secured considered good ;	-	-
Unsecured considered good and	7.01	15.52
Doubtful	-	-
Subtotal (B)	7.01	15.52
Total Receivables (A+B)	1,011.48	679.50
Less: Allowance for impairment loss	-	-
Net Receivables	1,011.48	679.50

Note :

- i) Other receivables includes amounts due from the related parties NII (as at 31 March 2024: 5.16 lakhs) [Refer note 35].
- ii) No trade receivables are due from directors or other officers of the Company or any firm or private company in which any director is a partner either severally or jointly with any other person.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Outstanding as at 31st March, 2025

Particulars	Unbilled dues	Less than 6 months	6 months - 1 year	1-2 year	2-3 years	More than 3 years	Total
Undisputed Trade receivables-considered good	-	1,000.90	3.57	-	-	-	1,004.47
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	-	1,000.90	3.57	-	-	-	1,004.47

Outstanding as at 31st March, 2024

Particulars	Unbilled dues	Less than 6 months	6 months - 1 year	1-2 year	2-3 years	More than 3 years	Total
Undisputed Trade receivables-considered good	-	663.98	-	-	-	-	663.98
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	-	663.98	-	-	-	-	663.98

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

6 Loans

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(A) Advances - at amortised cost		
Vendor financing (Secured)	58.11	69.65
Gross	58.11	69.65
Less: Impairment loss allowance	22.04	0.17
Subtotal (1)	36.07	69.48
(B) Term Loans in India - at amortised cost		
i Secured	76,229.65	69,414.22
ii Unsecured	16,844.01	19,638.87
Gross	93,073.66	89,053.09
Less: Impairment loss allowance	1,894.09	1,914.04
Subtotal (2)	91,179.57	87,139.05
(C) Loans and Advances In India		
i Public Sectors	-	-
ii Others	93,131.77	89,122.74
Gross	93,131.77	89,122.74
Less: Impairment loss allowance	1,916.13	1,914.21
Net	91,215.64	87,208.53
Loans and advances Outside India (Net)		
	91,215.64	87,208.53
Less: Unamortised processing fee Income	680.45	539.93
Less: Collection from customers	651.40	962.91
Subtotal (3)	1,331.85	1,502.84
Loans (Net) (1+2+3)	89,883.79	85,705.69

(D) There are no loans or advances due by directors, promoters and other officers of the Company or any of them either severally or jointly with any other persons or amount due by firms or private companies respectively in which any director is a partner or a director or a member as at and for the year ended 31st March 2025 and 31st March 2024.

(E) Bifurcation of Secured loans & advances

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Secured by book debt	2,052.25	3,417.63
Secured by tangible asset	74,079.07	65,846.40
Covered by government guarantee	156.44	219.84
Total	76,287.76	69,483.87

Notes:

- There are no loan assets recognised at Fair value through profit & loss (FVTPL) or Fair value through other comprehensive income (FVOCI).
- Secured loans are secured by way of equitable/ registered mortgage of lands, residential properties, commercial properties, hypothecation of book debts and also guaranteed by borrower / co-borrower as applicable.
- Stage wise classification of loans & impairment allowance is disclosed in Note 42.
- Refer Note 35 for Related party transaction.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

7 Investments

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Recorded at Amortized cost		
Investment in equity instruments (unquoted):		
- In subsidiary companies		
Capital India Home Loans Limited	15,500.00	15,500.00
15,50,00,000 (31 st March 2024: 15,50,00,000) equity shares @ INR 10/- each		
Rapipay Fintech Private Limited	2,136.51	2,136.51
2,08,46,273 (31 st March 2024: 2,08,46,273) equity shares @ INR 10/- each		
Capital India Asset Management Private Limited	7.00	7.00
70,000 (31 st March 2024: 70,000) equity shares @ INR 10/- each		
Recorded at Fair value through P&L		
Investment in mutual fund	5,369.64	-
Total	23,013.15	17,643.51
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Investments outside India	-	-
Investments in India	23,013.15	17,643.51
Gross (A)	23,013.15	17,643.51
Less: Impairment loss allowance (B)	-	-
Total - Net (C = A - B)	23,013.15	17,643.51

Note:

- Based on assessment, no impairment loss has been recognised for the year ended 31st March 2025 and 31st March 2024.
- The Company, in its board meeting held on Oct 16, 2024, approved the sale of its entire stake in housing finance subsidiary Capital India Home Loans Limited to Weaver Services Private Limited at estimated consideration of INR 266.53 Crores. The Shareholders' have approved the stake sale on Jan 29, 2025. The transaction is subject to obtaining requisite approvals under the applicable law, including regulatory authorities and lenders.
- Investment in mutual fund includes Money Market and Overnight scheme of Debt Mutual Fund.
- Refer Note 35 for Related party transactions.

8 Other financial assets

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Foreign Currency Balance	385.60	-
Interest accrued but not due on fixed deposits	174.36	193.41
Security deposit	719.20	647.73
Deferred consideration on direct assignments	908.83	491.14
Advance paid to staff	3.44	5.10
Accrued Income	40.22	30.21
Total	2,231.65	1,367.59

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

9 Current tax assets (Net)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Advance tax and tax deducted at source (Include net of provision)	44.85	16.35
Total	44.85	16.35

10 Deferred tax assets (Net)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Deferred Tax Asset		
Provision for expected credit loss	482.25	481.77
Provision for employee benefits	204.89	130.72
Unamortised processing fee	171.26	135.89
Depreciation	259.95	214.27
Amortization adjustment on Lease deposits	20.66	14.46
Lease Liability	63.20	60.67
Deferred Tax Liabilities		
Unamortised borrowing cost	(228.67)	(228.00)
Interest adjustments on lease deposits	(21.93)	(15.86)
Unrealised gain on MF	(7.68)	-
Lease modification	(8.54)	(8.54)
Deferred consideration on direct assignments	(228.73)	(123.61)
Deferred Tax Asset/(Liabilities) Net	706.66	661.77
Movement in Net deferred tax Asset during the year	44.89	16.50

Note:

The Company has recognised Deferred Tax Assets arising from deductible temporary differences to the extent there is an evidence of future taxable profit.

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Break-up of movement in net deferred tax assets		
Routed through Profit & Loss	47.80	2.71
Routed through other comprehensive income	(2.91)	13.79
Total	44.89	16.50

Note :

Refer Note 39 for detail on Income Taxes.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

11 Property, Plant and Equipment

Particulars	As at 31 st March, 2025					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Computer & printers	Total
At cost at the beginning of the year	612.68	382.16	306.51	843.01	305.13	2,449.49
Additions	57.64	-	46.11	144.92	31.66	280.33
Disposals	16.95	23.10	48.44	112.64	36.24	237.37
Gross Block	653.37	359.06	304.18	875.29	300.55	2,492.45
Accumulated depreciation :						
As at the beginning of the year	284.24	215.08	208.23	377.64	206.79	1,291.98
Depreciation for the year	66.45	45.85	42.77	195.00	65.49	415.56
Deduction	3.64	14.73	34.85	90.02	30.96	174.20
Total depreciation	347.05	246.20	216.15	482.62	241.32	1,533.34
Net carrying amount	306.32	112.86	88.03	392.67	59.23	959.11

Particulars	As at 31 st March 2024					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Computer & printers	Total
At cost at the beginning of the year	604.83	318.59	297.78	662.48	279.41	2,163.09
Additions	7.85	158.23	8.73	180.53	37.51	392.85
Disposals	-	94.66	-	-	11.79	106.45
Gross Block	612.68	382.16	306.51	843.01	305.13	2,449.49
Accumulated depreciation :						
As at the beginning of the year	222.64	255.63	166.45	235.22	146.12	1,026.06
Depreciation for the year	61.60	54.11	41.78	142.42	71.89	371.80
Deduction	-	94.66	-	-	11.22	105.88
Total depreciation	284.24	215.08	208.23	377.64	206.79	1,291.98
Net carrying amount	328.44	167.08	98.28	465.37	98.34	1,157.51

Note:

- i) The Company does not hold any immovable property where title deeds are not held in the name of the company and no immovable property are jointly owned with others during the year ended 31st March 2025 and 31st March 2024.
- ii) There is no revaluation of Property Plant and Equipment during the year ended 31st March 2025 and 31st March 2024.
- iii) The Company does not hold any Benami property under the Benami Transaction (Prohibition) Act, 1983 and Rules made thereunder during the year ended 31st March 2025 and 31st March 2024.
- iv) The Company do not have any investment property as at 31st March 2025 and 31st March 2024.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

11A. Capital -work in progress

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
Balance as at the beginning of the year			30.17	-
Additions for the year			-	30.17
Deduction during the year			30.17	-
Balance as at the end of the year			-	30.17

Capital -work in progress ageing schedule as on 31st March 2025

Particulars	Less than 1 Year	1- 2 year	2 - 3 year	More than 3 year	Total
Projects in progress	-	-	-	-	-
Total	-	-	-	-	-

Capital -work in progress ageing schedule as on 31st March 2024

Particulars	Less than 1 Year	1- 2 year	2 - 3 year	More than 3 year	Total
Projects in progress	30.17	-	-	-	30.17
Total	30.17	-	-	-	30.17

Note:

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan and no project has been suspended during the year ended 31st March, 2025 and 31st March, 2024.

11B. Intangible asset under development

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
Balance as at the beginning of the year			24.00	15.00
Additions for the year			-	9.00
Deduction during the year			24.00	-
Balance as at the end of the year			-	24.00

Intangible asset under development ageing schedule as on 31st March 2025

Particulars	Less than 1 Year	1- 2 year	2 - 3 year	More than 3 year	Total
Projects in progress	-	-	-	-	-
Total	-	-	-	-	-

Intangible asset under development ageing schedule as on 31st March 2024

Particulars	Less than 1 Year	1- 2 year	2 - 3 year	More than 3 year	Total
Projects in progress	9.00	15.00	-	-	24.00
Total	9.00	15.00	-	-	24.00

Note:

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan and no project has been suspended during the year ended 31st March, 2025 and 31st March, 2024.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

11C Other Intangible assets

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Computer Software		
At cost, beginning of the year	328.81	327.22
Additions	59.80	1.59
Gross Block	388.61	328.81
Accumulated amortization :		
At beginning of the year	308.94	283.70
Amortization for the year	23.52	25.24
Total amortization	332.46	308.94
Net carrying amount	56.15	19.87

Note:

There is no revaluation of Intangible Asset during the year ended 31st March 2025 and 31st March 2024.

11D Right of use assets

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Leased Premises		
At beginning of the year	2,999.84	2,762.47
Additions	802.67	237.37
Gross Block	3,802.51	2,999.84
Accumulated amortization :		
At beginning of the year	2,130.65	1,618.22
Amortization for the year	494.31	512.43
Total amortization	2,624.96	2,130.65
Net carrying amount	1,177.55	869.19

Note:

- i) There is no revaluation in Right of use assets during the year ended 31st March 2025 and 31st March 2024.
- ii) Refer Note No. 38 for details for Right of use asset.

12 Other non-financial assets

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Prepaid expenses	472.44	374.47
Advance to suppliers	59.45	97.31
Balance with statutory authorities	985.66	914.13
Capital advances	19.12	26.77
Total	1,536.67	1,412.68

13 Payables

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Trade payables		
Outstanding dues of Micro and Small Enterprises	-	-
Outstanding dues of other than Micro and Small Enterprises	963.55	1,024.66
Other payables		
Outstanding dues of Micro and Small Enterprises	-	-
Outstanding dues of other than Micro and Small Enterprises	30.30	70.77
Total	993.85	1,095.43

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Outstanding trade payables as at 31st March, 2025

Particulars	Unbilled Dues	Less than 1 Year	1-2 years	2-3 Years	More than 3 Years	Total
Undisputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Undisputed dues of other than micro enterprises and small enterprises	933.75	16.08	13.72	-	-	963.55
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	933.75	16.08	13.72	-	-	963.55

Outstanding trade payables as at 31st March, 2024

Particulars	Unbilled Dues	Less than 1 Year	1-2 years	2-3 Years	More than 3 Years	Total
Undisputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Undisputed dues of other than micro enterprises and small enterprises	682.03	342.63	-	-	-	1,024.66
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	682.03	342.63	-	-	-	1,024.66

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Following table sets forth, for the year indicated, amount of principal & interest outstanding.

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(a) The principal amount and the interest due thereon remaining unpaid as at the end of each accounting year	-	-
- Principal amount due to Micro Enterprises and Small Enterprises		
- Interest due on above		
(b) The amount of interest paid in terms of section 16, along with the amounts of the payment made beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
Total		-

Note:

Refer Note 35 for Related party transaction.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

14 Borrowings (Other than Debt Securities)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
At Amortised Cost		
Secured		
(i) Term loans		
Term loans from Banks	52,311.98	45,572.07
Term loans from Others	8,584.81	5,733.72
Term loans from Financial Institutions	5,720.00	3,600.00
(ii) Vehicle loans from Banks	108.15	143.48
(iii) Working capital loan	-	2,411.60
Unsecured		
Total	66,724.94	57,460.87
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Borrowings in India	66,724.94	57,460.87
Borrowings outside India	-	-
Total	66,724.94	57,460.87
Less: Unamortised borrowings costs	908.58	905.90
Add: Interest accrued but not due on borrowings	123.84	107.91
Net Borrowings	65,940.20	56,662.88

Additional information:

- There are no borrowings measured at fair value through other comprehensive income (FVOCI) and Fair value through profit & Loss (FVTPL).
- Security details
 - Term loan from banks, Financial Institutions and Others are secured by way of pari passu charge on standard asset and loan receivable of the Company.
 - Working Capital loan is secured by way of pari passu charge on Forex Cash and Receivables related to Forex segment.
 - Vehicle loans is secured by way of hypothecation of respective vehicles.

Terms of repayment:

Maturity profile and rate of interest of term loans from Banks & Others :

Residual Maturities	As at March 31, 2025			
	Up to one year (April 2025 to March 2026)	1-3 years (April 2026 to March 2028)	3 years & above (April 2028 onwards)	Total
Upto 10%	250.00	-	-	250.00
10.01% to 11.00%	18,556.09	24,642.73	6,205.14	49,403.96
11.01% to 11.50%	5,531.08	2,899.25	-	8,430.33
11.51% to 12.00%	1,875.00	937.50	-	2,812.50
Total	26,212.17	28,479.48	6,205.14	60,896.79

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Rate of Interest	As at March 31, 2024		
	Up to one year (April 2024 to March 2025)	1-3 years (April 2025 to March 2027)	3 years & above (April 2027 onwards)
Upto 10%	541.67	208.33	-
10.01% to 11.00%	14,740.48	21,349.24	4,052.78
11.01% to 11.50%	2,875.00	4,812.50	-
11.51% to 12.00%	1,664.00	-	-
12.01% to 12.50%	1,061.79	-	-
Total	20,882.94	26,370.07	4,052.78
			51,305.79

Maturity profile and rate of interest of term loans from Financial Institutions :

Rate of Interest	As at March 31, 2025		
	Up to one year (April 2025 to March 2026)	1-3 years (April 2026 to March 2028)	3 years & above (April 2028 onwards)
10.00% to 10.50%	3,216.00	2,504.00	-
Total	3,216.00	2,504.00	-
			5,720.00

Rate of Interest	As at March 31, 2024		
	Up to one year (April 2024 to March 2025)	1-3 years (April 2025 to March 2027)	3 years & above (April 2027 onwards)
10.00% to 10.50%	2,880.00	720.00	-
Total	2,880.00	720.00	-
			3,600.00

Maturity profile and rate of interest of Vehicle Loans :

Rate of Interest	As at March 31, 2025		
	Up to one year (April 2025 to March 2026)	1-3 years (April 2026 to March 2028)	3 years & above (April 2028 onwards)
Upto 9.00%	31.13	59.76	17.26
Total	31.13	59.76	17.26
			108.15

Rate of Interest	As at March 31, 2024		
	Up to one year (April 2024 to March 2025)	1-3 years (April 2025 to March 2027)	3 years & above (April 2027 onwards)
Upto 9.00%	35.11	60.60	47.77
Total	35.11	60.60	47.77
			143.48

- There are no borrowing guaranteed by directors, promoters, key managerial personnel (KMPs) and/or the related parties as at 31st March, 2025 and 31st March, 2024;
- The Company has not defaulted in repayment of principal and interest during the year ended 31st March 2025 and 31st March, 2024
- Borrowing obtained on the basis of security of current assets**
Borrowings from banks or financial institutions are secured by way of pari passu floating charge over the eligible receivables. Further, the Company has filed monthly statement of security cover with Security Trustee and banks reconciling with books of accounts.
- End use of borrowings**
The Company has utilised the borrowed funds for purposes for which it was availed.
- Other**
The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period for borrowings.

Notes to Standalone Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

15 Other financial liabilities

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Pending remittance on assignments	122.23	20.50
Other Advances	134.07	42.56
Advances received from customer	652.61	987.26
Unclaimed dividends	2.94	2.80
Book overdraft	4,380.77	2,796.79
Other Dues	41.10	41.00
Total	5,333.72	3,890.91

16 Provisions

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Provision for employee benefits		
Provision for gratuity (refer note 36)	189.39	146.29
Provision for compensated absence (refer note 36)	42.76	43.26
Provision for performance bonus	450.41	535.00
Total	682.56	724.55

17 Other non financial liabilities

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Statutory dues payable	233.60	294.05
Total	233.60	294.05

18 Equity share capital

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Number	Amount	Number	Amount
Authorized share capital				
Equity shares of INR 2 each (Previous year INR 10 each)	1,02,00,00,000	20,400.00	20,40,00,000	20,400.00
Preference shares of INR 10 each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Issued, subscribed and fully paid up	1,03,00,00,000	21,400.00	21,40,00,000	21,400.00
Equity shares of INR 2 each (Previous year INR 10 each)	38,91,31,894	7,782.64	7,77,34,260	7,773.43
Total issued, subscribed and fully paid up share capital	38,91,31,894	7,782.64	7,77,34,260	7,773.43

Notes to Standalone Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

a. Reconciliation of the equity shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Number	Amount	Number	Amount
At the beginning of the year	7,77,34,260	7,773.43	7,77,34,260	7,773.43
Add: Shares issued pursuant to exercise of ESOP having face value of INR 10/- each	55,875	5.59	-	-
Number of shares before split	7,77,90,135	7,779.02	7,77,34,260	7,773.43
After Split: (Refer Note below)				
Split of Face Value of Equity Shares from INR 10 each to INR 2 each	38,89,50,675	7,779.02	-	-
Add : Shares issued pursuant to exercise of ESOP having face value of INR 2/- each	1,81,219	3.62	-	-
Outstanding at the end of the year	38,91,31,894	7,782.64	7,77,34,260	7,773.43

Note: The members vide resolution passed through postal ballot on January 29, 2025, have approved the sub-division / split of equity share of the Company from face value of INR 10/- each to face value of INR 2/- each. The record date for the sub-division / split of equity shares was February 17, 2025.

b. Terms and rights attached to fully paid up equity shares:

The Company has only one type of equity shares having par value of INR 2 (as on 31st March, 2024 INR 10 each). All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their holdings.

c. Shares in the Company held by each shareholder holding more than 5% shares

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Number	%	Number	%
Equity shares of INR 2 each (Previous year INR 10 each)				
Capital India Corp Private Limited (Formerly known as Capital India Corp LLP)	28,38,78,600	72.95%	5,67,75,720	73.04%
Dharampal Satyapal Limited	3,83,89,000	9.87%	87,00,602	11.19%
Total	32,22,67,600	82.82%	6,54,76,322	84.23%

d. Shares held by promoters at the end of year

As on 31 st March, 2025				
Promoter name	No. of shares (Before Split)	No. of shares (After Split)	%	% change during the year
Capital India Corp Private Limited (INR 2 each) (Formerly known as Capital India Corp LLP)	5,67,75,720	28,38,78,600	72.95%	-*

*0.09% change due to ESOP options exercised by employees during the year

As on 31 st March, 2024				
Promoter name	No. of shares (Before Split)	No. of shares (After Split)	%	% change during the year
Capital India Corp Private Limited (INR 10 each) (Formerly known as Capital India Corp LLP)	5,67,75,720	N.A.	73.04%	NIL

Notes to Standalone Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

e. The Company has not reserved any shares for issues under options & contracts / commitments for the sale

f. The Company has not issued bonus shares or shares for consideration other than cash.

g. The Company has not bought back any of its securities.

h. The Company has not:

- (i) Issued any securities convertible into equity / preference shares
- (ii) Issued any shares where calls are unpaid
- (iii) Forfeited any shares

19 Other Equity

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Statutory Reserve under Section 45-IC of the RBI Act, 1934	2,468.36	2,232.74
Securities premium	42,184.51	42,119.40
Employee stock option outstanding account	581.92	329.85
General reserve	1.76	1.76
Retained earnings	9,087.40	8,158.67
Other comprehensive income	46.98	38.33
Total	54,370.93	52,880.75

Note:

i) Statutory Reserve under Section 45-IC of the RBI Act, 1934:

The Company created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.

ii) Securities premium:

The amount received in excess of face value of the equity shares is recognised in Securities Premium Account. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium account. The account is utilised in accordance with the provisions of the Companies Act 2013.

iii) Employee stock option outstanding account:

The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option scheme.

iv) General reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirements is not mandatory to transfer a specified percentage of the net profit to general reserve. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

v) Retained earnings:

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

vi) Other Comprehensive Income - Remeasurement of Post Employment Benefit Obligations:

The Company Recognises change on account of remeasurement of the net defined benefit liability (asset) as part of other comprehensive income.

Notes to Standalone Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

20 Interest income

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Amortised Cost
Interest on loans	13,393.72	12,725.34
Interest income on vendor financing	7.47	12.24
Interest on deposits with banks	574.11	548.84
Interest income on Lease rental deposits	24.12	14.83
Other interest income	493.94	639.50
Total	14,493.36	13,940.75

21 Net gain on fair value changes

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Net gain/ (loss) on financial instruments at fair value through profit and loss account :-		
Mutual fund units	484.99	356.94
Total Net gain/(loss) on fair value changes	484.99	356.94
Fair Value changes*		
Realised	454.47	356.94
Unrealised	30.52	-

* Fair value changes in this schedule are other than those arising on account of interest income/expense

22 Other income

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Interest on income tax refund	-	37.19
Profit on sale of fixed assets	-	19.70
Miscellaneous income	31.29	128.36
Other business support income	85.29	61.45
Other foreign exchange service income	6.73	7.28
Total	123.31	253.98

23 Finance cost

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Interest on borrowings	6,413.46	6,336.93
Interest on Debt Securities	-	208.96
Interest on lease liability	158.62	108.87
Other finance costs	549.36	500.36
Total	7,121.44	7,155.12

24 Impairment of financial instruments

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
On Financial instruments measured at Amortised Cost		
Loans	1.92	164.60
Bad debts and write off net of recoveries	402.33	2.65
Total	404.25	167.25

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

25 Employee benefits expense

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Salaries and wages including bonus	5,729.26	5,333.65
Contribution to provident and other funds	303.30	267.17
Share Based Payments to employees	324.04	220.37
Staff welfare expenses	64.08	208.95
Total	6,420.68	6,030.14

Refer Note No 36 for Gratuity & Leave encashment and Note No. 37 for Share based Payments to employees.

Refer Note No 35 for Related Party Transactions.

26 Others expenses

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Rent	296.32	310.04
Rate, fee & taxes	25.92	53.75
Repairs & maintenance	89.11	163.48
Office expenses	45.37	68.36
Electricity charges	72.84	58.41
Communication expenses	55.09	59.82
Printing & stationery	21.35	54.56
Insurance	116.11	131.34
Membership & subscription	8.24	49.54
Travelling & conveyance	262.70	350.97
Advertisement, marketing & business promotion expenses	117.08	154.73
Commission & brokerage	115.25	164.66
Auditor's remuneration (Refer Note 27)	28.59	26.32
Legal & professional charges	522.50	504.18
IT Expense	325.00	211.20
Listing fee	7.05	5.18
Directors sitting fees	62.40	50.25
CSR expense (Refer Note 32)	40.00	40.00
Loss on sale of Property, Plant and Equipments	52.97	-
Miscellaneous expenses	13.37	3.00
Total	2,277.26	2,459.79

Refer Note No 35 for Related Party Transactions.

27 Auditors Remuneration

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Statutory audit	22.07	20.71
Taxation matters (Tax audit fees)	2.18	1.65
Certification fees & Other services	4.34	3.96
Total	28.59	26.32

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

28 Basic and Diluted Earnings per share [EPS] computed in accordance with Indian Accounting Standard (Ind AS)

33 "Earnings per Share"

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Weighted average basic number of equity shares (before split)	7,77,48,436	7,77,34,260
Weighted average basic number of equity shares (after split)	38,87,42,180	38,86,71,300
Share split in the ratio of 1:5 (Refer Note Below)*		
Basic		
Profit after tax (INRIn Lakhs)	A	1,178.10
Weighted average number of equity shares outstanding	B	38,87,42,180
Basic earning per share (INR)*	A/B	0.30
Diluted		
Profit after tax (INRIn Lakhs)	A	1,178.10
Weighted average number of equity shares outstanding	B	38,87,42,180
Add: Weighted average number of potential equity shares on account of employee stock options (Considering split of shares 1:5)*	C	76,51,306
Weighted average number of shares outstanding for diluted EPS	D=B+C	39,63,93,486
Diluted earning per share *	A/D	0.29
Face value of shares (INR)		2.00
		2.00

Note :

*The members vide resolution passed through postal ballot on January 29, 2025, have approved the sub-division / split of equity share of the Company from face value of INR 10/- each to face value of INR 2/- each. The record date for the sub-division / split of equity shares was February 17, 2025. Consequently, the Number of shares used for the calculation of earning per share for the year ended 31st March, 2024 has been adjusted retrospectively as required under Ind AS 33—"Earning Per Share", Prescribed under section 133 of the Companies Act, 2013.

29 Transactions in foreign currency:

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Earnings in foreign currency		
Commission received (Forex)		24.56
Commission received (Western Union)		132.83
Expenditure in foreign currency		
Subscription charges		16.56
		4.02

Note :

A Forward Cover Outstanding

The Company uses forward exchange contract to hedge against its foreign currency exposures related to underlying transaction and firm commitments.

The Company does not enter into any derivatives instruments for trading or speculative purpose.

The forward exchange contracts outstandings as at 31st March 2025 are as under currency exchange USD/INR

- a) Number of Sale Contracts: 1 (31st March 2024 : 2)
- b) Aggregate Amount: INR 128.67 Lakhs (31st March 2024: INR 383.77 Lakhs)

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

B Unhedge Foreign Currency Exposure (UFCE)

Particulars	Foreign Currency Exposures as on 31 st March 2025									
	Total Foreign Currency			Hedged through forward or derivative (#)			Natural Hedge			Total Unhedge Foreign Currency Exposure
	< 1 year	> 1 to 5 Years	Total	< 1 year	> 1 to 5 Years	Total	< 1 year	> 1 to 5 Years	Total	
Foreign Currency Receivables										
Exports	-	-	-	-	-	-	-	-	-	
Loans to Joint Ventures/ Wholly Owned Subsidiary	-	-	-	-	-	-	-	-	-	
Others ^	828.98	-	828.98	-	-	-	-	-	828.98	828.98
Total Receivables (i)	828.98	-	828.98	-	-	-	-	-	828.98	828.98
Foreign Currency Payables										
Imports	-	-	-	-	-	-	-	-	-	
Trade Credits	-	-	-	-	-	-	-	-	-	
External Commercial Borrowings	-	-	-	-	-	-	-	-	-	
Others \$	75.88	-	75.88	75.88	-	75.88	-	-	-	
Total Payables (ii)	75.88	-	75.88	75.88	-	75.88	-	-	-	
Total Unhedge Foreign Currency Exposure (Receivables + Payables (i+ii))	904.86	-	904.86	75.88	-	75.88	-	-	828.98	828.98

Note: Covered Option(s) is/are not included.

^ ^ Others include physical stock of Foreign Currency notes for forex segment.

\$ Others include liability towards Forex Prepaid Cards (Thomas Cook India Limited (TCIL) & ICICI Bank) for forex segment.
Earnings before interest and depreciation (EBID) (i.e. profit after tax, depreciation, Interest on debt, lease rentals) as per Audited financials for FY 24-25 is INR 9,529.25 Lakhs and FY 23-24 is INR 10,384.91 Lakhs. The overall banking exposure is INR 66,616.79 Lakhs (31st Mar 2024 INR 57,317.39 Lakhs) (Term Loans, Working Capital & NCDs). The Company is in compliance with policy on Risk Management of foreign exchange business.

The details given above are in conformity with the specification laid down in RBI circular no. RBI/2013-14/448 BOD.NO.BP.BC/85/21.06.20/2013-14 dated January 15, 2014 and RBI/2013-14/620 DBOD.NO.BP.BC.116/21.06.20/2013-14 dated June 03, 2014, as amended time to time, and FEDAI circular SPL-05.BC/UECE format/2018 dated May 17, 2018.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

30 Dividend distribution to equity shareholders

The Board of Directors at its meeting held on 14th May, 2025 has recommended dividend of 1% on the face value of INR 2 per equity share (31st March 2024: 1% on the face value of INR 10 per share) amounting to INR 77.83 Lakhs (31st March 2024: INR 77.73 Lakhs) on ordinary equity shares. The recommended dividend will be accounted for when approved by the shareholders in Annual General Meeting.

31 Disclosure pursuant to Ind AS 108 "Operating Segment"

Sr. No	Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
i Segment Revenue			
Lending Business	15,759.97	15,019.11	
Forex Services	2,685.35	4,447.23	
Income from Operations	18,445.32	19,466.34	
ii Segment Results			
Lending Business	2,001.58	1,835.27	
Forex Services	(713.28)	909.29	
Profit before tax	1,288.30	2,744.56	
Income Tax expenses			
Current Tax	353.73	737.00	
Deferred Tax Asset	(47.80)	(2.71)	
Excess/ Short provision of tax of earlier years	(195.73)	-	
Net Profit	1,178.10	2,010.27	
	As at 31st March, 2025	As at 31st March, 2024	
iii Segment assets			
Lending Business	1,29,887.49	1,17,467.01	
Forex Services	6,030.23	6,200.63	
Unallocated	751.51	678.12	
Total assets	1,36,669.23	1,24,345.76	
iv Segment Liabilities			
Lending Business	72,544.20	59,548.83	
Forex Services	1,971.46	4,142.75	
Total liabilities	74,515.66	63,691.58	
Net Segment assets and liabilities	62,153.57	60,654.18	

a) Chief Operating Decision Maker

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Board of Directors ('BOD') of the Company has identified CODM as defined by Ind-AS 108 Operating Segments, who assesses the financial performance and position of the Company and makes strategic decisions.

b) Operating Segment

Primary Segment (Business Segment)

The Company is primarily engaged in the Lending business. It also has a Forex Remittance business. Under the Lending business the Company gives loans to Micro, Small and Medium enterprises and other customers across various industries. Revenue from lending business includes (i) interest income and (ii) fees income. Forex services comprises of overseas remittances, foreign currency prepaid travel card, Money Transfer Service Scheme ("MTSS"), import and export foreign currency notes.

Secondary Segment (Geographical Segment)

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

Notes to Standalone Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

c) Segment Revenue and Expense

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as 'Unallocated'.

d) Segment Assets and Liabilities

Segment assets and segment liabilities represent assets and liabilities in respective segments.

Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as 'Unallocated'.

e) Accounting Policies

The accounting policies consistently used in the preparation of the financial statements are also applied to items of revenue and expenditure in individual segments.

f) Disclosure for other material non cash item

There are no other material non cash items which have not been disclosed in the above disclosure.

32 Disclosure pertaining to corporate social responsibility expenses

Particulars	Sr. No.	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Average net profit for the last three financial years of the company	(i)	2,077.63	2,138.09
Two percent of average net profit of the company	(ii)=(i)*2%	41.55	42.76
Surplus carry forward from preceding financial year to be set-off for the financial year, if any	(iii)	5.66	8.42
Total CSR obligation for the financial year	(iv)=(ii)-(iii)	35.89	34.34
Amount spent on CSR projects	(v)	40.00	40.00
Excess amount spent for the Financial Year	(vi)=(v)-(iv)	4.11	5.66
Surplus amount available for set off in succeeding financial year	(vii)	4.11	5.66
Shortfall amount at the end of the financial year	(viii)	-	-
Shortfall amount of preceding financial year.	(ix)	-	-
Reason of shortfall	(x)	NA	NA

Nature of CSR activities

The Company is required to contribute to corporate social responsibility activities as per CSR Rules under the Companies Act, 2013. During the year the Company has spent INR 40 Lakhs under CSR activity. The amount is spent towards Rural Development, Livelihood, Health, Education and Environment.

33 Contingent Liabilities and Commitments

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Contingent liabilities		
Claims against the Company not acknowledged as debt	-	-
Guarantees	-	-
- Bank Guarantees	-	-
- Others (Issued on behalf of a subsidiary Company i.e. Capital India Home Loans Limited)	22,804.16	28,373.58
Total (A)	22,804.16	28,373.58
Commitments		
Total (B)	422.66	816.95
Total (A+B)	23,226.82	29,190.53

Notes to Standalone Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

34 In compliance with Ind AS - 27 'Separate Financial Statements', the required information is as under.

Particulars	Principal place of Business	Percentage (%) of ownership Interest	
		For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Subsidiaries			
Capital India Home Loans Limited	India	99.82%	99.90%
Capital India Assets Management Private Limited	India	100.00%	100.00%
Rapipay Fintech Private Limited	India	52.50%	52.50%
Step Down Subsidiaries (Wholly owned subsidiary of Rapipay Fintech Private Limited)			
NYE Investech Private Limited (Formerly known as Kuants Wealth Private Limited)	India	52.50%	52.50%
NYE Insurance Broking Private Limited	India	52.50%	52.50%

35 Disclosure of Related party transactions pursuant to (Ind AS – 24) and Companies Act 2013 "Related Party Disclosures"

(i) Names of related parties (with whom transactions were carried out during the year):

Name of the related party	Nature of relationship
Capital India Corp Private Limited (Formerly known as Capital India Corp LLP)	Holding Company
Capital India Home Loans Limited	Subsidiary
Capital India Wealth Management Private Limited	Fellow Subsidiary
CIFL Holdings Private Limited	Fellow Subsidiary
Rapipay Fintech Private Limited	Subsidiary
Capital India Asset Management Private Limited	Wholly owned subsidiary
NYE Investech Private Limited (Formerly Known as Kuants Wealth Private Limited)	Step Down Subsidiary
NYE Insurance Broking Private Limited	Step Down Subsidiary
Capitall India Private Limited	Common Directorship
Credenc Web Technologies Private Limited	Associate through Subsidiary (upto 16 May, 2023)
Atulya Foundation	Fellow Subsidiary (from 16 May, 2023)
Dr. Harsh Kumar Bhanwala	Enterprise over which control is exercised by the Company
Mr. Keshav Porwal	Chairman (upto 24 Jan, 2024)
Mr. Vineet Kumar Saxena	Managing Director
Mr. Pinank Jayant Shah	Chief Executive Officer (upto 08 Aug, 2023)
Mr. Vikas Srivastava	Chief Executive Officer (from 09 Aug, 2023)
Mr. Rachit Malhotra	Chief Financial Officer
Mr. Sulabh Kaushal	Chief Compliance Officer & Company Secretary (upto 28 Jun, 2024)
Mr. Deepak Vaswan	Chief Compliance Officer & Company Secretary (from 13 Aug, 2024)
Mr. Yogendra Pal Singh	Relative of a person having control over the Company
Mr. Vinod Somani	Independent Director
Mrs. Rashmi Fauzdar	Independent Director (upto 25 Jan, 2024)
Mrs. Rachna Dikshit	Non-Executive Chairman (Independent) (from 25 Jan, 2024)
Mr. Dalbir Singh Suhag	Independent Woman Director (from 24 Aug, 2023)
Ms. Jyuthika Mahendra Jivani	Independent Woman Director (upto 08 Aug, 2023)
Mr. Subhash Chander Kalia	Independent Director (from 20 Mar, 2024)

Note: Related party and their relationships are reported only where the Company has transactions with those parties during the current year / previous year.

Notes to Standalone Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

(ii) Details of transaction with related parties are as under:

Name of Related Parties	Transaction with Related Parties	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Capital India Corp Private Limited (Formerly known as Capital India Corp LLP)	Royalty Paid	70.00	70.00
	Dividend	56.78	56.78
	Reimbursement of expenses	1.85	5.00
	Reimbursement received	3.58	12.09
	Purchase of Fixed Assets	33.52	0.41
	Ticket and Hotel Booking	0.73	13.10
	Interest Income received	-	0.38
	Loan Portfolio Assigned In	-	936.18
	Investment in equity shares	-	1,000.00
	Commission expenses	1,566.47	1,423.30
Rapipay Fintech Private Limited	Receipt against FLDG	468.74	570.38
	Ticket and Hotel Booking	-	10.14
	Net Sale of foreign currencies	1.69	4.11
	Reimbursement received	28.17	55.91
	Business Analytics Expenses	8.75	-
Atulya Foundation	CSR Expenses	40.00	40.00
	Repayment of Loan	-	700.00
Credenc Web Technologies Private Limited (Fellow Subsidiary)	Interest Income received	-	48.33
	Commission expenses	-	60.78
	Ticket and Hotel Booking	-	13.39
	Reimbursement received	-	45.35
	Consultancy fees paid	-	24.83
	Remuneration Paid	-	46.67
	Sale of Foreign Currencies	0.49	0.29
Dr. Harsh Kumar Bhanwala	Remuneration paid	-	185.49
	Sale of Foreign Currencies and Travel Services	-	4.80
	Remuneration paid	201.00	250.96
Mr. Keshav Porwal	Sale of Foreign Currencies and Travel Services	0.29	1.09
	Remuneration paid	-	299.52
Mr. Vineet Kumar Saxena	Sale of Foreign Currencies	-	0.49
	Remuneration paid	390.05	200.93
Mr. Pinank Jayant Shah	Remuneration paid	142.91	117.80
Mr. Vikas Srivastava	Remuneration paid	50.86	81.02
Mr. Rachit Malhotra	Ticket and Hotel Booking	-	0.61
Mr. Sulabh Kaushal	Remuneration Paid	20.07	-
Mr. Yogendra Pal Singh	Sitting fees paid	10.90	11.60
Mr. Vinod Soman	Sitting fees paid	14.05	12.65
Mrs. Rashmi Fauzdar	Sitting fees paid	12.30	6.15
Mrs. Rachna Dikshit	Sitting fees paid	-	5.50
Mr. Dalbir Singh Suhag	Sitting fees paid	2.35	-
Mr. Subhash Chander Kalia	Sitting fees paid	10.20	10.20
Ms. Jyuthika Mahendra Jivani	Sitting fees paid	7.45	-

Notes to Standalone Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

(iii) Balance as at

Name of Related Parties	Nature of transaction	As at 31 st March, 2025	As at 31 st March, 2024
Rapipay Fintech Private Limited	FLDG Balance	9.97	42.56
	Trade Payables	-	(219.32)
Credenc Web Technologies Private Limited	Trade Receivables/(Trade Payables)	-	0.98
NYE Investech Private Limited (Formerly Known as Kiants Wealth Private Limited)	Other Receivables	-	4.18

Note:

- i) Includes allocated shared expenses.
- ii) Investments in equity shares of subsidiaries have been disclosed under - Investments (Refer Note 7).
- iii) Remuneration paid excludes amounts pertaining to gratuity and compensated absences, which are actuarially valued at the Company level.
- iv) All related party transactions entered during the year were in the ordinary course of business and on arm's length basis.

36 Employee benefits
(A) Defined Contribution Plan - Provident Fund (PF) Contribution, Employee State Insurance (ESI) Contribution and Labour Welfare Fund (LWF)

The Company makes contributions towards PF, ESI and LWF in respect of qualifying employees. The amount recognised as an expense and included in Note 25 "Employee benefits expense" as under.

The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Employer's Contribution to Provident Fund	241.21	223.80
Employer's contribution to Employee State Insurance	5.09	6.43
Labour welfare fund	0.40	0.25

(B) Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan, under which every employee who has completed atleast five years of service gets a gratuity on departure @15 days of last drawn basic salary for each completed year of service.

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows while computing the liability and thereby requiring higher accounting provisioning.

Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the Company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Mortality & disability :

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the Company.

The estimates of the future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The discount rate is based on the prevailing market yield on government securities as at the balance sheet date for the estimated average remaining service.

Withdrawals :

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

The disclosure as required by Indian Accounting Standard (Ind AS) -19 "Employee Benefits" is as under.

Particulars	As at 31 st March, 2025	As at 31 st March 2024
I. Assumption		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest / Discount Rate	6.50%	7.15%
Rate of increase in compensation	8.00%	8.00%
Expected average remaining service	30.00%	23.00%
II. Reconciliation of net defined benefit (asset)/liability		
(a) Reconciliation of present value of defined benefit obligation		
Opening Defined Benefit Obligation	146.29	78.85
Interest Cost	9.59	5.44
Current Service Cost	52.10	37.68
Actuarial (Gains) / Losses	(11.56)	54.78
Benefits Paid	(7.03)	(30.47)
Closing Defined Benefit Obligation	189.39	146.29
(b) Reconciliation of net defined benefit (asset)/liability		
Present value of obligation as at the end of year	189.39	146.29
Fair value of plan assets as at the end of year		
Recognised in Balance Sheet - (Asset) / Liability	189.39	146.29
III. Actuarial (Gain)/Loss on Obligation		
Due to Demographic Assumption	(12.01)	-
Due to Financial Assumption	4.10	0.99
Due to Experience	(3.65)	53.79
Net Actuarial (Gain)/ Loss on Obligation	(11.56)	54.78
IV. Actual Return on Plan Assets		
Actual Interest Income	-	-
Expected Interest Income	-	-
Return on Plan Assets excluding Interest Income	-	-
V. Net Interest		
Interest Expense	9.59	5.44
Interest Income	-	-
Net Interest Exp/(Income)	9.59	5.44
VI. Expenses Recognised in Profit and Loss account under Employee benefit expenses		
Current Service Cost	52.10	37.68
Net Interest Exp/(Income)	9.59	5.44
Past Service Cost (vested benefits)	-	-
Expenses recognised in Profit and Loss Account	61.69	43.12

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March 2024
VII. Remeasurements recognised in Other Comprehensive Income		
Net Actuarial (Gain)/ Loss on Obligation	(11.56)	54.78
Return on Plan Assets excluding Interest Income	-	-
Total Actuarial (Gain)/ Loss recognised in OCI	(11.56)	54.78
VIII. Others		
Weighted average duration of defined benefit Obligation	3.40	4.54

Sensitivity analysis :

Sensitivity analysis for significant actuarial Assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 100 basis points:

Particulars	As at 31 st March, 2025	As at 31 st March 2024
Change in rate of Discount Rate + 100 basis points	183.14	139.90
Change in rate of Discount Rate- 100 basis points	196.05	153.20
Change in rate of Salary Escalation Rate + 100 basis points	195.89	153.08
Change in rate of Salary Escalation Rate - 100 basis points	183.17	139.89
Change in rate of Attrition Rate + 100 basis points	187.67	144.76
Change in rate of Attrition Rate - 100 basis points	191.14	147.86

The Expected Payout

Particulars	As at 31 st March, 2025	As at 31 st March 2024
Year 1	49.68	24.33
Year 2	37.13	23.10
Year 3	37.52	24.91
Year 4	28.89	26.00
Year 5	23.50	21.69
Year 6 and above	65.61	91.95

Notes:

i) Compensated Absences

The change towards compensated absences based on actuarial valuations using the projected unit credit method is as follows:

Particulars	31 st March, 2025	31 st March, 2024
Amount Recognised as compensated absences in statement of profit and loss	(0.50)	7.53
Provision for compensated absences	42.76	43.26

ii) Since the gratuity plan and Leave encashment plan of the Company is not funded, and hence the disclosure related to plan assets are not applicable.

iii) The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

37 Employee Stock Option Plan

A. The shareholders of the Company passed a resolution through postal ballot/ e-voting on 23rd September 2018 for approval of the issue of 1,75,00,000 after split of shares in the ratio* of 1:5 (35,00,000 options before split) under the Scheme titled "CIFL EMPLOYEE STOCK OPTION PLAN 2018" (ESOP 2018).

The ESOP Scheme allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

As per the ESOP Scheme "CIFL EMPLOYEE STOCK OPTION PLAN 2018", the Nomination and Remuneration Committee (NRC) of the Board of Directors grants the options to the employees deemed eligible. The Exercise Price for the Options shall be determined by the Committee which shall not be less than the face value of the Shares of the Company as on date of Grant. The options granted vest not earlier than minimum period of 1 (One) year and not later than maximum period of 5 (Five) years from the date of Grant. The Exercise Period in respect of Vested Options shall not be more than 5 (Five) years from the date of Vesting of Options.

B. The shareholders of the Company passed a resolution through postal ballot/ e-voting on 09th December 2023 for approval of the issue of 2,00,00,000 after split of shares in the ratio* of 1:5 (40,00,000 options before split) under the Scheme titled "CIFL EMPLOYEE STOCK OPTION PLAN 2023" (ESOP 2023).

The ESOP Scheme allows the issue of options to employees of the Company/ Holding/ Subsidiary/ Group/ Associate and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

As per the ESOP Scheme "CIFL EMPLOYEE STOCK OPTION PLAN 2023", the Nomination and Remuneration Committee of the Board of Directors grants the options to the employees deemed eligible. The Exercise Price for the Options shall be determined by the Committee which shall not be less than the face value of the Shares of the Company as on date of Grant. The options granted vest not earlier than minimum period of 1 (One) year and not later than maximum period of 4 (Four) years from the date of Grant. The Exercise Period in respect of Vested Options shall not be more than 5 (Five) years from the date of Vesting of Options.

Method used for accounting for shared based payment plan.

The Company uses fair value to account for the compensation cost of stock options to employees of the Company.

Movement in the options outstanding under the Employees Stock Option Plan for the year ended 31st March, 2025 and 31st March 2024

a) Weighted average exercise price per options for the period ended 31st March, 2025

Scheme reference	Exercise Price	Balance as at March 24	Split during the year	Balance Outstanding after Split	Granted	Exercised	Vested	Lapsed/ Cancelled adjusted	Balance as at March 25
ESOP 2018	72	10,02,500	1:5	50,12,500	-	4,60,594	28,70,180	5,12,500	40,39,406
ESOP 2018	90	80,000	1:5	4,00,000	-	-	93,750	2,75,000	1,25,000
ESOP 2018	92	16,54,700	1:5	82,73,500	-	-	40,11,750	-	82,73,500
ESOP 2018	95	-	1:5	-	21,25,000	-	-	-	21,25,000
ESOP 2023	92	23,32,100	1:5	1,16,60,500	-	-	-	-	1,16,60,500
ESOP 2023	95	-	1:5	-	40,00,000	-	-	-	40,00,000
		50,69,300		2,53,46,500	61,25,000	4,60,594	69,75,680	7,87,500	3,02,23,406

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

b) Weighted average exercise price per options for the period ended 31st March, 2024

Scheme reference	Exercise Price	Balance as at March 23	Split during the year	Balance Outstanding after Split	Granted	Exercised	Vested	Lapsed/ Cancelled adjusted	Balance as at March 24
ESOP 2018	72	11,09,500	NA	11,09,500	-	-	-	1,36,375	1,07,000
ESOP 2018	90	80,000	NA	80,000	-	-	20,000	-	80,000
ESOP 2018	92	-	NA	-	16,54,700	-	-	-	16,54,700
ESOP 2018	95	-	NA	-	-	-	-	-	-
ESOP 2023	92	-	NA	-	23,32,100	-	-	-	23,32,100
ESOP 2023	95	-	NA	-	-	-	-	-	-
		11,89,500		11,89,500	39,86,800			1,56,375	1,07,000
								50,69,300	

Weighted average remaining contractual life for options outstanding as at 31st March 2025 is 2 year and 1 month (Previous year 2 years and 6 month).

Options available for Grant as at 31st March 2025 is 68,16,000 (after split of shares in the ratio of 1:5) and as at 31st March 2024 is 1,21,53,500 (after split of shares in the ratio of 1:5).

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	As At 31 st March, 2025	As At 31 st March, 2024
Risk-free interest rate	6.37% - 6.45%	6.83% - 6.93%
Expected life of the option	1 year to 5 years	1 year to 5 years
Expected annual volatility of shares	14.95% to 20.99%	12.01% to 24.88%
Expected dividend yield	1.00%	0.13%

During the year ended 31st March, 2025, the company recorded an employee stock compensation expense of INR 324.04 Lakhs (31st March, 2024 expense of INR 220.37 Lakhs) in the Statement of Profit and Loss.

During the Year ended 31st March, 2025 the Company has allotted 4,60,594 equity shares of face value of INR 2 per share to employees who have exercised their options under the approved CIFL Employee Stock Option Plan 2018.

* The members vide resolution passed through postal ballot on 29 January, 2025, have approved the sub-division / split of equity share of the Company from face value of INR 10/- each to face value of INR 2/- each. The record date for the sub-division / split of equity shares was 17 February, 2025.

38 Disclosure Pursuant to Ind AS 116 "Leases"

The following is the movement in Right of Use Assets

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Opening balance	2,999.84	2,762.47
Additions during the year	802.67	237.37
Gross Total	3,802.51	2,999.84
Total Amortization	2,624.96	2,130.65
Closing balance	1,177.55	869.19

The following is the movement in lease liabilities

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Opening balance	1,023.76	1,327.15
Additions during the year	767.60	225.36
Finance cost accrued during the year	158.62	108.87
Payment of lease liabilities	(618.25)	(637.62)
Closing balance	1,331.73	1,023.76

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Maturity analysis of Lease Liabilities (on an undiscounted basis):

Particulars	As at 31 st March, 2025	As at 31 st March 2024
Not later than 1 year	622.24	439.43
Later than 1 year and not later than 5 years	942.45	755.42
Later than 5 years	-	-
Total	1,564.69	1,194.85

Amount recognised in statement of Profit & Loss account during the year

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Rent expense recognised for short term and low value leases	296.32	310.04
Depreciation on RoU assets	494.31	512.43
Interest expenses on lease liabilities	158.62	108.87
Unwinding of security deposits	24.12	14.83

Nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

As at 31st March, 2025

Right of use Assets	No. of RoU Assets Leased	Range of remaining term (in years)
Building	7	0-4 years

As at 31st March 2024

Right of use Assets	No. of RoU Assets Leased	Range of remaining term (in years)
Building	7	0-4 years

Note:

- i) The Company does not have variable lease payments during the year ended 31st March, 2025 and 31st March, 2024.
- ii) The Company has not subleased right of use asset during the year ended 31st March, 2025 and 31st March, 2024.
- iii) The Company does not have any significant restrictions or covenants imposed by leases during the year ended 31st March, 2025 and 31st March, 2024.
- iv) The Company does not have any committed undiscounted leases that has not yet commenced as at 31st March, 2025 and 31st March, 2024.
- v) The Company also has certain leases of buildings with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.
- vi) The company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the lease liabilities as and when they fall due.

39 Disclosure pursuant to Ind AS 12 'Income Taxes'

(i) Tax Expenses recognised in the Statement of Profit and Loss

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Current Tax:		
In respect of current year	353.73	737.00
In respect of prior years	(195.73)	-
Deferred Tax:		
Deferred tax relating to origination and reversal of temporary differences	(47.80)	(2.71)
Total Income Tax recognised in profit or loss		
Current tax	158.00	737.00
Deferred tax	(47.80)	(2.71)
Total Income Tax recognised in profit or loss	110.20	734.29

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

(ii) Income Tax recognised in Other comprehensive income

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Deferred tax related to items recognised in Other comprehensive income during the year:		
Remeasurement of defined employee benefits	(2.91)	13.79
Total Income tax recognised in Other comprehensive income	(2.91)	13.79

(iii) Reconciliation of effective tax rate:

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows :

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Profit before Tax	1,288.30	2,744.56
Enacted income tax rate (%)	25.17%	25.17%
Income tax expense calculated at applicable income tax rate	324.24	690.75
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses that are not deductible for tax purposes	624.05	465.18
Deductions available under income tax	(594.56)	(418.93)
Income Tax expense recognised in profit and loss	353.73	737.00
Deferred Tax recognised in profit and loss	(47.80)	(2.71)
Tax recognised for the year	305.93	734.29
Actual effective income tax rate (%)	23.75%	26.75%
Income tax for earlier year	(195.73)	-
Tax recognised in profit and loss	110.20	734.29

(iv) Movement in temporary differences

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Credit / (Charge) in the Statement of Profit and Loss during the year		
Loans & Advances	35.85	53.71
Property, Plant and Equipment & Intangible assets	45.68	13.88
ROU and Lease liability	2.66	(10.52)
Borrowings	(0.67)	37.34
Investments	(7.68)	2.18
Provisions	77.08	29.73
Deferred consideration on direct assignments	(105.12)	(123.61)
Total (a)	47.80	2.71
Credit / (Charge) in the other comprehensive income during the year		
Provisions - employee benefit expenses for the year	(2.91)	13.79
Total (b)	(2.91)	13.79
Net deferred income tax asset at the beginning (c)	661.77	645.27
Net deferred tax asset/(Liabilities) at the end of the year (d) = (a) + (b) + (c)	706.66	661.77

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.

Notes to Standalone Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

40 Maturity Analysis of Assets & Liabilities

Particulars	As at 31 st March, 2025			As at 31 st March, 2024		
	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
ASSETS						
Financial Assets						
Cash & cash equivalents	10,093.24	-	10,093.24	8,311.68	-	8,311.68
Bank balances other than Cash & cash equivalents	4,931.95	1,022.98	5,954.93	3,632.64	2,813.61	6,446.25
Receivables						
- Trade Receivables	1,004.47	-	1,004.47	663.98	-	663.98
- Other Receivables	7.01	-	7.01	15.52	-	15.52
Loans	24,527.82	65,355.97	89,883.79	21,570.75	64,134.94	85,705.69
Investments	5,369.64	17,643.51	23,013.15	-	17,643.51	17,643.51
Other financial assets	750.10	1,481.55	2,231.65	375.20	992.39	1,367.59
Non-financial Assets						
Current tax assets(net)	-	44.85	44.85	-	16.35	16.35
Deferred tax asset (net)	-	706.66	706.66	-	661.77	661.77
Property, plant and equipment	-	959.11	959.11	-	1,157.51	1,157.51
Capital work in progress	-	-	-	-	30.17	30.17
Intangible Assets	-	56.15	56.15	-	19.87	19.87
Intangible Asset Under Development	-	-	-	-	24.00	24.00
Right of use assets	-	1,177.55	1,177.55	-	869.19	869.19
Other non-financial assets	273.47	1,263.20	1,536.67	318.98	1,093.70	1,412.68
Total Assets	46,957.70	89,711.53	1,36,669.23	34,888.75	89,457.01	1,24,345.76
LIABILITIES						
Financial Liabilities						
Payables						
(i)Trade Payables	963.55	-	963.55	1,024.66	-	1,024.66
(ii)Other Payables	30.30	-	30.30	70.77	-	70.77
Borrowings	29,157.30	36,782.90	65,940.20	25,923.52	30,739.36	56,662.88
Lease liability	512.61	819.12	1,331.73	352.76	671.00	1,023.76
Other financial liabilities	5,333.72	-	5,333.72	3,890.91	-	3,890.91
Non-Financial Liabilities						
Provisions	516.82	165.74	682.56	573.64	150.91	724.55
Other non-financial liabilities	233.60	-	233.60	294.05	-	294.05
Total Liabilities	36,747.90	37,767.76	74,515.66	32,130.31	31,561.27	63,691.58
Net	10,209.80	51,943.77	62,153.57	2,758.44	57,895.74	60,654.18
Other undrawn commitments						
Total commitments	422.66	-	422.66	816.95	-	816.95

Notes to Standalone Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

41 Capital Management

For the purpose of the Company's capital management capital includes issued capital and equity reserves. The primary objective of the Company's capital management is to ensure that the Company complies with RBI prescribed Capital adequacy requirements and maintains adequate capital to support its business and maximise shareholders value. The Capital to Risk Weighted Asset Ratio (CRAR) of the company is as under.

Items	As at 31 st March, 2025	As at 31 st March, 2024
CRAR (%)	36.08%	36.58%
CRAR - Tier I capital (%)	35.45%	35.94%
CRAR - Tier II capital (%)	0.63%	0.64%
Liquidity Coverage Ratio	653.38%	225.51%
Debt Equity Ratio	1.06	0.93

As per RBI Prudential norms, the minimum CRAR requirement for NBFCs is 15% and the Company has maintained CRAR well above the regulatory norms throughout the year.

Regulatory capital-related information is presented as a part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels. In accordance with such norms, Tier I capital of the company comprises of share capital, share premium, reserves and Tier II capital comprises of provision on loans that are not credit-impaired. There were no changes in the capital management process during the years presented.

42 Financial Risk Management

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 constituted the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

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.

The Company has exposure to the following risks arising from its business operations:

i) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Lending activities account for most of the Company's credit risk. Other sources of credit risk also exist in loans and transaction settlements. Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. The maximum exposure to credit risk in case of all the financial instruments is restricted to their respective carrying amount. Credit risk is monitored through stringent credit appraisal, counter party limits and internal risk ranges of the borrowers. Exposure to credit risk is managed through regular analysis of the ability of all the customers and counterparties to meet interest and capital repayment obligations and by changing lending limits where appropriate. Company primarily offers loans secured by immovable property. In order to mitigate credit risk, company also seeks collateral appropriate to the product segment. Other means of mitigating credit risk that the company uses are guarantees. The most common types of collateral the company receives, measured by collateral value, are mortgages on financial assets in the form of Residential/Commercial property.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

a) Maximum exposure to the Credit risk

The table below shows the Company's maximum exposure to the credit risk.

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Financial Assets at amortised cost - Loans & Advances (Gross)	93,131.77	89,122.74
Less : Impairment loss allowances	1,916.13	1,914.21
Financial Assets at amortised cost - Loans & Advances (Net)	91,215.64	87,208.53
Financial Assets measured at FVTPL - Mutual funds	5,369.64	-
Trade and Other receivables	1,011.48	679.50
Total	97,596.76	87,888.03

Credit risk on Cash and Cash equivalents is considered to be Nil as these are generally held with leading banks.

b) Credit quality analysis

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The credit quality of Loans and advances measured at amortised cost is primarily assessed by the Days Past Due (DPD) status.

Inputs, assumptions and techniques used for estimating impairment

In assessing the impairment of financial assets under the expected credit loss model, the Company defines default when a loan obligation is overdue for more than 90 days.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the Company considers the DPD status of the loans. Credit risk is deemed to have increased significantly when an asset is more than 30 days past due (DPD)

Calculation of expected credit losses

The key elements in calculation of ECL are as follows:

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.

EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

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 lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

For PD the Company has relied upon the PD data from industry benchmarks and external rating agencies. For Loss Given Default (LGD) the Company has relied on internal and external information.

The following table sets out information about the credit quality of financial assets measured at amortised cost.

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Gross Stage 1	84,322.04	81,140.00
Less : Impairment loss allowance	840.22	821.55
Net Stage 1 Assets	83,481.82	80,318.45
ECL Prov. Coverage	1.00%	1.01%

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Gross Stage 2	7,129.58	6,408.07
Less : Impairment loss allowance	289.92	233.93
Net Stage 2 Assets	6,839.66	6,174.14
ECL Prov. Coverage	4.07%	3.65%
Gross Stage 3	1,680.15	1,574.67
Less : Impairment loss allowance	785.99	858.73
Net Stage 3 Assets	894.16	715.94
ECL Prov. Coverage	46.78%	54.53%
Total Loans & Advances	93,131.77	89,122.74
Less : Impairment loss allowance	1,916.13	1,914.21
Net Loans & Advances	91,215.64	87,208.53
ECL Provision Coverage	2.06%	2.15%

Credit impairment charge to the income statement

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
New and increased / (decreased) provisions	1.92	164.60
Bad debts and write off net of recoveries	402.33	2.65
Total charge / (credit) to the income statement	404.25	167.25

Policy for Write off

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off and when there is no reasonable expectation of recovery from the collaterals held. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

c) Movement in gross exposures and credit impairment for loans and advances

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets measured at amortised cost. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition. Refer to the accounting policy for details.

Particulars	Movement in Gross Exposure to Loans & Advances				Movement in ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as at 01 April, 2023	80,759.03	12,052.15	654.64	93,465.82	410.61	998.12	340.87	1,749.60
Changes due to financial assets recognised in opening balance that have:								
- Transferred to 12 month ECL	2,274.14	(2,178.08)	(96.06)	-	216.26	(216.01)	(0.25)	-
- Transferred to lifetime ECL -significant increase in credit risk	(3,458.30)	3,464.61	(6.31)	-	(93.85)	93.97	(0.12)	-
- Transferred to lifetime ECL credit impaired	(534.23)	(550.42)	1,084.65	-	(253.10)	(255.73)	508.83	-
Increase due to financial assets originated	36,660.66	1,167.35	43.61	37,871.62	693.75	267.94	109.79	1,071.48
Decrease due to loans derecognised on full payment	(34,560.74)	(7,547.54)	(103.77)	(42,212.05)	(152.10)	(654.36)	(98.63)	(905.09)

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Particulars	Movement in Gross Exposure to Loans & Advances				Movement in ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Net remeasurement (Due to recovery on regular basis changes in rating, changes in security value etc.)	-	-	-	-	-	-	-	-
Write off	(0.56)	-	(2.09)	(2.65)	(0.02)	-	(1.76)	(1.78)
Balance as at 31st March, 2024	81,140.00	6,408.07	1,574.67	89,122.74	821.55	233.93	858.73	1,914.21
Changes due to financial assets recognised in opening balance that have:								
- Transferred to 12 month ECL	1,096.57	(848.89)	(247.68)	-	2.72	(2.12)	(0.60)	-
- Transferred to lifetime ECL -significant increase in credit risk	(4,810.46)	4,811.64	(1.18)	-	(183.24)	183.24	-	-
- Transferred to lifetime ECL credit – impaired	(722.52)	(171.25)	893.77	-	(349.49)	(74.58)	424.07	-
Increase due to financial assets originated	39,068.11	1,152.15	0.12	40,220.38	1,004.87	122.73	5.02	1,132.62
Decrease due to loans derecognised on full payment	(31,446.26)	(4,217.70)	(145.06)	(35,809.02)	(456.10)	(173.21)	(169.97)	(799.28)
Net remeasurement (Due to recovery on regular basis changes in rating, changes in security value etc.)	-	-	-	-	-	-	-	-
Write off	(3.40)	(4.44)	(394.49)	(402.33)	(0.09)	(0.07)	(331.26)	(331.42)
Balance as at 31st March, 2025	84,322.04	7,129.58	1,680.15	93,131.77	840.22	289.92	785.99	1,916.13

d) Collateral and other credit enhancements

The Company would generally have its credit exposures backed by securities, either primary or collateral. Lending Policy of the Company prescribes Asset cover norms and collateral guidelines for its various product offering. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty and product offered. The Company grants loans against collateral of immovable property (Land, Under construction projects, Ready property) including commercial and residential properties.

As collateral is a source of mitigating credit risk, assessment of the condition of the securities and their value is undertaken on regular basis. There were no significant changes in the collateral policy of the company during the Financial Year 2024-2025.

e) Credit Concentration

The Company has exposure on Advances, as detailed below.

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Total Advances to twenty largest borrowers	15,002.30	Total Advances to twenty largest borrowers	12,869.08
Percentage of Advances to twenty largest borrowers to Total Advances	16.37%	14.67%		

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are selected by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has in place an Asset-Liability Management Committee (ALCO) which functions as the operational unit for managing the Balance Sheet within the performance and risk parameters laid down by the Board and Risk Committee of the Board. ALCO reviews Asset Liability strategy and Balance Sheet management in relation to asset and liability profile. ALCO ensures that the objectives of liquidity management are met by monitoring the gaps in the various time buckets, deciding on the source and mix of liabilities, setting the maturity profile of the incremental assets and liabilities etc. Key principles adopted in the Company's approach to managing liquidity risk include:

- Monitoring the Company's liquidity position on a regular basis, using a combination of contractual and behavioral modelling of balance sheet and cash flow information
- Maintaining a high quality liquid asset portfolio or maintaining undrawn bank lines
- Operating a prudent funding strategy which ensures appropriate diversification and limits maturity concentrations

The Company's principal sources of liquidity are cash and cash equivalents, undrawn cash credit & overdraft facilities from Banks, liquid asset portfolio like Mutual funds and the cash flow that is generated from operation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include interest accrued till the reporting date.

As at 31 st March, 2025	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	65,940.20	29,157.30	30,560.50	6,222.40	-
Trade and Other Payables	993.85	993.85	-	-	-
Lease Liability	1,331.73	512.61	549.90	269.22	-
Other Financial Liabilities	5,333.72	5,333.72	-	-	-
Total	73,599.49	35,997.48	31,110.40	6,491.62	-

As at 31 st March, 2024	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	56,662.88	25,923.52	26,638.83	4,100.53	-
Trade and Other Payables	1,095.43	1,095.43	-	-	-
Lease Liability	1,023.76	352.76	538.58	132.42	-
Other Financial Liabilities	3,890.91	3,890.91	-	-	-
Total	62,672.98	31,262.62	27,177.41	4,232.95	-

iii) Market Risk:

Market risk is the risk that the fair value of the future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates risk and foreign currency risk.

The Company primarily deploys funds in bank deposits and liquid debt securities as a part of its liquidity management approach. The Company regularly reviews its average borrowing / lending cost including proportion of fixed and floating rate borrowings / loans so as to manage the impact of changes in interest rates.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

iv) Interest rate risk

Company has exposure to interest rate risk, primarily from its lending business and related borrowings. 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.

Particulars	% Increase in rate		Increase/(decrease) in profit	
	31 st March, 2025	31 st March, 2024	31 st March, 2025	31 st March, 2024
Borrowings that are re-priced	0.25%	0.25%	(150.65)	(143.29)
Loans that are re-priced	0.25%	0.25%	107.64	90.70
Borrowings that are re-priced	1.00%	1.00%	(602.60)	(573.17)
Loans that are re-priced	1.00%	1.00%	430.56	362.79

Interest rate risk is managed primarily by monitoring the sensitivity of expected net interest income ('NII') under varying interest rate scenarios. This monitoring is undertaken by ALCO on regular basis. The NII sensitivities shown are indicative and based on simplified scenarios.

v) Foreign Exchange Rate Risk:

The company entered into foreign currency transactions in the Foreign currency business. The currency risk arising out of foreign currency transactions in the foreign currency business is monitored by a central dealing room, which then hedges the positions transactions entered into at individual locations across the country, through deals in the interbank market, thereby ensuring that they are minimal open positions.

(a) Foreign currency risk exposure

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	As at 31 st March, 2025				As at 31 st March, 2024			
	EUR	GBP	USD	Others	EUR	GBP	USD	Others
Foreign currencies in hand	55.10	31.55	385.06	357.27	28.49	16.24	219.48	340.62
Foreign Currency Balance	20.77	2.00	217.32	145.51	-	-	-	-
Net exposure	75.87	33.55	602.38	502.78	28.49	16.24	219.48	340.62

(b) Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts.

Particulars	Impact on Profit after tax		Impact on Other components of Equity					
	As at 31 st March, 2025		As at 31 st March, 2024		As at 31 st March, 2025		As at 31 st March, 2024	
	Strength-enning	Weaken-ing	Strength-enning	Weaken-ing	Strength-enning	Weaken-ing	Strength-enning	Weaken-ing
Effect in INR								
0.75% movement*								
EUR	0.57	(0.57)	0.21	(0.21)	-	-	-	-
GBP	0.25	(0.25)	0.12	(0.12)	-	-	-	-
USD	4.52	(4.52)	1.65	(1.65)	-	-	-	-
Others	3.77	(3.77)	2.55	(2.55)	-	-	-	-

*Holding all other variables constant

vi) Operational Risk:

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or may lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

43 Financial Instruments

i) Accounting classification and fair values

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

As at 31 st March, 2025	Carrying Amount		
	FVTPL	Amortised Cost	Total
Financial Assets			
Investment in Mutual fund Units	5,369.64	-	5,369.64
Cash and cash equivalents	-	10,093.24	10,093.24
Bank balances other than Cash & cash equivalents	-	5,954.93	5,954.93
Trade and Other receivables	-	1,011.48	1,011.48
Loans & advances	-	89,883.79	89,883.79
Others financial assets	-	2,231.65	2,231.65
Total	5,369.64	1,09,175.09	1,14,544.73
Financial liabilities			
Trade and other payables	-	993.85	993.85
Borrowings	-	65,940.20	65,940.20
Lease Liability	-	1,331.73	1,331.73
Other financial liabilities	-	5,333.72	5,333.72
Total	-	73,599.50	73,599.50

As at 31 st March, 2024	Carrying Amount		
	FVTPL	Amortised Cost	Total
Financial Assets			
Cash and cash equivalents	-	8,311.68	8,311.68
Bank balances other than Cash & cash equivalents	-	6,446.25	6,446.25
Trade and Other receivables	-	679.50	679.50
Loans & advances	-	85,705.69	85,705.69
Others financial assets	-	1,367.59	1,367.59
Total	-	1,02,510.71	1,02,510.71
Financial liabilities			
Trade and other payables	-	1,095.43	1,095.43
Borrowings	-	56,662.88	56,662.88
Lease Liability	-	1,023.76	1,023.76
Other financial liabilities	-	3,890.91	3,890.91
Total	-	62,672.98	62,672.98

Ind AS 107, 'Financial Instruments - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet using a three-level fair value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value- hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on the 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.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Fair value hierarchy of financial instruments classified in FVTPL category:-

Particular	Fair Value as on 31 st March, 2025			Carrying Value as on 31 st March, 2025	Fair Value as on 31 st March, 2024			Carrying Value as on 31 st March, 2024
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Financial Assets								
Investment in Mutual fund Units	-	5,369.64	-	5,369.64	-	-	-	-
Total	-	5,369.64	-	5,369.64	-	-	-	-

44 Provision under prudential norms of income recognition, asset classification (IRAC)-

As at 31st March, 2025

Asset Classification as per RBI Norms	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
1	2	3	4	(5=3-4)	6	(7=4-6)
Performing assets						
Standard	Stage 1	84,322.04	829.37	83,492.67	337.29	492.08
	Stage 2	7,129.58	289.92	6,839.66	28.52	261.40
Subtotal	91,451.62	1,119.29	90,332.33	365.81	753.48	
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,057.43	506.92	550.51	105.74	401.18
Doubtful - up to 1 year	Stage 3	620.26	278.05	342.21	124.05	154.00
1 to 3 years	Stage 3	2.46	1.02	1.44	0.74	0.28
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		622.72	279.07	343.65	124.79	154.28
Loss						-
Subtotal for NPA		1,680.15	785.99	894.16	230.53	555.46
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	23,226.82	10.85	23,215.97	-	10.85
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		23,226.82	10.85	23,215.97	-	10.85
Total	Stage 1	1,07,548.86	840.22	1,06,708.64	337.29	502.93
	Stage 2	7,129.58	289.92	6,839.66	28.52	261.40
	Stage 3	1,680.15	785.99	894.16	230.53	555.46
	Total	1,16,358.59	1,916.13	1,14,442.46	596.34	1,319.79

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

As at 31st March, 2024

Asset Classification as per RBI Norms	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
1	2	3	4	5	6	7
Performing assets						
Standard	Stage 1	81,140.00	723.44	80,416.56	324.56	398.88
	Stage 2	6,408.07	233.93	6,174.14	25.64	208.29
Subtotal		87,548.07	957.37	86,590.70	350.20	607.17
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,344.24	629.75	714.49	134.42	495.33
Doubtful - up to 1 year	Stage 3	201.53	200.08	1.45	200.08	-
1 to 3 years	Stage 3	28.90	28.90	-	28.90	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		230.43	228.98	1.45	228.98	-
Loss						-
Subtotal for NPA		1,574.67	858.73	715.94	363.40	495.33
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	29,190.53	98.11	29,092.42	-	98.11
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		29,190.53	98.11	29,092.42	-	98.11
Total	Stage 1	1,10,330.53	821.55	1,09,508.98	324.56	496.99
	Stage 2	6,408.07	233.93	6,174.14	25.64	208.29
	Stage 3	1,574.67	858.73	715.94	363.40	495.33
	Total	1,18,313.27	1,914.21	1,16,399.06	713.60	1,200.61

45 Additional Disclosures as per the guidelines prescribed in the NBFC - Scale Based Regulations, Directions 2023 is as under:

a. Capital funds, risk assets/ exposure and risk asset ratio (CRAR)

S. No	Item	As at 31 st March, 2025	As at 31 st March, 2024
1	CRAR (%)	36.08%	36.58%
2	CRAR - Tier I capital (%)	35.45%	35.94%
3	CRAR - Tier II Capital (%)	0.63%	0.64%
4	Amount of subordinated debt raised as Tier -II Capital	-	-
5	Amount raised by issue of Perpetual Debt Instruments	-	-

Notes to Standalone Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

b. Investments

S. No	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
1	Value of investments		
	(i) Gross value of investments		
	(a) in India	23,013.15	17,643.51
	(a) outside India	-	-
	(ii) Provision for depreciation		
	(a) in India	-	-
	(a) outside India	-	-
	(iii) Net value of investments		
	(a) in India	23,013.15	17,643.51
	(a) outside India	-	-
2	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	-	-
	(ii) Add : Provisions made during the year	-	-
	(iii) Less : Write-off/ write-back of excess provision during the year	-	-
	(i) Closing balance	-	-

c. Derivatives

 The Company has no transactions / exposure in derivatives as on 31st March, 2025 and 31st March, 2024.

d. Disclosures relating to Securitisation

The Company has not entered in securitisation transaction during the year and had no outstanding securitisation transactions for earlier years.

e. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

The Company has not sold any financial asset to securitisation / reconstruction company for asset reconstruction in the current year and previous year.

f. Details of Loans transferred through Assignment

The Company has sold some loan and advances (measured at amortised cost) by way of direct assignment.

Risk and rewards related to these assets were transferred to the respective assignees, the assets have been de-recognised from the Company's balance sheet.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/ (loss) on derecognition, per type of asset.

S. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
1	No. of Accounts	385	159
2	Aggregate value (net of provisions) of accounts assigned*	5,499.14	4,499.29
3	Aggregate consideration*	4,949.23	4,156.33
4	Additional consideration realised in respect of accounts transferred in earlier years	-	-
5	Net gain / (Loss) on derecognition of financial instruments under amortized cost category	741.00	534.57

* Details pertaining to direct assignment transactions entered during the year.

g. Details of non-performing financial assets purchase / sold

The Company has not purchased / sold any non-performing financial assets in the current year and previous year.

Notes to Standalone Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

h. Exposure
i. Exposure to Real Estate Sector

Sr. No	Category	As at 31 st March, 2025	As at 31 st March, 2024
a)	Direct exposure		
(i)	Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund bases (NFB) limits.	-	-
(ii)	Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development & construction etc.). Exposure would also include non-fund based (NFB) limits.	5,507.05	1,309.54
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
1	Residential,	-	-
2	Commercial Real Estate.	-	-
b)	Indirect exposure		
(i)	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-
(ii)	Investment in Housing Finance Companies	15,500.00	15,500.00
(iii)	Others	-	-
	Total Exposure to Real Estate Sector	21,007.05	16,809.54

ii. Exposure to Capital Market

Particulars	As at 31 st March, 2025	As at 31 st March, 2024	
(i)	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;*	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	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;	-	-
(iv)	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;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	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;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	-	-

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds:	-	-
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
Total Exposure to Capital Market	-	-

*Excludes investments in subsidiaries.

i. Details of financing of parent company products

Not Applicable

j. Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not lent/ invested/ lent and invested in Single Borrower / Single Group of Borrowers in excess of limits prescribed by the RBI.

k. Unsecured Advances

Refer Note 6 for unsecured advances. There are no advances/projects financed by the Company wherein intangible security such as rights, licenses, authorizations etc. are charged as collateral as at 31st March, 2025 and 31st March, 2024.

l. Registration obtained from other financial sector regulators

The Company is not registered with any financial sector regulators except with the RBI.

m. Disclosure of Penalties imposed by RBI and other regulators

No penalties were imposed by the RBI and other regulators during current year and previous year.

n. Provisions and contingencies (shown under the head expenditure in Statement of Profit and Loss):

S. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(i)	Provision made towards income tax	158.00	737.00
(ii)	Provision for impairment of financial assets	1.92	164.60

o. Draw Down from Reserves

There has been no draw down from reserves during the current year and previous year.

p. Concentration of Advances, Exposures and NPAs

i) Concentration of Advances

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Total Advances to twenty largest borrowers	15,002.30	12,869.08
Percentage of Advances to twenty largest borrowers to Total Advances	16.37%	14.67%

ii) Concentration of Exposures

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Total Exposures to twenty largest borrowers / customers	15,142.82	13,236.12
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure on borrowers / customers	16.26%	14.85%

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

iii) Concentration of NPAs

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Total of Exposures to top four NPA accounts	404.96	420.21

iv) Movement of NPAs

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(i) Net NPAs to Net Advances (%)	0.98%	0.82%
(ii) Movement of NPAs (Gross):		
(a) Opening balance	1,574.67	654.64
(b) Additions during the year	893.89	1,128.26
(c) Reductions during the year	788.41	208.23
(d) Closing balance	1,680.15	1,574.67
(iii) Movement of Net NPAs		
(a) Opening balance	715.94	313.77
(b) Additions during the year	464.80	509.64
(c) Reductions during the year	286.58	107.47
(d) Closing balance	894.16	715.94
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	858.73	340.87
(b) Provisions made during the year	429.09	618.62
(c) Write-off / write-back of excess provisions	501.83	100.76
(d) Closing balance	785.99	858.73

v) Intra- group exposures

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(i) Total amount of intra- group exposures	-	-
(ii) Total amount of top 20 intra- group exposures	-	-
(iii) Percentage of intra- group exposures to total exposure of the NBFC on borrowers/ Customers	0.00%	0.00%

vi) Sector-wise NPAs (% of NPA to Total Advances in that sector)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024			
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture & allied activities	3,459.88	158.07	4.57%	2,033.13	17.13	0.84%
2. Industry	-	-	0.00%	-	-	0.00%
3. Services						
Retail Trade	23,879.27	444.29	1.86%	25,506.66	335.54	1.32%
Commercial Real Estate	6,682.36	-	0.00%	1,349.23	-	0.00%
Other Services	36,207.57	804.83	2.22%	31,854.83	509.82	1.60%
4. Personal Loans						
Education Loans	8,329.36	95.29	1.14%	10,311.43	482.62	4.68%
5. Others						
Other retail Loans	14,573.33	177.67	1.22%	18,067.46	229.56	1.27%
Total	93,131.77	1,680.15	1.80%	89,122.74	1,574.67	1.77%

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

q. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

The Company has not invested in overseas assets in the current and previous year. There are no outstanding investments from earlier years.

r. Off-balance Sheet SPVs sponsored by the Company

The Company has no off-balance sheet SPV in the current year.

s. Disclosure of Scheme for Sustainable Structuring of Stressed Assets (S4A)

The Company has not done any Sustainable Structuring of Stressed Assets

The Company has not restructured any non-performing financial assets during the financial year ended 31st March, 2025 and 31st March, 2024.

t. Fraud Reporting

As required by the Chapter II paragraph 5 for Monitoring of frauds in NBFCs (RBI guidelines), there are no frauds reported for the year ended 31st March, 2025 and 31st March, 2024.

u. Remuneration of Directors

Details of all transactions with directors has been given in Note 35 of Financials Statements (Related Party Transactions).

v. Revenue Recognition

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

w. Consolidated Financial Statement (CFS)

The Company has prepared consolidated financial statement of all its underlying subsidiaries.

x. Net Profit or Loss for the period, prior period items and changes in accounting policies

No prior period items and changes in accounting policies.

y. The disclosure of the Concentration of Deposits taken is not applicable since the Company is not in the business of accepting deposits being a Systemically Important Non Deposit Accepting NBFC.

z. Disclosure of Complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman:

Sr. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(a)	No.of complaints pending as at the beginning of the year	0	0
(b)	No.of complaints received during the year	100	157
(c)	No.of complaints redressed during the year	100	157
(d)	No.of complaints pending as at the end of the year	0	0

2) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No.	Sub Sr. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
		Complaints received by the NBFC from its customers		
1		Number of complaints pending at beginning of the year	0	0
2		Number of complaints received during the year	100	157
3		Number of complaints disposed during the year	100	157
4	3.1	Of which, number of complaints rejected by the NBFC		
4		Number of complaints pending at the end of the year	0	0
		Maintainable complaints received by the NBFC from Office of Ombudsman		
5		Number of maintainable complaints received by the NBFC from Office of Ombudsman	34	62

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Sr. No.	Sub Sr. No.	Particulars	As at 31 st March, 2025	As at 31 st March, 2024
	5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	33	61
	5.2	Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman	1	1
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	1	1
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 Reserve Bank - Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

3) 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
As at 31st March, 2025					
Loan & Advances	-	94	-40%	-	-
Levy of charges without prior notice/excessive/forclosure charges	-	-	-	-	-
Difficulty in operation of accounts	-	-	-	-	-
Recovery Agents/ Direct Sales Agents	-	6	100%	-	-
Other	-	-	-	-	-
Total	-	100	-	-	-
As at 31st March, 2024					
Loan & Advances	-	157	83%	-	-
Levy of charges without prior notice/excessive/forclosure charges	-	-	-	-	-
Difficulty in operation of accounts	-	-	-	-	-
Recovery Agents/ Direct Sales Agents	-	-	-	-	-
Other	-	-	-	-	-
Total	-	157	-	-	-

aa. Ratings assigned by credit rating agencies and migration of ratings during the year

S. No.	Instruments	Credit Rating Agency	As on 31 st March, 2025	As on 31 st March, 2024
1	Bank Loan (Long Term)	Infomeris Valuation and Rating Limited	IVR A / Stable	NA
2	Non Convertible Debenture	Infomeris Valuation and Rating Limited	IVR A / Stable	NA
3	Bank Loan (Long Term)	Acuite Ratings and Research Limited	Acuite A- /Rating Watch with Developing Implications [#]	Acuite A- / Stable
4	Bank Loan (Short Term)	Acuite Ratings and Research Limited	Acuite A- /Rating Watch with Developing Implications [#]	Acuite A- / Stable

[#]The rating Outlook has been placed under "Rating Watch with Developing Implications" to evaluate the impact of the announcement made by Company regarding the divestment of its housing finance subsidiary Capital India Home Loans Limited.

Migration : There have been no migration in ratings for the year ended 31st March, 2025.

The Company has added a new rating agency during the year ended 31st March, 2025.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

ab. Statement on Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31st March, 2025

S. No	Item	1 day to 7 days	8 to 14 days	15 to 30/31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
1	Deposits	-	-	-	-	-	-	-	-	-	-	-
2	Advances	183.84	278.05	1,091.41	2,905.00	3,164.73	7,281.15	12,282.58	17,278.75	13,998.84	34,667.42	93,131.77
3	Investments	2,969.64	1,200.00	-	1,200.00	-	-	-	-	-	17,643.51	23,013.15
4	Debt securities	-	-	-	-	-	-	-	-	-	-	-
5	Borrowings	338.38	464.06	800.79	2,740.61	3,756.02	7,502.24	13,981.05	31,043.23	6,222.40	-	66,848.78
6	Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
7	Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of certain items of assets and liabilities as at 31st March, 2024

S. No	Item	1 day to 7 days	8 to 14 days	Up to 30 / 31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
1	Deposits	-	-	-	-	-	-	-	-	-	-	-
2	Advances	163.63	165.85	1,551.79	2,489.67	3,144.07	8,088.42	8,933.40	18,846.79	13,234.14	32,504.98	89,122.74
3	Investments	-	-	-	-	-	-	-	-	-	17,643.51	17,643.51
4	Debt securities	-	-	-	-	-	-	-	-	-	-	-
5	Borrowings	383.64	262.54	451.97	2,127.48	3,005.11	5,974.00	14,112.85	27,150.66	4,100.53	-	57,568.78
6	Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
7	Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

ac. Restructured advances

There were no accounts which were restructured for the year ended 31st March, 2025 and 31st March, 2024.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

ad. Related Party Transactions

Details of all material transactions with related parties has been given below-

Related party transactions during the year

Related Party	Year	Holding/ultimate holding company	Fellow Subsidiaries	Associates of holding company	Other Key Management Personnel	Relatives of Director	Directors	Others	Total
Borrowings	2025-2024	-	-	-	-	-	-	-	-
	2023-2024	-	-	-	-	-	-	-	-
Deposits	2025-2024	-	-	-	-	-	-	-	-
	2023-2024	-	-	-	-	-	-	-	-
Loans and advances given	2025-2024	-	-	-	-	-	-	-	-
	2023-2024	-	-	-	-	-	-	-	-
Loans and advances repayment	2025-2024	-	-	-	-	-	-	-	-
	2023-2024	-	-	700.00	-	-	-	-	700.00
Investments	2025-2024	-	-	-	-	-	-	-	-
	2023-2024	-	1,000.00	-	-	-	-	-	1,000.00
Purchase of fixed/other assets	2025-2024	-	33.52	-	-	-	-	-	33.52
	2023-2024	-	0.41	-	-	-	-	-	0.41
Sale of fixed/other assets	2025-2024	-	-	-	-	-	-	-	-
	2023-2024	-	-	-	-	-	-	-	-
Sale of foreign currency	2025-2024	-	1.69	-	-	-	0.29	0.49	2.47
	2023-2024	-	4.11	-	1.10	-	5.89	0.29	11.39
Interest Income	2025-2024	-	-	-	-	-	-	-	-
	2023-2024	-	0.38	48.33	-	-	-	-	48.71
Reimbursement received	2025-2024	-	32.48	-	-	-	-	-	32.48
	2023-2024	-	91.24	58.73	-	-	-	-	149.97
Reimbursement expense	2025-2024	-	1.85	-	-	-	-	-	1.85
	2023-2024	-	5.00	-	-	-	-	-	5.00
Remuneration and sitting fees	2025-2024	-	-	-	603.89	-	258.25	-	862.14
	2023-2024	-	-	-	699.27	-	482.54	46.67	1,228.48
Commission expenses	2025-2024	-	1,566.47	-	-	-	-	-	1,566.47
	2023-2024	-	1,423.30	60.78	-	-	-	-	1,484.08
Loan portfolio assigned in	2025-2024	-	-	-	-	-	-	-	-
	2023-2024	-	936.18	-	-	-	-	-	936.18
Others	2025-2024	126.78	468.74	-	-	-	-	-	48.75
	2023-2024	126.78	570.38	-	-	-	-	-	64.83
									761.99

Balance outstanding at the end of year

Related Party	Year	Holding/ultimate holding company	Fellow Subsidiaries	Associates of holding company	Other Key Management Personnel	Relatives of Director	Directors	Others	Total
Advances against FLDG	2025-2024	-	9.97	-	-	-	-	-	9.97
	2023-2024	-	42.56	-	-	-	-	-	42.56
Payables	2025-2024	-	-	-	-	-	-	-	-
	2023-2024	-	219.32	-	-	-	-	-	219.32
Receivables	2025-2024	-	-	-	-	-	-	-	-
	2023-2024	-	4.18	0.98	-	-	-	-	5.16

Note:-

Refer Note 35 for Related party transaction.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

ae. Pursuant to the RBI circular dated 15th February, 2022, the Company has implemented necessary system in place to align its definition of default for loan assets with the guidelines stipulated in RBI circular dated 12th November, 2021 - 'Prudential Norms on Income Recognition, Asset classification and Provisioning pertaining to Advances- Clarifications' (the 'RBI circular') for regulatory reporting, as applicable. The financial statement for the year ended 31st March, 2025 and 31st March, 2024, are prepared in accordance with the applicable IND-AS guidelines and the RBI Circular dated 13th March, 2020 - 'Implementation of Indian Accounting Standards'.

af. The Company, being a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India ('RBI') as a 'Middle Layer' NBFC as per the Scale Based Regulations prescribed by the RBI, the provisions of section 2(87) read with companies (restriction on number of layers) Rules 2017 are not applicable.

ag. **Loans to directors, senior officers and relatives of directors**

Particular	As at 31 st March, 2025	As at 31 st March, 2024
Directors and their relative	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

The Company has not provided any loans to directors, senior officers and relatives of directors, KMP and SMP, during the year ended 31st March, 2025 and 31st March, 2024.

ah. **Income and expenditure of exceptional nature**

The Company has not booked any income or expenditure of exceptional nature during the year ended 31st March, 2025 and 31st March, 2024.

ai. **Disclosure on modified opinion**

The auditor have expressed an unmodified opinion for the year ended 31st March, 2025 and 31st March, 2024.

aj. **Breach of covenant**

The Company has no instances of breach of covenant in respect of loans availed and debt securities issued as at March 31, 2025 and March 31, 2024.

ak. **Gold Loans**

The Company does not provide any loans on collateral of gold and gold jewellery.

al. The Company has neither purchased any credit impaired financial assets nor has the company transferred any credit impaired assets to the Asset Reconstruction Company during the financial year 2024-2025 and 2023-2024 in terms of guidelines issued by RBI circular number RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September, 2021 as updated from time to time. Further, the Company has also not sold any credit impaired financial assets.

am. **Corporate Governance (refer Corporate Governance section in the annual report)**

an. **Divergence in asset classification and provisioning**

During the year ended 31 March, 2025 and 31 March, 2024 no divergence in asset classification and provisioning has been reported.

ao. **Unhedged Foreign Currency Exposure**

Refer Note 29 of Unhedge Foreign Currency Exposure (UFCE).

46. Public disclosure on liquidity risk of Capital India Finance Limited ('CIFL') as on 31st March, 2025 in accordance with RBI circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4th November, 2019 and as per Scale Based Regulation prescribed by the RBI on Liquidity Risk Management Framework for Non-Banking Financial Companies (NBFCs) including Core Investment Companies.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

i. **Funding Concentration based on significant counterparty (both deposits and borrowings)**

Number of Significant Counterparties	Amount in lakhs	% of Total Deposits	% of Total Liabilities
18	66,159.00	Not Applicable	88.79%

ii. **Top 20 Large Deposits**

Not applicable. The Company is registered with Reserve Bank of India and has been classified as a Systemically Important Non-Deposit Accepting or Holding Non-Banking Financial Company.

iii. **Top 10 Borrowings**

Amount	% of Total Borrowings
53,242.00	79.79%

iv. **Funding Concentration based on significant Instrument/ Product**

Name of instrument/ product	Amount in lakhs	% of Total Liabilities
Term loans from banks	52,311.98	70.20%
Term loans from others	8,584.81	11.52%
Term loans from financial institutions	5,720.00	7.68%
Vehicle Loans from banks	108.15	0.15%
Working capital loan	-	0.00%
Total Borrowings	66,724.94	89.54%
Total Liabilities	74,515.66	

v. **Stock Ratios**

Particulars	As a % of total public funds	As a % of total liabilities	As a % of total assets
Commercial papers	-	-	-
Non-convertible debentures (original maturity of less than one year)	-	-	-
Other short-term liabilities	12.21%	10.93%	5.96%

1 **Other Short Term Liabilities represents all liabilities original Maturities within a year excluding total equity, Debt Securities, Borrowings.**

2 **Public funds Include Debt Securities, Borrowings**

3 **Total Liability Includes Total Liability and Equity as per Balance Sheet less equity**

vi. **Institutional set-up for liquidity risk management**

The Board of Directors of the Company has instituted the Asset Liability Management Committee to monitor and manage liquidity risk inter-alia by way of monitoring the asset liability composition, reviewing the liquidity and borrowing program of the Company, setting-up and monitoring prudential limits on negative mismatches w.r.t. liquidity and interest rate.

The Company's liquidity and funding approach documented through its various plans and policies including the Asset Liability Management Policy, Resources Planning Policy, Investment and Deployment Policy, is to ensure that funding is available to meet all market related stress situations. The Company endeavour to maintain a conservative Asset Liability Management approach which is focused on maintaining long term funding stability.

The Company also has a Risk Management Committee which reports to the Board and is responsible for evaluating the overall risks faced by the Company including liquidity risks.

The Company's liquidity management set-up is assessed periodically to align the same with any regulatory changes in the economic landscape or business needs. The ALCO meetings are held once in a quarter and committee submit its report to board on quarterly basis.

Notes to Standalone Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

47 Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of NBFC - Scale Based Regulations, Directions 2023

LIABILITIES SIDE

1	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:	As at 31 st March, 2025		As at 31 st March, 2024	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
a.	Debentures (other than falling within the meaning of public deposits)				
	- Secured	-	-	-	-
	- Unsecured				
b.	Deferred Credits	-	-	-	-
c.	Term Loans	66,740.63	-	55,013.70	-
d.	Inter-corporate loans and borrowings	-	-	-	-
e.	Commercial Paper	-	-	-	-
f.	Public Deposits (Refer note i below)	-	-	-	-
g.	Other Loans	108.15	-	2,555.08	-
2	Break up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	Amount Outstanding	Amount Overdue		
a.	In the form of unsecured debentures	-	-		
b.	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-		
c.	Other public deposits	-	-		
3	Break up of Loans and Advances including bills receivables [other than those included in (4) below]:	Amount Outstanding			
		As at 31st March, 2025	As at 31st March, 2024		
a.	Secured	76,287.76	69,483.87		
b.	Unsecured	16,844.01	19,638.87		
4	Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities	Amount Outstanding			
		As at 31st March, 2025	As at 31st March, 2024		
i.	Lease Assets including lease rentals under sundry debtors:				
	a. Finance Lease	-	-		
	b. Operating Lease	-	-		
ii.	Stocks on hire including hire charges under sundry debtors:				
	a. Assets on hire	-	-		
	b. Repossessed Assets	-	-		
iii.	Other Loans counting towards AFC activities:				
	a. Loans where assets have been repossessed	-	-		
	b. Loans other than (a) above	-	-		

Notes to Standalone Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

5	Break up of Investments:	Amount Outstanding					
		As at 31 st March, 2025	As at 31 st March, 2024				
Current Investments							
1. Quoted							
	i. Shares - Equity		-	-			
	- Preference		-	-			
	ii. Debentures and Bonds		-	-			
	iii. Units of mutual funds		-	-			
	iv. Government Securities		-	-			
	v. Others		-	-			
2. Unquoted							
	i. Shares - Equity		-	-			
	- Preference		-	-			
	ii. Debentures and Bonds		-	-			
	iii. Units of mutual funds		5,369.64	-			
	iv. Government Securities		-	-			
	v. Others		-	-			
Long Term Investments							
1. Quoted							
	i. Shares - Equity		-	-			
	- Preference		-	-			
	ii. Debentures and Bonds		-	-			
	iii. Units of mutual funds		-	-			
	iv. Government Securities		-	-			
	v. Others		-	-			
2. Unquoted							
	i. Shares - Equity		17,643.51	17,643.51			
	- Preference		-	-			
	ii. Debentures and Bonds		-	-			
	iii. Units of mutual funds		-	-			
	iv. Government Securities		-	-			
	v. Others		-	-			
6	Borrower group-wise classification of all leased assets, stock on hire and loans and advances (Refer note ii below):	As at 31st March, 2025					
		Amount net of provision		As at 31st March, 2024			
		Category	Amount net of provision	Amount net of provision			
			Secured	Unsecured	Total		
1	Related Parties**						
	a. Subsidiaries	-	-	-	-		
	b. Companies in the same group	-	-	-	-		
	c. Other related parties	-	-	-	-		
2	Other than related parties	76,287.76	16,844.01	93,131.77	69,483.87		
	Total	76,287.76	16,844.01	93,131.77	69,483.87		
					89,122.74		

Notes to Standalone Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	As at 31 st March, 2025		As at 31 st March, 2024	
	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)
1 Related Parties**				
a. Subsidiaries	17,774.00	17,643.51	18,714.01	17,643.51
b. Companies in the same group	-	-	-	-
c. Other related parties	-	-	-	-
2 Other than related parties	5,369.64	5,369.64	-	-
Total	23,143.64	23,013.15	18,714.01	17,643.51

** As per Accounting Standard issued by the Institute of Chartered Accountants of India ('ICAI').

8 Other information	Amount	
	As at 31 st March, 2025	As at 31 st March, 2024
i. Gross Non-Performing Assets		
a. Related Parties	-	-
b. Other than related parties	1,680.15	1,574.67
ii. Net Non-Performing Assets		
a. Related Parties	-	-
b. Other than related parties	894.16	715.94
iii. Assets acquired in satisfaction of debt	-	-

Notes:

- i) As defined in Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.
- ii) Provisioning norms shall be applicable as prescribed in the NBFC - Scale Based Regulations, Directions 2023.
- iii) All notified Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term (amortised cost in the case of Ind AS) or current (fair value in the case of Ind AS) in (5) above.

48 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24th September, 2021

A Details of transfer through assignment in respect of loans not in default.

Particulars	Amount
Aggregate amount of loans acquired (INR in lakhs) during the year ended 31 March, 2025	3,372.56
Weighted average residual maturity (in months)	201
Weighted average holding period (in months)*	1
Retention of beneficial economic interest by the originator	10%
Tangible security coverage**(Times)	1

*Holding period is computed as holding period in the books of the Company

**For computation of coverage tangible security coverage ratio, Company has considered only secured loans

Notes to Standalone Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

B Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24th September, 2021

Particulars	Amount
Aggregate principal outstanding of loans transferred through assignment (INR in Lakh) during the year ended 31 st March, 2025	4,949.23
Retention of Beneficial economic interest (in %) (MRR)	10%
Weighted average residual maturity (in months)	140
Weighted average holding period (in months)	16
Coverage of Tangible security Coverage (Times) *	1
Rating- wise distribution of rated loans	Unrated

Note:-

* For computation of coverage of Tangible Security coverage ratio, the Company has considered only the secured loans.

 C The Company has not transferred any stressed loan during the year ended 31st March, 2025.

 D The Company has not acquired any stressed loan during the year ended 31st March, 2025.

49 Change in Liability arising from financing activities

Particulars	As at March 31, 2023	Cash Inflow / Outflow/ Changes	As at 31 st March, 2024	Cash Inflow / Outflow/ Changes	As at 31 st March, 2025
Borrowings	55,810.95	851.93	56,662.88	9,277.32	65,940.20
Debt-Securities	8,053.58	(8,053.58)	-	-	-
Lease Liabilities	1,327.15	(303.39)	1,023.76	307.97	1,331.73

50 Additional disclosures

- a. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b. 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 to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. The Company has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme and also shall state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year ended 31st March 2025 and 31st March 2024.
- d. **Crypto or virtual currency**
The Company has not invested in crypto currency or virtual currency during the year ended 31st March 2025 and 31st March 2024.
- e. **Wilful defaulter**
The Company has not been declared as wilful defaulter by the bank & financial institution or any other lender. In accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31st March 2025 and 31st March 2024.
- f. No Scheme of arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year ended 31st March 2025 and 31st March 2024.

Notes to Standalone Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

- g.** The Company, being a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India as a systematically important NBFC, the provisions of section 2(87) read with Companies (restriction on number of layers) Rules 2017 are not applicable.
- h.** The company has not purchased any credit impaired financial assets during the year ended 31st March, 2025 and 31st March 2024.
- i.** There have been no events after the reporting date that require disclosure in the financial statement.
- j.** The Company has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31st March 2025 and 31st March 2024.
- k. Disclosure under Regulation 34(3) and 53(f) of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015:**

Particular	As at 31 st March, 2025	As at 31 st March, 2024
a) Loans and advances in the nature of loans to Subsidiaries		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
b) Loans and advances in the nature of loans to Associates		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
c) Loans and advances in the nature of loans to Firms/Companies in which directors are interested		
Name of the Company	Not Applicable	Not Applicable
Amount	-	-
d) Investments by the loanee in the shares of parent Company and subsidiary Company, when the Company has made a loan or advance in the nature of loan.		
	Not Applicable	Not Applicable

I. The Company has used accounting software for maintaining books of accounts which has the feature of recording audit trail. Further, there is no instance of audit trail feature being tampered with in respect of any accounting software and the audit trail has been preserved by the company as per the Statutory requirements for record retention.

51 The Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14th May, 2025.

52 Previous year's figures

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Profit due to these regrouping / reclassifications.

For V. SANKAR AIYAR & Co.
Chartered Accountants
Firm Registration No.: 109208W

For and on behalf of the board
Capital India Finance Limited

S. Nagabushanam
Partner
Membership No. : 107022
Place: Mumbai

Vinod Somani
Non-Executive Chairman (Independent)
DIN : 00327231
Place: Delhi

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Pinank Jayant Shah
Chief Executive Officer
Place: Mumbai

Date: 14th May, 2025

Date: 14th May, 2025

Independent Auditor's Report

To
The Members of
Capital India Finance Limited

Report on the Audit of Consolidated Financial Statements

1. Opinion

We have audited the accompanying Consolidated Financial Statements of Capital India Finance Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, the consolidated loss (including other comprehensive income), its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our Report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and by other auditors in terms of their reports referred to in the 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our opinion on Consolidated Financial Statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	<p>Expected Credit Loss (ECL) on Loans and Advances</p> <p>As at March 31, 2025, the carrying value of loan assets measured at amortized cost, aggregated INR 1,31,100.72 lakhs (net of allowance of ECL of INR 2,633.63) constituting approximately 73% of the Company's total assets.</p> <p>The estimation of ECL on financial instruments involves significant judgement and estimates. As part of our risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.</p> <p>The elements of estimating ECL which involved increased level of audit focus are the following:</p> <ol style="list-style-type: none"> Data inputs - The application of ECL model requires several data inputs. Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Group's modelling approach. Qualitative and quantitative factors used in staging the loan assets measured at amortized cost. Economic scenarios – Ind AS 109 requires the Group to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them. Adjustments to model driven ECL results to address emerging trends. <p>Refer Note 6 of the Consolidated Financial Statements.</p>	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> We read and assessed the Group's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the board of directors pursuant to Reserve Bank of India ("RBI") guidelines. Tested the assumptions used for staging of loan portfolio into various categories and default buckets for determining the Probability of Default (PD) and Loss Given Default (LGD) rates. Assessed the criteria for staging of loans based on their past-due status. Tested samples of performing (Stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 as per Ind AS 109. Tested the arithmetical accuracy of computation of ECL provision performed by the Company. Assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.
2.	<p>Information technology (IT) systems used in financial reporting process.</p> <p>The Group's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily.</p> <p>We therefore identified IT systems and controls over financial reporting as a key audit matter for the Holding Company.</p>	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> We obtained an understanding of the Holding Company's IT control environment relevant to the audit. We tested the design, implementation and operating effectiveness of the Holding Company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements. In addition to above, we have also relied on the work of the internal auditors and system auditors.
4.	<p>Information other than the Consolidated Financial Statements and Auditor's Report thereon</p> <p>The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises of the information included in the Annual Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our Auditor's Report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.</p>	<p>In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during 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.</p> <p>We have nothing to report in this regard.</p>

5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

6. Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted

in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding 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 ability of the Group 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 Consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 Consolidated Financial Statements for the 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.

7. Other Matter

We did not audit the financial statements of five (5) subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of INR 66,782.28 Lakhs

as at March 31, 2025, total revenues (before consolidation adjustments) of INR 43,465.87 Lakhs and net cash outflows (before consolidation adjustments) amounting to INR (9,284.61) Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Our opinion is not modified in respect of the above matters.

8. Report on Other Legal and Regulatory Requirements

- i. 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, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, as noted in the 'Other Matter' paragraph, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 (xxi) of the Order.
- ii. As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, as noted in the 'Other Matter' paragraph, 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 purpose of our audit of the aforesaid Consolidated Financial Statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
 - c. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Financial Statements.
 - d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS

specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2025, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies 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 the Consolidated Financial Statements of the Holding Company and its subsidiaries and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this Report;
- g. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Holding Company and its subsidiaries to their 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other Matter' paragraph:
 - i. There are no pending litigations which would impact the consolidated financial position of the Group – Refer Note 34 of the Consolidated Financial Statements;
 - ii. As per information and explanation provided to us, the Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group;

- iv. (a) The respective management of the Group whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that 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 Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 47 (iii) to Consolidated Financial Statements);
- (b) The respective management of the Group whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that no funds have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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 47 (ii) to Consolidated Financial Statements); and
- (c) Based on audit procedures performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, that have been considered reasonable and

appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 32 to the Consolidated Financial Statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in

accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which include test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and same has operated for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with

Further audit trail has been preserved by the company as per the statutory requirements for record retention and during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For **V. Sankar Aiyar & Co.**,
 Chartered Accountants
 Firm Registration No.: 109208W

Annexure A to the Independent Auditors' Report of even date on the Consolidated Financial Statements of Capital India Finance Limited

Referred to in paragraph 8(i) under Report on Other Legal and Regulatory Requirements of our report of even date

There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order ("CARO") reports of the companies included in the Consolidated Financial Statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For **V. Sankar Aiyar & Co.**,
 Chartered Accountants
 Firm Registration No.: 109208W

S. Nagabushanam
 Partner
 Membership No. 107022
 UDIN: 25107022BMLYSC8114

Place: Mumbai
Date: May 14, 2025

S. Nagabushanam
 Partner
 Membership No. 107022
 UDIN: 25107022BMLYSC8114

Annexure B to the Independent Auditors' Report of even date on the Consolidated Financial Statements of Capital India Finance Limited

**Referred to in paragraph 8(ii)(f) under Report on Other Legal and Regulatory Requirements of our report of even date
 Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the Consolidated Financial Statements of Capital India Finance Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") as at March 31, 2025, we have audited the internal financial controls over financial reporting of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The managements of the respective companies in the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Group based on our audit. We conducted our audit in accordance with the Guidance Note and the SAs, to the extent applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by the other companies, in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Group.

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:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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, to the best of our information and according to the explanations given to us and consideration of the reports of the other auditors referred to in the 'Other Matters' paragraph below, the Group, in all material respects, an adequate

Place: Mumbai

Date: May 14, 2025

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 criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to five (5) subsidiary companies, is based solely on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matter.

For **V. Sankar Aiyar & Co.,**
 Chartered Accountants
 Firm Registration No.: 109208W

S. Nagabushanam
 Partner
 Membership No. 107022
 UDIN: 25107022BMLYSC8114

Consolidated Balance Sheet

as at 31st March, 2025

(Currency: INR In Lakhs)

Sr. No.	Particulars	Note No.	As at 31 st March, 2025	As at 31 st March, 2024
ASSETS				
1	Financial Assets			
(a)	Cash & cash equivalents	3	16,178.64	23,681.69
(b)	Bank balances other than Cash & cash equivalents	4	10,958.51	10,602.87
(c)	Receivables	5		
(i)	Trade Receivables		1,174.42	709.34
(ii)	Other Receivables		2,482.99	1,335.91
(d)	Loans	6	1,29,558.56	1,24,124.07
(e)	Investments	7	6,354.20	984.56
(f)	Other financial assets	8	4,985.29	3,879.77
2	Non-financial Assets			
(a)	Inventories	9	98.22	110.01
(b)	Current tax assets(net)	10	350.55	585.77
(c)	Deferred tax asset (net)	11	1,047.09	1,029.99
(d)	Property, plant and equipment	12	1,423.58	1,855.39
(e)	Capital work in progress	12A	-	30.17
(f)	Intangible assets under development	12B	867.56	1,001.18
(g)	Other intangible assets	12C	3,464.36	4,390.65
(h)	Goodwill on consolidation	12D	1,807.59	1,807.59
(i)	Right of use assets	12E	2,280.46	1,332.00
(j)	Other non-financial assets	13	2,227.30	2,629.19
	Total Assets		1,85,259.32	1,80,090.15
LIABILITIES AND EQUITY				
LIABILITIES				
1	Financial Liabilities			
(a)	Payables	14		
(I)	Trade Payables			
(i)	Total outstanding dues of micro and small enterprises		9.28	77.12
(ii)	Total outstanding dues of creditors other than micro and small enterprises		1,632.98	1,448.93
(II)	Other Payables			
(i)	Total outstanding dues of micro and small enterprises		-	-
(ii)	Total outstanding dues of creditors other than micro and small enterprises		30.30	70.77
(b)	Borrowings (Other than Debt Securities)	15	97,147.26	88,372.56
(c)	Lease liabilities	40	2,485.13	1,570.28
(d)	Other financial liabilities	16	16,357.98	19,858.42
2	Non-Financial Liabilities			
(a)	Current tax liabilities (net)		-	0.79
(b)	Provisions	17	1,505.94	1,378.56
(c)	Other non-financial liabilities	18	769.73	1,362.70
3	EQUITY			
(a)	Equity share capital	19	7,782.64	7,773.43
(b)	Other equity	20	55,013.23	54,489.03
	Equity attributable to owners of the Company		62,795.87	62,262.46
(c)	Equity attributable to non-controlling interests		2,524.85	3,687.56
	Total Liabilities and Equity		1,85,259.32	1,80,090.15

Corporate Information

1

Material accounting policies

2

Notes 3 to 50 forms integral part of the Consolidated Financial Statements

For V. SANKAR AIYAR & Co.

Chartered Accountants
Capital India Finance Limited
Firm Registration No.: 109208W

For and on behalf of the board

Capital India Finance Limited

S. Nagabushanam

Partner
Membership No. : 107022
Place: Mumbai

Vinod Somani

Non-Executive Chairman (Independent)
DIN : 00327231
Place: Delhi

Keshav Porwal

Managing Director
DIN : 06706341
Place: Mumbai

Pinank Jayant Shah

Chief Executive Officer
Place: Mumbai

Date: 14th May, 2025

Date: 14th May, 2025

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Sr. No.	Particulars	Note No.	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Revenue from operations :				
(i)	Interest income	21	22,800.85	21,903.80
(ii)	Fees and commission income		22,832.88	28,574.03
(iii)	Income from foreign exchange services		1,222.85	2,973.09
(iv)	Sale of devices and digital products		12,088.61	13,026.15
(v)	Net gain on fair value changes	22	640.59	403.50
(vi)	Net gain on derecognition of financial instruments under amortised cost category		1,557.85	1,017.90
(vii)	Other operating income		309.65	351.61
(I)	Total revenue from operations		61,453.28	68,250.08
(II)	Other income	23	417.43	550.45
(III)	Total income (I+II)		61,870.71	68,800.53
Expenses :				
(i)	Finance costs	24	10,671.80	10,205.19
(ii)	Impairment of financial instruments	25	630.02	304.25
(iii)	Fees and commission expense		24,647.04	31,900.06
(iv)	Cost of materials consumed	26	68.31	122.10
(v)	Employee benefits expenses	27	14,730.99	15,723.99
(vi)	Depreciation and amortization expenses	12,12C & 12E	3,192.97	3,016.73
(vii)	Others expenses	28	8,818.63	8,430.37
(IV)	Total expenses		62,759.76	69,702.69
(V)	(Loss) before exceptional items and tax (III-IV)		(889.05)	(902.16)
(VI)	Exceptional items	48	-	1,031.45
(VII)	(Loss)/ Profit before tax (V+VI)		(889.05)	129.29
(VIII)	Tax Expense:			
	Current Tax		353.73	737.79
	Deferred Tax	11	(24.60)	34.95
	Tax related to earlier years		(195.73)	-
(IX)	(Loss) for the year (VII-VIII)		(1,022.45)	(643.45)
(X)	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
(i)	Re-measurement of net defined benefit plan	11	64.73	(64.60)
(ii)	Income tax impact on above		(7.50)	13.78
	Total Other Comprehensive Income		57.23	(50.82)
(XI)	Total Comprehensive Income for the year (IX+X)		(965.22)	(694.27)
	(Loss) for the year attributable to :			
	Owners of the parent		154.76	1,164.78
	Non-controlling interests		(1,177.21)	(1,808.23)
	Other Comprehensive Income for the year attributable to :			
	Owners of the parent		40.63	(46.14)
	Non-controlling interests		16.60	(4.68)
	Total Comprehensive Income for the year attributable to :			
	Owners of the parent		195.39	1,118.64
	Non-controlling interests		(1,160.61)	(1,812.91)
(XII)	Earnings per equity share (face value of INR 2 each)	29	0.04	0.30
i	Basic (INR)		0.04	0.30
ii	Diluted (INR)		0.04	0.30

Corporate Information	1
Material accounting policies	2
Notes 3 to 50 forms integral part of the Consolidated Financial Statements	
For V. SANKAR AIYAR & Co.	
Chartered Accountants Capital India Finance Limited Firm Registration No.: 109208W	
For and on behalf of the board	
Capital India Finance Limited	
S. Nagabushanam	
Partner Membership No. : 107022 Place: Mumbai	
Vinod Somani	
Non-Executive Chairman (Independent) DIN : 00327231 Place: Delhi	
Keshav Porwal	
Managing Director DIN : 06706341 Place: Mumbai	
Pinank Jayant Shah	
Chief Executive Officer Place: Mumbai	
Date: 14 th May, 2025	Date: 14 th May, 2025
For V. SANKAR AIYAR & Co.	
Chartered Accountants Capital India Finance Limited Firm Registration No.: 109208W	
For and on behalf of the board	
Capital India Finance Limited	
S. Nagabushanam	
Partner Membership No. : 107022 Place: Mumbai	
Vikas Srivastava	
Chief Financial Officer Place: Mumbai	
Sulabh Kaushal	
Chief Compliance Officer & Company Secretary Place: Delhi	
Date: 14 th May, 2025	Date: 14 th May, 2025

Consolidated Statement of Cash Flow

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before exceptional items and taxes	(889.05)	129.29
Adjustments for:		
Depreciation and amortisation expenses	3,192.98	3,016.73
Provision for employee benefits	139.97	160.61
Share based payments to employees	347.30	1,092.91
Exceptional items	-	(1,031.45)
Interest on Lease liability	226.23	174.49
Net gain on fair value changes	(640.59)	(403.50)
Finance cost	10,445.57	10,030.70
Impairment on financial instruments	630.02	304.25
(Gain)/Loss on sale of property, plant and equipment	50.54	(19.89)
(Gain)/Loss on direct assignment transactions	(1,557.85)	(1,017.90)
Interest on income tax refund	(25.62)	(57.14)
Balance written back	(262.09)	(259.59)
Interest on unwinding of financial assets	(31.05)	(21.53)
Operating profit before working capital changes	11,626.36	12,097.98
Changes in -		
(Increase) / Decrease in loans and advances	(6,064.51)	(821.99)
(Increase) / Decrease in trade and other receivables	(1,612.16)	(241.90)
(Increase) / Decrease in other financial assets	483.38	(951.72)
(Increase) / Decrease in Inventory	11.79	(53.06)
(Increase) / Decrease in other non-financial assets	409.42	(759.48)
Increase / (Decrease) in trade payables	337.83	342.22
Increase / (Decrease) in other financial liabilities	(3,500.44)	2,345.66
Increase / (Decrease) in other non-financial liabilities	(592.97)	296.54
Increase/(Decrease) in provisions	44.64	(133.36)
Cash generated from/ (used in) operations	1,143.34	12,120.89
Income tax paid	109.55	(64.80)
Net cash generated from/ (used in) operating activities (A)	1,252.89	12,056.09
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and Intangible assets	(1,040.69)	(2,153.28)
Proceeds from sale of property, plant and equipment	44.20	24.06
Proceeds from sale of Investments in Associate	-	47.00
(Investments) / Redemption of mutual fund	(4,729.05)	4,830.52
(Investment)/Maturity in bank deposits	(355.64)	(2,610.92)
Net cash generated from/ (used in) investing activities (B)	(6,081.18)	137.38
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of equity shares at premium	66.33	-
Payment of dividend and dividend distribution tax thereon	(77.73)	(77.73)
Payment of Lease rent	(992.49)	(1,092.66)
Proceeds/ (Repayment) from borrowings	8,707.47	(1,225.48)
Interest payment on borrowings	(10,378.34)	(10,026.98)
Net cash generated from/ (used in) financing activities (C)	(2,674.76)	(12,422.85)
D) Net increase in cash and cash equivalents (A+B+C)	(7,503.05)	(229.38)
E) Cash and cash equivalents as at the beginning of the year	23,681.69	23,911.07
F) Cash and cash equivalents as at the end of the year	16,178.64	23,681.69

Consolidated Statement of Cash Flow (Contd.)

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Cash and cash equivalents comprises:

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Cash in hand	30.81	22.07
Balances with banks		
- in current accounts	7,033.22	19,689.21
- in deposit accounts	7,208.99	60.00
- Foreign Currencies in hand	828.98	604.83
- Escrow account	340.87	749.20
- Balance with non schedule bank	735.77	2,556.38
	16,178.64	23,681.69

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

Corporate Information 1
Material accounting policies 2
Notes 3 to 50 forms integral part of the Consolidated Financial Statements

For V. SANKAR AIYAR & Co.
Chartered Accountants
Firm Registration No.: 109208W

S. Nagabushanam
Partner
Membership No.: 107022
Place: Mumbai

Vinod Somani
Non-Executive Chairman (Independent)
DIN : 00327231
Place: Delhi

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Pinank Jayant Shah
Chief Executive Officer
Place: Mumbai

Date: 14th May, 2025

Date: 14th May, 2025

Consolidated Statement of Changes in Equity

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

A Equity share capital

Particulars		As at 31 st March, 2025	As at 31 st March, 2024
Balance at the beginning of the year		7,773.43	7,773.43
Issued During the year		9.21	-
Balance at the end of the year		7,782.64	7,773.43

B Other equity

Particulars	Reserves and Surplus					Other comprehensive income	Total attributable to owners of the parent	Non Controlling Interest	Total Other Equity
	Employee stock option outstanding	Statutory reserve	Securities premium	General reserves	Retained earnings				
Balance as at 01 April, 2023	3,215.99	1,908.16	51,069.02	1.76	(3,535.03)	122.42	52,782.32	5,073.34	57,855.66
Dividend paid including dividend distribution tax	-	-	-	-	(77.73)	-	(77.73)	-	(77.73)
Transfer to/from retained earnings	-	426.80	-	-	(426.80)	-	-	-	-
Other Additions/ Deletions during the year	455.28	-	-	-	210.51	-	665.79	427.13	1,092.92
Share options exercised during the year	-	-	-	-	-	-	-	-	-
Securities premium on ESOP exercised during the year	-	-	-	-	-	-	-	-	-
Profit (loss) for the year after income tax	-	-	-	-	1,164.79	-	1,164.79	(1,808.23)	(643.44)
Other comprehensive income for the year before income tax	-	-	-	-	-	(59.92)	(59.92)	(4.68)	(64.60)
Less: Income Tax on Other Comprehensive Income	-	-	-	-	-	13.78	13.78	-	13.78
Balance as at 31st March, 2024	3,671.27	2,334.96	51,069.02	1.76	(2,664.26)	76.28	54,489.03	3,687.56	58,176.59
Dividend paid including dividend distribution tax	-	-	-	-	(77.73)	-	(77.73)	-	(77.73)
Transfer to/from retained earnings	-	291.27	-	-	(291.27)	-	-	-	-
Other Additions/ Deletions during the year	(83.87)	-	-	-	433.29	-	349.42	(2.10)	347.32
Share options exercised during the year	(7.99)	-	7.99	-	-	-	-	-	-
Securities premium on ESOP exercised during the year	-	-	57.12	-	-	57.12	-	-	57.12
Profit (loss) for the year after income tax	-	-	-	-	154.76	-	154.76	(1,177.21)	(1,022.45)
Other comprehensive income for the year before income tax	-	-	-	-	-	48.13	48.13	16.60	64.73
Less: Income Tax on Other Comprehensive Income	-	-	-	-	-	(7.50)	(7.50)	-	(7.50)
Balance as at 31st March, 2025	3,579.41	2,626.23	51,134.13	1.76	(2,445.21)	116.91	55,013.23	2,524.85	57,538.08

In terms of our report attached

For V. SANKAR AIYAR & Co.

 Chartered Accountants
Firm Registration No.: 109208W

S. Nagabushanam

 Partner
Membership No.: 107022
Place: Mumbai

 Date: 14th May, 2025

For and on behalf of the board
Capital India Finance Limited
Vinod Somani
Non-Executive Chairman (Independent)
DIN : 00327231
Place: Delhi

Vikas Srivastava
Chief Financial Officer
Place: Mumbai

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Sulabh Kaushal
Chief Compliance Officer & Company Secretary
Place: Delhi

Pinank Jayant Shah
Chief Executive Officer
Place: Mumbai

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

1 Corporate Information

The consolidated financial statements relate to Capital India Finance Limited (the Holding Company / Company) and its subsidiary companies. The Holding Company and its subsidiary companies constitute the group. The Group's is primarily into lending, forex (including MTSS business) and fintech business.

The equity shares of Holding Company are listed on the National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE") in India.

2 Material accounting Policies
2.1 Basis of Preparation
A) Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations which require a different treatment. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

The Group has complied with the disclosures as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India (RBI) vide their Notification No. RBI/DoR/2023-24/106 DoR.FIN.REC. No.45/03.10.119/2023-24 dated October 19, 2023.

A summary of the material accounting policy information and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) as specified under Section 133 of the Act including applicable Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India.

To provide more reliable and relevant information about the effect of certain items in the consolidated Balance Sheet and Statement of Profit and Loss, the group has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Loss due to these regrouping / reclassifications.

B) Functional and presentation currency

The Group's presentation and functional currency is Indian Rupees. All figures appearing in the consolidated financial statements are in Indian rupees in lakh rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

C) Basis of preparation, presentation and disclosure of consolidated financial statements

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Further, Assets and liabilities are classified as per the normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act as applicable to NBFCs.

D) Fair value measurement

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognized in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out.

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:

- **Level 1 - Valuation using quoted market price in active markets:** The fair value for financial instruments traded in active markets at the reporting date is based

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

- on their quoted market price, without any deduction for transaction costs. A market is regarded as active, if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- **Level 2 - Valuation using observable inputs:** If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates most of the factors that market participants would take into account in pricing a transaction.
- **Level 3 - Valuation with significant unobservable inputs:** The valuation techniques are used only when fair value cannot be determined by using observable inputs. The Group regularly reviews significant unobservable inputs and valuation adjustments. Level 3 assets are typically very illiquid, and fair values can only be calculated using estimates.

The Group 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.

E) Use of judgment and Estimates

The preparation of the financial statements requires the management to make judgments, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities and the accompanying disclosures along with contingent liabilities as at the date of financial statements and revenue & expenses for the reporting period. 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 outcomes different from the estimates. Difference between actual results and estimates are recognized in the year in which the results are known or materialized, i.e., prospectively.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas involving estimation uncertainty, higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements include:

- i) Impairment of financial assets
- ii) Estimation of fair value measurement of financial assets and liabilities

- iii) Effective interest rate
- iv) Business model assessment
- v) Provisions and Contingencies
- vi) Useful life and expected residual value of assets
- vii) Tax position for current tax and recognition of deferred tax assets/liabilities
- viii) Measurement of Defined Benefit Obligations and actuarial assumptions
- ix) Classification of lease and related discount rate

Further an entity is consolidated as a subsidiary if the Company has control over the said entity based on the management evaluation of investments and related agreements/ deeds and determine that the Group has control over the said entity in terms of Ind AS-110 on Consolidated Financial Statements. Control shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders' agreements or voting agreements or in any other manner

2.2 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Group and its subsidiaries.

Control is achieved when the Group:

- has power over the investee,
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders,
- potential voting rights held by the Group, other vote holders or other parties,
- rights arising from other contractual arrangements; and

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries:

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, incomes, and expenses of a subsidiary acquired or disposed of, during the year are included in the consolidated financial statements from the date the Group gains control, until the date when the Group ceases to control the subsidiary.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items. Inter-Group transactions, balances, and unrealized gains on transactions between the Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All inter-Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Change in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

2.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method as per Ind AS 103 – Business Combinations. The consideration transferred in a business

combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition- related costs are generally recognized in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed, are recognized at their fair value at the acquisition date, except that:

Assets and liabilities related to Deferred Tax and Employee Benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the noncontrolling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets.

2.4 Goodwill

Goodwill arising on an acquisition of a business is carried at cost established at the date of acquisition of the business less accumulated impairment loss if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGU) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, if the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the units pro-rata based on the carrying amount of each asset in the unit, any impairment loss or goodwill is not reversed in subsequent period.

On disposal of relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

2.5 Financial Instruments

a) Recognition and initial measurement –

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognized immediately in Statement of Profit and Loss.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognized amounts and it is intended to either settle on net basis or to realize the asset and settle the liability simultaneously.

b) Classification and Subsequent measurement of financial assets –

On initial recognition, a financial asset is classified as measured at

- Amortized cost
- Fair value through other comprehensive income (FVTOCI) – debt instruments
- Fair value through other comprehensive income (FVTOCI) – equity instruments
- Fair value through profit and loss FVTPL

Amortized cost - The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. Financial assets are subsequently measured at amortized cost using Effective Interest Rate (EIR) if these financial assets are held within a business model whose objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Group measures Bank balances, Loans, Trade receivables and other financial instruments at amortized cost.

FVTOCI - debt instruments - The Group measures its debt instruments at FVTOCI when the instrument is held within a business model, the objective of which is achieved by

both collecting contractual cash flows and selling financial assets; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTOCI - equity instruments - The Group subsequently measures all equity investments at fair value through profit or loss, unless the Group's management has elected to classify irrevocably some of its equity instruments at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

All financial assets not classified as measured at amortized cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement of financial assets

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is recognized in Statement of Profit and Loss.

Debt investments at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in Statement of profit and loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

For equity investments, the Group makes selection on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These selected investments are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognized in Statement of Profit and Loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognized in Statement of Profit and Loss.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of Profit and Loss.

c) 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 primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and
- Either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

d) 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 Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

e) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

f) Impairment of financial instruments

The Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets measured at amortized cost or FVTOCI, except for investments in equity instruments. Group follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition.

Stage 1 (Performing Assets) – includes financial assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL is recognized, and interest income is calculated on the gross carrying amount of the assets (that is, without deduction for credit allowance). 12-month ECL are the portion of ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date, if the credit risk has not significantly increased since initial recognition.

Stage 2 (Underperforming Assets with significant increase in credit risk since initial recognition) – includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognized, but interest income is calculated on the gross carrying amount of the assets. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the instrument.

Stage 3 (Non-performing or Credit-impaired assets) – includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognized and interest income is recognized on Net exposure (that is Gross carrying amount less Provision for Expected credit losses).

Measurement of Expected Credit Loss

Expected Credit Losses (ECL) on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. Measurement of expected credit losses are based on 3 main parameters.

- **Probability of default (PD):** It is defined as the probability of whether borrowers will default on

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

their obligations in future. Since the company don't have any history of past losses therefore it was not adequate enough to create our own internal model through which actual defaults for each grade could be estimated. Hence, the default study published by one of the recognized rating agency is used for estimating the PDs for each range grade.

- **Loss given default (LGD):** It is the magnitude of the likely loss, if there is a default. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value.
- **Exposure at default (EAD):** EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

g) Write offs – The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the financial asset (either in its entirety or a portion of it). This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off and when there is no reasonable expectation of recovery from the collaterals held. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

h) Presentation of allowance for ECL in the Balance Sheet
Loss allowances for ECL are presented in the statement of financial position as follows:

- For financial assets measured at amortized cost; as a deduction from the gross carrying amount of the assets;
- For debt instruments measured at FVTOCI; loss allowance is recognized separately in Balance Sheet and the carrying amount is at fair value.

i) Financial liabilities and equity instruments:

Debt and equity instruments issued by the Group 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.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of Profit or Loss. Any gain or loss on derecognition is also recognized in Statement of Profit or Loss.

The Group de-recognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of financial liability derecognized and the consideration paid and payable is recognized in profit or loss

2.6 Cash and Cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, demand deposits with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than or equal to three months. These balances with banks are unrestricted for withdrawal and usage.

Other bank balances include balances and deposits with banks that are restricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

2.7 Statement of Cash Flow

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.8 Property, plant and equipment

a) Recognition and Measurement

Tangible property plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment comprise purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

The residual values and useful lives and method of depreciation of PPE are reviewed at each financial year end and adjusted prospectively.

b) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

c) Depreciation, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives as prescribed in Part C of Schedule II to the Companies Act 2013. The estimated lives used and differences from the lives prescribed under Schedule II are noted in the table below:-

Type of Assets	Estimated useful life as assessed by the Group	Estimated useful life under Schedule II of the Act
Computers	3 years	3 years
Computer Software	3 years	3 years
Office equipment	5 years	5 years

Type of Assets	Estimated useful life as assessed by the Group	Estimated useful life under Schedule II of the Act
Vehicles	5 years	8 years
Furniture and fixtures	10 years	10 years
Leasehold improvements	Tenure of lease agreements	Tenure of lease agreements

Depreciation is provided on a pro-rata basis i.e., from the month in which asset is ready for use. Individual assets costing less than or equals to INR 5,000 are depreciated in full, in the year of purchase. Depreciation on assets sold during the year is recognized on a pro-rata basis in the Statement of Profit and Loss up to the date prior to the date in which the assets have been disposed off.

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

d) De-recognition

Property, plant and equipment are de- recognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is recognized in other income/ expense in the statement of profit and loss (including other comprehensive income) in the year the asset is de-recognized.

2.9 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets comprise of computer software which are capitalized at cost of acquisition including cost attributable to readying the asset for use. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

The useful life of these intangible assets is estimated at 3 years with zero residual value.

Any expenses on such software for support and maintenance payable annually are charged to the Statement of Profit and Loss.

2.10 Impairment of non-financial assets

The carrying values of assets at each Balance Sheet date are reviewed for impairment, if any indication of impairment

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

exists. If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognized for such excess amount in Statement of Profit and Loss. Recoverable amount is the greater of the net selling price and value in use. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

2.11 Inventory

Inventory represents Mobile ATM devices, Biometric devices, Mobile Point of Sale devices. Inventory is carried at Cost or Net realizable value whichever is lower.

2.12 Provisions, contingent liabilities and contingent assets

Provisions are recognized only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognized as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not disclosed in the financial statements.

2.13 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on loans sanctioned, first loss default guarantee on loans, uncalled liability on investments partly paid; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.14 Foreign exchange transactions and translations

a) Initial recognition:

On initial recognition, transactions in foreign currencies entered by the Group are recorded in the functional currency (i.e., Indian Rupees), by applying foreign currency amount, the spot exchange rate between the functional currency and foreign currency at the date of transaction. Exchange differences arising on foreign exchange transactions settled during the year recognized in the Statement of Profit and Loss.

b) Measurement of Foreign currency items at reporting date:

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is measured. When any non-monetary foreign currency item is recognized in Other Comprehensive Income, gain or loss on exchange fluctuation is also recorded in the Other comprehensive Income.

2.15 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

a) Recognition of Interest income

Interest income on financial asset at amortized cost is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR').

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

Interest Income is recognized in the statement of Profit and Loss using effective interest rate (EIR) on all financial assets subsequently measured under amortized cost or fair value through other comprehensive income (FVTCLI) except for those classified as held for trading.

The calculation of EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVPL transaction costs are recognized in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e., at the amortized cost of the financial asset before adjusting for any expected credit loss allowance). For credit- impaired financial assets the interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets (i.e., the gross carrying amount less the allowance for ECLs). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects ECLs in determining the future cash flows expected to be received from the financial asset.

Interest income on penal interest and tax refunds is recognized on receipt basis.

Interest income on fixed deposit is recognized on time proportionate basis.

b) Fee and Commission income

Fee and commission income include fees other than those that are an integral part of EIR. The fees included in the Group's Statement of Profit and Loss include among other things fees charged for servicing a loan, loan advisory fees and documentation charges. Income from consultancy and commission is recognized on completion of relevant activity based on agreed terms of the contract.

c) Other financial charges

Cheque bouncing charges, late payment charges and foreclosure charges are recognized on a point-in-time basis, and are recorded when realized since the probability of collecting such monies is established when the customer pays.

d) Income from securities

Gains or losses on the sale of securities are recognized in Statement of profit and loss on trade date basis as the difference between fair value of the consideration received and carrying amount of the investment securities.

e) Net gain/ Loss on fair value changes

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Group on the Balance Sheet date is recognized as an unrealised gain/loss in the Statement of Profit and Loss. In cases there is a net gain in aggregate, the same is recognized in "Net gains on fair value changes" under income and if there is net loss in aggregate, the same is recognized in "Net loss on fair value changes" under Expenses in the Statement of Profit and Loss.

f) Dividend income

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

g) Revenue from prepaid instruments and allied services

Revenue is recognized on completion of provision of services. Prepaid Sale includes sale of prepaid electronic mobile recharge vouchers/pins, money remittance services, and other E-services purchased from services operators at discounted rates.

Revenue, net of discount, from sale of electronic recharge vouchers/pins is recognized on transfer of all significant risks and rewards to the customer and when no significant uncertainty exists regarding realization of consideration.

Income from Technical integration and money remittance services is recognized on accrual basis after completion of service delivery.

h) Income from foreign Currency

It comprises of income arising from the buying and selling of foreign currencies on the on the net margins earned, commissions on sale of foreign currency denominated prepaid cards and agency commissions from on currency remittances. Revenues from financial services are recognized by reference to the time of services rendered.

i) In case of subsidiary Rapipay Fintech Private Limited, a customer of the Company is a party that has contracted with the Company to obtain goods or services that are an output of the Company's ordinary activities in exchange for consideration. The core principle of recognizing revenue from contracts with customers is that the Company recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

At contract inception, the Company assesses the goods or services promised in a contract with a customer to identify

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

as a performance obligation each promise to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

If there is variable consideration, the Company includes in the transaction price some or all of that amount of estimated variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The transaction price is allocated by the Company to each performance obligation (or distinct goods or services) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

The Company recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Revenue (net of discount) from sale of electronic recharges is recognized on real time basis when the Company satisfies the performance obligation by successful facilitation of services to customers.

Fees from money remittance services, AEPS, Micro- ATM and other E-services is recognized on real time basis after completion of service delivery.

Interest income is earned on the loans to users by respective lending partners. Commission income is

shared by the lending partners as per terms of agreements entered into amongst the Company and the lending partners and accounted by the Company on accrual basis. Loan facilitation fees is recognized on satisfaction of associated performance obligation i.e. on sourcing of customer for lending partners and when amount of loan or credit is transferred to the merchant's/ Direct Business Outlets (DBOs) accounts based on standard agreements entered with the respective lending partners. Servicing fee related to loan facilitation services, collection, monitoring etc. is recognized over the tenure of loan.

Income in the form of rental is a fixed amount per month charged from merchants as per standard terms and conditions of the agreements for use of soundbox.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfer goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier).

Information about the Company's performance obligations can be summarized as below: -

a) Payments services to Consumers

There is a single performance obligation which is said to be completed once the transaction is successful and hence the revenue recognition is done on point in time basis. The payment against facilitation of such services is generally due within 30 days of completion of services. Majorly the commission income is settled on T+1 basis and only minimal amount with respect to GST is received within a period of 30 days.

b) Sale of digital products/ services

There is a single performance obligation which is said to be completed once the transaction is successful and hence the revenue recognition is done on point in time basis. The payment against facilitation of such services is received on real time basis.

c) Others (including Financial Services)

There are two performance obligations in the complete transaction:

Upfront processing fee on sourcing of loan- The processing fee for sourcing of loan is earned on upfront basis and hence the revenue recognition is made on point in time.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

Income on servicing of loans- The collection of installments on loans serviced is made on daily basis and hence the revenue recognition is made over the period of loan.

d) Sale of devices

There is a single performance obligation which is said to be completed once the transaction is successful and hence the revenue recognition is done on point in time basis. The payment against facilitation of such services is received on real time basis.

e) Service activation income

There is a single performance obligation which is said to be completed once the transaction is successful and hence the revenue recognition is done on point in time basis. The payment against facilitation of such services is received on real time basis.

f) Income from other ancillary services

There is a single performance obligation which is said to be completed once the transaction is successful and hence the revenue recognition is done on point in time basis.

2.16 Employee benefits

Short term employee benefits

Employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Long Term employee benefits

Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Long-term employee benefit primarily consists of Leave encashment benefits wherein employees are entitled to accumulate leave subject to certain limits for future encashment/availment. Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year using Projected Unit Credit (PUC) Method. Actuarial gains/losses, if any, are recognized immediately in the Statement of Profit and Loss.

Post-employment benefits

a) Defined contribution Plans

Provident fund: Contributions as required under the statute, made to the Provident Fund (Defined

Contribution Plan) are recognized immediately in the Statement of Profit and Loss. There is no obligation other than the monthly contribution payable to the Regional Provident Fund Commissioner.

ESIC and Labour welfare fund: The Group's contribution paid/payable during the year to Employee state insurance scheme and Labour welfare fund are recognized in the Statement of Profit and Loss.

b) Defined benefit Plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation performed by an independent actuary based on projected unit credit method, at the end of each financial year.

Defined benefit costs are categorised as follows:

- i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- ii) Net interest expense or income
- iii) Re-measurement

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI, net of taxes. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

The Group's net obligation in respect of gratuity (defined benefit plan), is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The retirement benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is recognized as an asset to the extent of present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

Share based Payments

Equity-settled share-based payments to employees are recognized as an expense at the fair value of equity stock options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognized as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognized as expense in respect of such grant is transferred to the general reserve within equity.

2.17 Finance cost

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortized cost. Financial instruments include bank term loans, Vehicle loans and non-convertible debentures. Finance costs are charged to the Statement of Profit and Loss. Ancillary and other borrowing costs are amortized on straight line basis over the tenure of the underlying loan.

2.18 Leases

The Group's lease asset classes primarily consist of leases for Premises. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Group as a lessee

The Group assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves-

- the use of an identified asset,
- the right to obtain substantially all the economic benefits from use of the identified asset, and
- the right to direct the use of the identified asset.

The Group at the inception of the lease contract recognises a Right-of-Use (RoU) asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in the Statement of Profit and Loss.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease liability has been presented in "Other Financial Liabilities" and ROU asset has been presented "Property, Plant and Equipment" and lease payments have been classified as financing cash flows.

2.19 Share issue expenses

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013 and Ind AS.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

2.20 Collateral

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as securities, letter of credit/guarantees, receivables, inventories, other non-financial assets and credit enhancements such as netting arrangements.

The Group provides fully secured, partially secured and unsecured loans to Corporates and individuals.

2.21 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Current Tax

The Current tax is based on the taxable profit for the year of the Group. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary

differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax assets and tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities.

Minimum Alternate Tax (MAT) credit entitlement (i.e., excess of amount of MAT paid for a year over normal tax liability for that year) eligible for set-off in subsequent years is recognized as an asset in accordance with Ind AS 12, Income Taxes, if there is convincing evidence of its realisation.

MAT credit is created by way of a credit to the Statement of Profit and Loss. The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period.

2.22 Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.23 Segment reporting

The Board of Directors of the Company has identified the Chief Operating Decision Maker (CODM) as defined by

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

Ind AS 108, "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

2.24 Dividend distribution to equity holders of the Group

The Group recognises a liability to make distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Act, final dividend is authorised when it is approved by the shareholders and

interim dividend is authorised when it is approved by the Board of Directors of the Group.

2.25 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilizing the credits.

2.26 Operating cycle for current and non-current classification

Based on the nature of activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

3 Cash and cash equivalents

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Cash on hand	30.81	22.07
Balances with banks		
- in current accounts	7,033.22	19,689.21
- in fixed deposits with original maturity 3 months or less	7,208.99	60.00
- Escrow account	340.87	749.20
- Other balance with banks	735.77	2,556.38
Foreign currencies in hand	828.98	604.83
Total	16,178.64	23,681.69

Note:-

- i) Balance in current account in case of subsidiary Rapipay Fintech Private Limited includes the amounts of INR 872.82 Lakhs (March 31, 2024: INR 1,750.00 Lakhs) is under freeze with certain banks, bank balance amounts INR 739.00 Lakhs (March 31, 2024: INR 232.60 Lakhs) are lien with banks.
- ii) Fixed deposit with banks includes lien marked fixed deposit aggregating to INR 645 Lakhs (31st March 2024 INR NIL) for borrowing.
- iii) In case of subsidiary Rapipay Fintech Private Limited, the balance in Escrow account is maintained under the guidelines of Reserve Bank of India for operating of semi closed Prepaid Payment Instruments and can be used only for the specified purposes.
- iv) In case of subsidiary Rapipay Fintech Private Limited, other balance with banks includes balances of INR 712.77 Lakhs (31st March 2024: INR 2,522.99 Lakhs) with payment banks and wallet balances of INR NIL (31 March 2024: INR 33.39 Lakhs) and as of 31st March, 2025, the balance in the nodal accounts earmarked for merchant settlements is INR 23 Lakhs (31 March 2024: INR NIL)

4 Bank Balances other than cash and cash equivalents

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Fixed deposit with bank (Maturity more than 3 months) (refer note 1)	10,955.56	10,597.27
Earmarked balance with bank	-	2.77
Dividend account balance	2.95	2.83
Total	10,958.51	10,602.87

Note :

- i) Fixed deposit with banks includes lien marked fixed deposit aggregating to INR 6,976.92 Lakhs (31st March 2024 INR 7,029.09 Lakhs) for borrowing.
- ii) In case of subsidiary Rapipay Fintech Private Limited, Fixed deposit with banks includes lien marked fixed deposit aggregating to INR 2,523.25 (31st March 2024 INR 1,556.68 Lakhs) as per contractual agreement with NBFC lenders and service providers.
- iii) In case of subsidiary Rapipay Fintech Private Limited, Bank deposits of INR 25 lakhs (31 March 2024: INR 25 lakhs) is pledged as security against bank guarantee.

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

5 Receivables

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(i) Trade receivables		
i) Secured considered good	-	-
ii) Unsecured considered good	1,174.42	709.34
iii) Doubtful	-	-
Subtotal (i+ii+iii)	1,174.42	709.34
Less: Allowance for bad and doubtful debts	-	-
Net Receivables (a)	1,174.42	709.34
(ii) Other receivables		
i) Secured considered good	-	-
ii) Unsecured considered good	2,482.99	1,335.91
iii) Doubtful	16.08	16.08
Subtotal (i+ii+iii)	2,499.07	1,351.99
Less: Allowance for bad and doubtful debts	16.08	16.08
Net Receivables (b)	2,482.99	1,335.91
Total (a)+(b)	3,657.41	2,045.25

Note :

- Other receivables includes amounts due from related parties INR Nil as at 31st March 2025 (as at 31st March 2024: INR 0.98 Lakhs) (Refer Note 37).
- There are no dues from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Outstanding as at 31st March, 2025

Particulars	Unbilled dues	Less than 6 months	6 months - 1 year	1-2 year	2-3 years	More than 3 years	Total
Undisputed Trade and other receivables- considered good	1,050.34	2,367.70	238.72	0.34	0.31	-	3,657.41
Undisputed Trade receivables and other – which have significant increase in credit risk	-	-	-	-	-	16.08	16.08
Undisputed Trade and other receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade and other receivables- considered good	-	-	-	-	-	-	-
Disputed Trade and other receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade and other receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowances for expected credit loss	-	-	-	-	-	(16.08)	(16.08)
Total	1,050.34	2,367.70	238.72	0.34	0.31	-	3,657.41

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Outstanding as at 31st March, 2024

Particulars	Unbilled dues	Less than 6 months	6 months - 1 year	1-2 year	2-3 years	More than 3 years	Total
Undisputed Trade and other receivables- considered good	1,200.72	841.84	1.79	0.90	-	-	2,045.25
Undisputed Trade receivables and other – which have significant increase in credit risk	-	-	-	-	-	16.08	16.08
Undisputed Trade and other receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade and other receivables- considered good	-	-	-	-	-	-	-
Disputed Trade and other receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade and other receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowances for expected credit loss	-	-	-	-	(16.08)	-	(16.08)
Total	-	841.84	1.79	0.90	-	-	2,045.25

6 Loans

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(A) Advances - at amortised cost		
Vendor financing (Secured)	58.11	69.65
Gross	58.11	69.65
Less: Impairment loss allowance	22.04	0.17
Subtotal (1)	36.07	69.48
(B) Term Loans in India - at amortised cost		
Secured	1,14,815.51	1,06,739.44
Unsecured	18,860.73	21,565.01
Gross	1,33,676.24	1,28,304.45
Less: Impairment loss allowance	2,611.59	2,543.54
Subtotal (2)	1,31,064.65	1,25,760.91
(C) (i) Loans and Advances In India		
i) Public Sectors	-	-
ii) Others	1,33,734.35	1,28,374.10
Gross	1,33,734.35	1,28,374.10
Less: Impairment loss allowance	2,633.63	2,543.71
Net	1,31,100.72	1,25,830.39
(ii) Loans and advances Outside India (Net)		
Net	1,31,100.72	1,25,830.39
Less: Unamortised processing fee Income	890.76	743.41
Less: Collection from customers	651.40	962.91
Subtotal (3)	1,542.16	1,706.32
Loans (Net) (1+2+3)	1,29,558.56	1,24,124.07

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

(A) Bifurcation of Secured loans & advances

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Secured by book debt	2,052.25	3,417.63
Secured by tangible asset	1,12,664.93	1,03,171.62
Covered by government guarantee	156.44	219.84
Total	1,14,873.62	1,06,809.09

Notes:

- i) There are no loan assets recognised at Fair value through profit & loss (FVTPL) or Fair value through other comprehensive income (FVOCI).
- ii) Secured loans are secured by way of equitable/ registered mortgage of lands, residential properties, commercial properties, hypothecation of book debts and also guaranteed by borrower / co-borrower as applicable.
- iii) Stage wise classification of loans & impairment allowance is disclosed in Note 43.
- iv) Refer Note 37 for Related party transaction.

(B) There are no loans or advances due by directors, promoters and other officers of the Company or any of them either severally or jointly with any other persons or amount due by firms or private companies respectively in which any director is a partner or a director or a member as at and for the year ended 31st March 2025 and 31st March 2024.

7 Investments

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Investment in Companies	-	-
Recorded at amortised cost		
Investment in equity instruments	984.56	984.56
Recorded at Fair value through P&L		
Investment in mutual fund	5,369.64	-
Total	6,354.20	984.56

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Investments outside India	-	-
Investments in India	6,354.20	984.56
Gross (A)	6,354.20	984.56
Less: Impairment loss allowance (B)	-	-
Total - Net (C = A - B)	6,354.20	984.56

Note:

- i) Based on assessment, no impairment loss has been recognised for the year ended 31st March 2025 and 31st March 2024.
- ii) Refer Note 37 for Related party transactions.
- iii) Capital India Finance Limited, in its board meeting held on October 16, 2024, approved the sale of its entire stake in housing finance subsidiary Capital India Home Loans Limited to Weaver Services Private Limited at estimated consideration of INR 266.53 Crores. The Shareholders' have approved the stake sale on January 29, 2025. The transaction is subject to obtaining requisite approvals under the applicable law, including regulatory authorities and lenders.
- iv) Investment in mutual fund includes Money Market and Overnight scheme of Debt Mutual Fund.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

8 Other financial assets

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Foreign Currency Balance	385.60	-
Interest accrued but not due on fixed deposits	405.15	332.80
Accrued income	296.70	190.52
Security deposits	802.15	825.53
Advance Paid to Staff and vendors	7.28	6.18
Deferred consideration on direct assignments	2,397.59	1,492.86
Other advances	59.21	23.38
Ex. Gratia receivable	-	0.68
Receivables from service providers	631.61	1,000.10
Cash collateral/margin on borrowing	-	7.72
Total	4,985.29	3,879.77

9 Inventories

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Stock-in-trade of goods acquired for trading	98.22	110.01
Total Inventories	98.22	110.01

10 Current tax assets (Net)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Advance tax and tax deducted at source (Include Net of provision)	350.55	585.77
Total	350.55	585.77

11 Deferred tax assets (Net)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Deferred Tax Asset/(Liabilities) Net		
Deferred Tax Asset		
Provision for Expected Credit Loss	664.73	642.10
Provision for employee benefits	310.01	154.97
Unamortised processing fee	224.18	187.11
Depreciation	395.14	325.80
Carry forward losses	300.59	336.47
Amortization adjustment on Lease deposits	21.62	14.46
Lease Liability	63.20	60.67
Deferred Tax Liabilities		
Interest adjustments on Lease deposits	(21.93)	(15.86)
Unamortised borrowing cost	(290.78)	(291.45)
Deferred consideration on direct assignments	(603.45)	(375.74)
Unrealised gain on MF	(7.68)	-
Lease modification	(8.54)	(8.54)
Deferred Tax Asset/(Liabilities) Net	1,047.09	1,029.99
Movement in Net deferred tax Asset during the year	17.10	(21.17)

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

(i) The Group has recognised Deferred Tax Assets arising from deductible temporary differences to the extent there is an evidence of future taxable profit.

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Break-up of movement in net deferred tax assets		
Routed through Profit & Loss	24.60	(34.95)
Routed through other comprehensive income	(7.50)	13.78
Total	17.10	(21.17)

ii) Refer Note No. 41 for detail on Income Taxes.

iii) The Group has assessed and not recognised the deferred tax assets in case of subsidiaries, Rapipay fintech private limited on carried forward losses and unabsorbed depreciation amounting INR 6,126.62 Lakhs (31 March 2024: INR 4,748.88 Lakhs) as future taxable profit against which such losses can be adjusted is not possible.

12 Property, Plant and Equipment

Particulars	As at 31 st March, 2025						
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Plant & Machinery	Computer & printers	Total
At cost at the beginning of the year	811.60	560.29	570.36	1,507.97	45.69	1,014.24	4,510.15
Additions	59.41	122.08	54.39	148.55	60.25	41.53	486.21
Disposals	79.95	32.60	108.39	112.72	-	61.14	394.80
Gross Block	791.06	649.77	516.36	1,543.80	105.94	994.63	4,601.56
Accumulated depreciation	394.14	302.57	432.72	809.97	5.21	710.15	2,654.76
Depreciation for the year	90.01	99.18	72.97	287.33	60.50	213.29	823.28
Deduction and other adjustments	35.43	24.23	94.50	90.06	-	55.84	300.06
Accumulated depreciation	448.72	377.52	411.19	1,007.24	65.71	867.60	3,177.98
Net carrying amount	342.34	272.25	105.17	536.56	40.23	127.03	1,423.58
Particulars	As at 31 st March 2024						
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Plant & Machinery	Computer & printers	Total
At cost at the beginning of the year	803.31	496.72	562.18	1,323.85	-	956.85	4,142.91
Additions	8.95	158.23	12.88	184.12	45.69	73.26	483.13
Disposals	0.66	94.66	4.70	-	-	15.87	115.89
Gross Block	811.60	560.29	570.36	1,507.97	45.69	1,014.24	4,510.15
Accumulated depreciation	304.22	309.40	328.95	552.11	-	449.85	1,944.53
Depreciation for the year	90.26	87.83	105.60	257.86	5.21	275.19	821.95
Deduction and other adjustments	0.34	94.66	1.83	-	-	14.89	111.72
Accumulated depreciation	394.14	302.57	432.72	809.97	5.21	710.15	2,654.76
Net carrying amount	417.46	257.72	137.64	698.00	40.48	304.09	1,855.39

Note:

i) The Group does not hold any immovable property where title deeds are not held in the name of the Group and no immovable property are jointly owned with others during the year ended 31st March 2025 and 31st March 2024.

ii) There is no revaluation of property plant and equipment during the year ended 31st March 2025 and 31st March 2024.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

iii) The Group does not hold any Benami property under the Benami Transaction (Prohibition) Act, 1983 and Rules made thereunder during the year ended 31st March 2025 and 31st March 2024.

iv) The Group do not have any investment property as at 31st March 2025 and 31st March 2024.

12A Capital -work in progress

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Balance as at the beginning of the year	30.17	15.00
Additions for the year	-	30.17
Deduction during the year		30.17
Balance as at the end of the year	-	30.17

Capital - work in progress ageing schedule as at 31st March, 2025

Particulars	Less than 1 Year	1- 2 year	2 - 3 year	More than 3 year	Total
Projects in progress	-	-	-	-	-
Total	-	-	-	-	-

Capital - work in progress ageing schedule as at 31st March, 2024

Particulars	Less than 1 Year	1- 2 year	2 - 3 year	More than 3 year	Total
Projects in progress	30.17	-	-	-	30.17
Total	30.17	-	-	-	30.17

Note:

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan and no project has been suspended during the year ended 31st March, 2025 and 31st March, 2024.

12B Intangible asset under development

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Balance as at the beginning of the year	1,001.18	3,513.39
Additions for the year	582.61	1,655.84
Capitalised during the year	(657.40)	(4,168.05)
Write off during the year	(58.83)	-
Balance as at the end of the year	867.56	1,001.18

Intangible asset under development ageing schedule as on 31st March 2025

Particulars	Less than 1 Year	1- 2 year	2 - 3 year	More than 3 year	Total
Projects in progress	76.09	282.41	509.06	-	867.56
Total	76.09	282.41	509.06	-	867.56

Intangible asset under development ageing schedule as on 31st March 2024

Particulars	Less than 1 Year	1- 2 year	2 - 3 year	More than 3 year	Total
Projects in progress	447.25	528.59	25.34	-	1,001.18
Total	447.25	528.59	25.34	-	1,001.18

Note:

i) In case of subsidiary Rapipay Fintech Private Limited, the Company has capitalised employee benefit expenses amounting to INR 571.61 lakhs (March 31, 2024: INR 1,270.01 lakh) which are directly attributable to assets.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

- ii) There are no projects which are either overdue or have exceeded their cost compared to their original plan as at 31st March 2025 and 31st March 2024.
- iii) In case of subsidiary Rapipay Fintech Private Limited, there are 2 projects (March 31, 2024: NII) where activity has been suspended.

12C Other Intangible assets

Particulars	As at 31st March, 2025	As at 31st March, 2024
Computer Software		
At cost, beginning of the year	7,073.29	2,887.30
Additions	710.80	4,185.99
Gross Block	7,784.09	7,073.29
Accumulated amortization :		
At beginning of the year	2,682.64	1,328.85
Amortization for the year	1,637.09	1,353.79
Total amortization	4,319.73	2,682.64
Net carrying amount	3,464.36	4,390.65

Note:

There is no revaluation of Intangible Asset during the year ended 31st March 2025 and 31st March 2024.

12D Goodwill

Particulars	As at 31st March, 2025	As at 31st March, 2024
Goodwill at cost	1,807.59	1,807.59
Total	1,807.59	1,807.59

12E Right of use assets

Particulars	As at 31st March, 2025	As at 31st March, 2024
Premises		
At cost, beginning of the year	3,891.46	4,931.63
Additions	1,784.11	237.38
Deletion	(204.34)	(1,277.55)
Gross Block	5,471.23	3,891.46
Accumulated amortization :		
At beginning of the year	2,559.46	2,379.65
Amortization	732.65	841.01
Deletion	(101.34)	(661.20)
Total amortization	3,190.77	2,559.46
Net carrying amount	2,280.46	1,332.00

Note:

- i) There is no revaluation in Right of use assets during the year ended 31st March 2025 and 31st March 2024.
- ii) Refer Note No. 40 for details for Leases.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

13 Other non-financial assets

Particulars	As at 31st March, 2025	As at 31st March, 2024
Prepaid Expenses	787.34	674.96
Capital advances	19.24	26.77
Balance with Statutory authorities	1,087.62	993.75
Subtotal (A)	1,894.20	1,695.48
Advance Paid to Suppliers	374.43	956.73
Less: Provision for doubtful advances	(41.33)	(23.02)
Subtotal (B)	333.10	933.71
Total (A+B)	2,227.30	2,629.19

14 Payables

Particulars	As at 31st March, 2025	As at 31st March, 2024
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	9.28	77.12
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,632.98	1,448.93
Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	30.30	70.77
Total	1,672.56	1,596.82

Other Payables includes amounts due from related parties INR NII as at 31st March 2025 (as at 31st March 2024: INR 0.98 Lakhs) (Refer Note 37).

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The information as required to be disclosed under Micro, Small and Medium Enterprises development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group. The following table sets forth, for the year indicated, the amount of principal & interest outstanding.

Particulars	As at 31st March, 2025	As at 31st March, 2024
i). The principal amount and the interest due thereon remaining unpaid as at the end of each accounting year		
Principal amount due to Micro Enterprises and Small Enterprises	9.28	77.12
Interest due on above	-	-
ii). The amount of interest paid in terms of section 16, along with the amounts of the payment made beyond the appointed day during each accounting year	-	-
iii). The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
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 such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
Balance of MSME parties at the end of the year	9.28	77.12

No interest has been paid/is payable by the Group during/for the year to these 'Suppliers'. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Group for this purpose. This has been relied upon by the Auditors.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Outstanding as at 31st March, 2025

Particulars	Unbilled Dues	Less than 1 Year	1-2 years	2-3 Years	More than 3 Years	Total
Undisputed dues of micro enterprises and small enterprises	-	9.28	-	-	-	9.28
Undisputed dues of other than micro enterprises and small enterprises	1,457.58	95.19	18.76	59.31	2.14	1,632.98
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	1,457.58	104.47	18.76	59.31	2.14	1,642.26

Outstanding as at 31st March, 2024

Particulars	Unbilled Dues	Less than 1 Year	1-2 years	2-3 Years	More than 3 Years	Total
Undisputed dues of micro enterprises and small enterprises	30.95	45.50	0.67	-	-	77.12
Undisputed dues of other than micro enterprises and small enterprises	1,171.59	172.21	101.62	3.51	-	1,448.93
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	1,202.54	217.71	102.29	3.51	-	1,526.05

15 Borrowings (Other than Debt Securities)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
At Amortised Cost		
Secured		
(a) Term loans		
from Banks	66,731.61	59,981.75
from Financial Institutions	12,658.97	11,902.42
from Other Parties	18,611.70	14,966.34
(b) Vehicle loans from Banks	108.15	143.48
(c) Working Capital Loan	-	2,411.60
Unsecured		
Total	98,110.43	89,405.59
Borrowings in India	98,110.43	89,405.59
Borrowings outside India	-	-
Total	98,110.43	89,405.59
Less: Unamortised Borrowings costs	1,155.36	1,157.99
Add: Interest accrued but not due on borrowings	192.19	124.96
Less: Advance Paid Against Borrowing	-	-
Net Borrowings	97,147.26	88,372.56

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Additional information:

- i) There are no borrowings measured at fair value through other comprehensive income (FVOCI) and Fair value through profit & Loss (FVTPL).
- ii) Security details
 - Term loan from banks, financial institutions and others is secured by pari passu charge on standard asset and Loan Receivables & cash collateral and Corporate Guarantee given by Holding Company.
 - Working Capital loan is secured by way of pari passu charge on Forex Cash and Receivables related to Forex segment.
 - Vehicle loans is secured by way of hypothecation on vehicles.

Maturity profile and rate of interest of term loans from Banks & Other Parties :

Residual Maturity	As at March 31, 2025			
	Up to one year (April 2025 to March 2026)	1-3 years (April 2026 to March 2028)	3 years & above (April 2028 onwards)	Total
Upto 10%	375.00	-	-	375.00
10.01% to 11.00%	21,931.94	29,121.47	8,349.42	59,402.83
11.01% to 11.50%	9,729.79	9,324.95	2,856.68	21,911.42
11.51% to 12.00%	2,039.24	1,139.01	-	3,178.25
More than 12.00%	475.81	-	-	475.81
Total	34,551.78	39,585.43	11,206.10	85,343.31

Residual Maturity

Rate of Interest	As at March 31, 2024			
	Up to one year (April 2024 to March 2025)	1-3 years (April 2025 to March 2027)	3 years & above (April 2027 onwards)	Total
Upto 10%	1,000.00	375.00	-	1,375.00
10.01% to 11.00%	16,837.29	25,329.98	9,512.20	51,679.47
11.01% to 11.50%	5,143.69	8,821.63	467.86	14,433.18
11.51% to 12.00%	2,135.64	933.39	16.44	3,085.47
More than 12.00%	3,836.46	538.51	-	4,374.97
Total	28,953.08	35,998.51	9,996.50	74,948.09

Maturity profile and rate of interest of term loans from Financial Institutions :

Residual Maturity	As at March 31, 2025			
	Up to one year (April 2025 to March 2026)	1-3 years (April 2026 to March 2028)	3 years & above (April 2028 onwards)	Total
8.00% to 9.00%	796.50	2,124.00	4,018.47	6,938.97
10.00% to 10.51%	3,216.00	2,504.00	-	5,720.00
Total	4,012.50	4,628.00	4,018.47	12,658.97

Residual Maturity

Rate of Interest	As at March 31, 2024			
	Up to one year (April 2024 to March 2025)	1-3 years (April 2025 to March 2027)	3 years & above (April 2027 onwards)	Total
8.00% to 9.00%	796.50	2,124.00	5,381.92	8,302.42
10.01% to 10.51%	2,880.00	720.00	-	3,600.00
Total	3,676.50	2,844.00	5,381.92	11,902.42

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Maturity profile and rate of interest of Vehicle Loans :

Residual Maturities	As at March 31, 2025			
	Up to one year (April 2025 to March 2026)	1-3 years (April 2026 to March 2028)	3 years & above (April 2028 onwards)	Total
less than 9.00%	31.13	59.76	17.26	108.15
Total	31.13	59.76	17.26	108.15

Residual Maturities	As at March 31, 2024			
	Up to one year (April 2024 to March 2025)	1-3 years (April 2025 to March 2027)	3 years & above (April 2027 onwards)	Total
less than 9.00%	35.11	60.60	47.77	143.48
Total	35.11	60.60	47.77	143.48

iii) There are no borrowing guaranteed by directors, promoters, key managerial personnel (KMPs) as at 31st March, 2025 and 31st March, 2024

iv) Additionally the Group has not defaulted in repayment of principal and interest during the year 31st March, 2025 and 31st March, 2024

v) Borrowing obtained on the basis of Security of current assets

Borrowings from banks or financial institutions are secured by way of pari passu floating charge over the eligible receivables. Further, the companies within group have filed quarterly/ monthly statement of securities cover with security Trustee and banks reconciling with books of accounts as required.

vi) End use of borrowings

The Companies within group have utilised the borrowed funds for purposes for which it was availed.

vii) Other

The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period for borrowings.

16 Other financial liabilities

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Other Advances	134.07	42.56
Pending remittance on assignments	122.23	20.50
Advances received from customer	652.61	987.26
Direct business outlets (DBO) balances	8,291.34	11,285.25
Unclaimed dividend	2.94	2.80
Book overdraft	4,380.77	2,796.79
Other Dues	2,774.02	4,723.26
Total	16,357.98	19,858.42

17 Provisions

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Provision for employee benefits		
Provision for gratuity (refer note 38)	407.92	379.07
Provision for compensated absence (refer note 38)	339.11	227.99
Provision for performance bonus	751.41	764.00
Impairment loss allowance on Sanctioned but undisbursed & Guarantee	7.50	7.50
Total	1,505.94	1,378.56

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

18 Other non financial liabilities

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Statutory dues payable	669.93	1,021.56
Advance received from customer	99.80	341.14
Total	769.73	1,362.70

19 Equity share capital

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Number	Amount	Number	Amount
Authorized share capital				
Equity shares of INR 2 each (Previous year INR 10 each)	1,02,00,00,000	20,400.00	20,40,00,000	20,400.00
Preference shares of INR 10 each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
	1,03,00,00,000	21,400.00	21,40,00,000	21,400.00
Issued, subscribed and fully paid up				
Equity shares of INR 2 each (Previous year INR 10 each)	38,91,31,894	7,782.64	7,77,34,260	7,773.43
Total issued, subscribed and fully paid up share capital	38,91,31,894	7,782.64	7,77,34,260	7,773.43

a. Reconciliation of the equity shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Number	Amount	Number	Amount
At the beginning of the year	7,77,34,260	7,773.43	7,77,34,260	7,773.43
Add: Shares issued pursuant to exercise of ESOP having face value of INR 10/- each	55,875	5.59	-	-
Number of shares before split	7,77,90,135	7,779.02	7,77,34,260	7,773.43
After Split: (Refer Note below)				
Split of Face Value of Equity Shares from INR 10 each to INR 2 each	38,89,50,675	7,779.02	-	-
Add : Shares issued pursuant to exercise of ESOP having face value of INR 2/- each	1,81,219	3.62	-	-
Outstanding at the end of the year	38,91,31,894	7,782.64	7,77,34,260	7,773.43

Note: The members vide resolution passed through postal ballot on January 29, 2025, have approved the sub-division / split of equity share of the Company from face value of INR 10/- each to face value of INR 2/- each. The record date for the sub-division / split of equity shares was February 17, 2025.

b. Terms and rights attached to fully paid up equity shares:

The Company has only one type of equity shares having par value of INR 2 (as on March 31, 2024 INR 10 each). All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their holdings.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

c. Shares in the Holding Company held by each shareholder holding more than 5% shares

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Number	%	Number	%
Equity shares of INR 2 each (Previous year INR 10 each)				
Capital India Corp Private Limited (Formerly known as Capital India Corp LLP)	28,38,78,600	72.95%	5,67,75,720	73.04%
Dharampal Satyapal Limited	3,83,89,000	9.87%	87,00,602	11.19%
Total	32,22,67,600	82.82%	6,54,76,322	84.23%

d. Shares held by promoters at the end of year

As on 31 st March, 2025				
Promoter name	No. of shares (Before Split)	No. of shares (After Split)	%	% change during the year
Capital India Corp Private Ltd (Formerly known as Capital India Corp LLP)	5,67,75,720	28,38,78,600	72.95%	-*

*0.09% change due to ESOP options exercised by employees during the year

As on 31 st March, 2024				
Promoter name	No. of shares (Before Split)	No. of shares (After Split)	%	% change during the year
Capital India Corp Private Ltd (Formerly known as Capital India Corp LLP)	5,67,75,720	N.A.	73.04%	Nil

e. The Holding Company has not reserved any shares for issues under options & Contracts / Commitments for the sale

f. The Holding Company has not issued bonus shares or shares for consideration other than cash.

g. The Holding Company has not bought back any of its securities.

h. The Company has not:

- (i) Issued any securities convertible into equity / preference shares
- (ii) Issued any shares where calls are unpaid
- (iii) Forfeited any shares

20 Other Equity

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Statutory Reserve under Section 45-IC of the RBI Act, 1934 and under Section 29-C of NHBA Act, 1987	2,626.23	2,334.96
Securities premium	51,134.13	51,069.02
Employee stock option outstanding account	3,579.41	3,671.27
General reserve	1.76	1.76
Retained earnings	(2,445.21)	(2,664.26)
Other comprehensive income	116.91	76.28
Total	55,013.23	54,489.03

Note:

i) Statutory Reserve under Section 45-IC of the RBI Act, 1934 and under Section 29-C of NHBA Act, 1987:

The Group created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 and section 29 C of NHBA Act, 1987 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

ii) Securities premium:

The amount received in excess of face value of the equity shares is recognised in Securities Premium Account. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium account. The account is utilised in accordance with the provisions of the Companies Act, 2013.

iii) Employee stock option outstanding account:

The reserve is used to recognise the fair value of the options issued to employees of the Group.

iv) General reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, requirements is not mandatory to transfer a specified percentage of the net profit to general reserve.

However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

v) Retained earnings:

Retained earnings represents surplus/accumulated earnings of the Group and are available for distribution to shareholders.

vi) Other Comprehensive Income - Remeasurement of Post Employment Benefit Obligations

The Group Recognises change on account of remeasurement of the net defined benefit liability (asset) as part of other comprehensive income.

21 Interest income

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Interest on loans	20,678.47	19,700.37
Interest on inter corporate loans	59.84	238.69
Interest income on vendor financing	7.47	12.24
Interest on deposits with banks	1,021.34	895.83
Other interest income	1,033.73	1,056.67
Total	22,800.85	21,903.80

22 Net gain on fair value changes

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Net gain/ (loss) on financial instruments at fair value through profit and loss account :-		
Mutual fund units	640.59	403.50
Total Net gain/(loss) on fair value changes	640.59	403.50
Fair Value changes*		
Realised	610.07	403.50
Unrealised	30.52	-

*Fair value changes in this schedule are other than those arising on account of interest income/expense

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

23 Other income

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Liabilities written back	262.09	259.59
Profit & loss on sale of fixed asset	2.43	19.89
Gain on termination of lease	16.35	58.09
Interest on income tax refund	25.62	57.14
Other business support Income	85.29	5.54
Other foreign exchange service Income	6.72	7.28
Miscellaneous income	18.93	142.81
Profit on sale of equity shares	-	0.11
Total	417.43	550.45

24 Finance cost

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Interest on borrowings	9,776.18	9,237.46
Interest on debt securities	-	208.96
Interest on lease liability	226.23	174.49
Other finance costs	669.39	584.28
Total	10,671.80	10,205.19

25 Impairment losses on financial instruments

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
On Financial instruments measured at Amortised Cost		
Loans	89.92	301.60
Bad debts and write off net of recoveries	540.10	2.65
Total	630.02	304.25

26 Cost of materials consumed

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Opening stock	110.01	59.53
Add: Transaction during the Year	56.52	172.58
	166.53	232.11
Less: closing stock	98.22	110.01
Total	68.31	122.10

27 Employee benefits expense

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Salaries and wages including bonus	13,561.70	13,544.13
Contribution to provident and other funds	648.97	733.50
Share based payments to employees	335.80	1,092.91
Staff welfare expenses	184.52	353.45
Total	14,730.99	15,723.99

i). Refer Note No 37 for Related Party Transactions and Note No. 38 for Employee benefit expenses and Note No. 39 for share based payment to employees.

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

ii). In case of subsidiary Rapipay Fintech Private Limited, the Company has capitalised employee benefit expenses amounting to INR 571.61 lakhs (March 31, 2024: INR 1,270.01 lakh) which are directly attributable to assets.

28 Others expenses

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Rent	458.61	499.61
Rate, fee & taxes	52.93	111.39
Repairs & maintenance	375.18	399.16
Office expenses	132.26	175.47
Electricity charges	130.01	118.68
Communication expenses/ Postage	193.69	164.72
Printing & stationery	43.06	70.50
Insurance	200.96	212.60
Membership & subscription	123.71	178.27
Travelling & conveyance	851.19	1,030.26
Advertisement, marketing & business promotion exp	192.99	183.05
Commission & brokerage expenses	165.20	210.66
Auditor's remuneration (Refer 28A)	28.59	26.32
Legal & professional charges	1,776.45	1,663.03
IT Expenses	325.00	211.20
Listing fee	7.05	5.18
Directors sitting fees	90.27	82.37
CSR expense	40.00	40.00
Bank charges	333.81	309.43
Facilitation fees	40.09	58.37
Server usage charges	793.89	562.67
SMS usage charges	113.36	108.63
Loss on sale of property plant & equipments	52.97	-
Expenses for financial guarantee obligation	1,882.38	1,312.15
Expected credit loss on trade receivable	-	8.31
Transaction loss	95.38	470.03
Provision for doubtful advances	35.20	44.40
Credit verification charges	115.51	118.96
Miscellaneous expenses	168.89	54.95
Total	8,818.63	8,430.37

Refer Note No 37 for Related Party Transactions.

28A Auditors Remuneration

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Payment to auditors (net of GST credit availed)		
a) Statutory audit	22.07	20.71
b) Taxation matters (Tax audit fees)	2.18	1.65
c) Certification fees & Other services	4.34	3.96
Total	28.59	26.32

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

29 Basic and Diluted Earnings per share [EPS] computed in accordance with Indian Accounting Standard (Ind AS)

33 "Earnings per Share"

Particulars		For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Weighted average basic number of equity shares (before split)		7,77,48,436	7,77,34,260
"Weighted average basic number of equity shares (after split)		38,87,42,180	38,86,71,300
Share split in the ratio of 1:5 (Refer Note Below)*"			
Basic			
Profit after tax (INR In Lakhs)	A	154.76	1,164.78
Weighted average number of equity shares outstanding	B	38,87,42,180	38,86,71,300
Basic earning per share (INR)*	A/B	0.04	0.30
Diluted			
Profit after tax (INR In Lakhs)	A	154.76	1,164.78
Weighted average number of equity shares outstanding	B	38,87,42,180	38,86,71,300
Add: Weighted average number of potential equity shares on account of employee stock options (Considering split of shares 1:5)*	C	76,51,306	43,08,764
Weighted average number of shares outstanding for diluted EPS	D=B+C	39,63,93,486	39,29,80,064
Diluted earning per share (INR)*	A/D	0.04	0.30
Face value of shares (INR)		2.00	2.00

Note :

*The members vide resolution passed through postal ballot on January 29, 2025, have approved the sub-division / split of equity share of the Company from face value of INR 10/- each to face value of INR 2/- each. The record date for the sub-division / split of equity shares was February 17, 2025. Consequently, the Number of shares used for the calculation of earning per share for the year ended 31st March, 2024 has been adjusted retrospectively as required under Ind AS 33—"Earning Per Share", Prescribed under section 133 of the Companies Act, 2013.

30 Transactions in foreign currency:

Particulars		For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Earning in Foreign Currency			
Commission received - Forex		24.56	33.52
Commission received - Western union		132.83	89.00
Expenditure in Foreign Currency			
IT Expenses		63.13	4.02
Purchase of Plan & Machinery		55.92	-
Purchase of Stock in Trade		52.68	-

Note :

Forward Cover Outstanding

The Group uses forward exchange contract to hedge against its foreign currency exposures related to underlying transaction and firm commitments.

The Group does not enter into any derivatives instruments for trading or speculative purpose.

The forward exchange contracts outstandings as at 31 March, 2025 are as under currency exchange USD/INR

a) Number of Sale Contracts: 1 (31st March 2024 : 2)

b) Aggregate Amount: INR 128.67 Lakhs (31st March 2024: INR 383.77 Lakhs)

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

31 Disclosure pursuant to Ind AS 108 "Operating Segment"

Sr. No	Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
1 Segment Revenue			
Lending business		24,757.50	23,107.98
Prepaid payment instrument business		34,430.28	41,249.43
Forex business		2,682.93	4,443.12
Total Segment Revenue		61,870.71	68,800.53
2 Segment Results (Profit before Tax)			
Lending business		2,303.04	1,985.59
Prepaid payment instrument business		(2,424.41)	(3,739.73)
Forex business		(713.28)	909.29
Others		(54.40)	974.14
Total Segment Results		(889.05)	129.29
 3 Segment Assets			
Lending business		1,58,672.58	1,46,615.32
Prepaid payment instrument business		16,414.91	22,864.42
Forex business		6,030.23	6,200.63
Unallocated		3,205.23	3,423.35
Others		936.37	986.43
Total Segment Assets		1,85,259.32	1,80,090.15
 4 Segment Liabilities			
Lending business		1,04,465.20	91,962.12
Prepaid payment instrument business		13,456.56	17,989.36
Forex business		1,971.46	4,142.75
Others		45.39	45.90
Total Segment Liabilities		1,19,938.61	1,14,140.13

a) Chief Operating Decision Maker

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Board of Directors ('BOD') of the Group has identified CODM as defined by Ind-AS 108 Operating Segments, who assesses the financial performance and position of the Group and makes strategic decisions.

b) Operating Segment

Primary Segment (Business Segment)

The Group is operating primarily into three operating segments, i.e. Lending business, Forex services and Prepaid payment Instrument business. Under the lending business the Group gives loans to Micro, Small and Medium enterprises and other customers across various industries. Revenue from lending business includes (i) interest income and (ii) fees income. Forex services comprises of overseas remittances, foreign currency prepaid travel card, Money transfer service scheme (MTSS), import and export foreign currency notes. Prepaid Payment instruments is digital payment solution wallet which allows users to send and receive money through a smart devices.

Secondary Segment (Geographical Segment)

Since the business operations of the Group are primarily concentrated in India, the Group is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

c) Segment Revenue and Expense

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as 'Unallocated'.

d) Segment Assets and Liabilities

Segment assets and segment liabilities represent assets and liabilities in respective segments.

Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as 'Unallocated'.

e) Accounting Policies

The accounting policies consistently used in the preparation of the consolidated financial statements are also applied to items of revenue and expenditure in individual segments.

f) Disclosure for other material non cash item

There are no other material non cash items which have not been disclosed in the above disclosure.

32 Dividend distribution to equity shareholders of the holding Company

The Board of Directors at its meeting held on 14th May, 2025 has recommended dividend of 1% on the face value of INR 2 per equity share (31st March 2024: 1% on the face value of INR 10 per share) amounting to INR 77.83 Lakhs (31st March 2024: INR 77.73 Lakhs) on ordinary equity shares. The recommended dividend will be accounted for when approved by the shareholders in Annual General Meeting.

33 Disclosure pertaining to corporate social responsibility expenses

Particulars	Sr. No.	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Average net profit for the last three financial years of the company	(i)	2,077.63	2,138.09
Two percent of average net profit of the company	(ii)=(i)*2%	41.55	42.76
Surplus carry forward from preceding financial year to be set-off for the financial year, if any	(iii)	5.66	8.42
Total CSR obligation for the financial year	(iv)=(ii)-(iii)	35.89	34.34
Amount spent on CSR projects	(v)	40.00	40.00
Excess amount spent for the Financial Year	(vi)=(v)-(iv)	4.11	5.66
Surplus amount available for set off in succeeding financial year	(vii)	4.11	5.66
Shortfall amount at the end of the financial year	(viii)	-	-
Shortfall amount of preceding financial year.	(ix)	-	-
Reason of shortfall	(x)	NA	NA

Nature of CSR activities

The Company is required to contribute to corporate social responsibility activities as per CSR Rules under the Companies Act, 2013. During the year the Company has spent INR 40 Lakhs under CSR activity. The amount is spent towards Rural Development, Livelihood, Health, Education and Environment.

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

34 Contingent Liabilities and Commitments

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Contingent liabilities		
Claims from a vendor not acknowledged as debts (refer note i)	35.09	35.09
Others - guarantee on behalf of subsidiary i.e. Capital India c Home Loans Limited	22,804.16	28,373.58
Total (A)	22,804.16	28,373.58
Commitments		
Estimated amount of contracts(net of advances) remaining to be executed on capital account and not provided for	-	3.63
Undrawn committed sanctions to borrowers	1,805.00	2,285.24
Total (B)	1,805.00	2,288.87
Total (C = A+B)	24,609.16	30,662.45

Note:-

- i. In case of subsidiary Rapipay Fintech Private Limited, The party has filed a legal suit against the Company alleging unauthorized decompilation, modification, and commercial use of its software, claiming damages of INR 35.09 lakhs. The Company denies receiving any such software and refutes the allegations.
- ii. In case of subsidiary Rapipay Fintech Private Limited, Corporate Guarantee Pursuant to the Business Associate Agreement entered into with its lending partners, the Company is facilitating the lending business of its lending partners through its loan management platform in return for an agreed coupon rate on such loans disbursed. The Company provides financial guarantee (First Loss Default Guarantee i.e. FLDG) to lending partners to cover the loss on the credit extended to its merchants by its lending partner. Financial guarantee are capped to the extent agreed with the respective lending partner in line with the digital lending guidelines issued by RBI. The Company has booked expense for "Expense for financial guarantee obligation" for INR 1,882.38 Lakhs.

35 The following subsidiary companies have been considered in the preparation of the consolidated financial statements (as per Ind AS 27 "Separate Financial Statement")

Name of the entity	Relationship	Country of incorporation	Ownership held by	Percentage (%) of ownership Interest	
				As at March 31, 2025	As at March 31, 2024
Capital India Home Loans Limited	Subsidiary	India	Capital India Finance Limited	99.82%	99.90%
Capital India Assets Management Private Limited	Subsidiary	India	Capital India Finance Limited	100.00%	100.00%
Rapipay Fintech Private Limited	Subsidiary	India	Capital India Finance Limited	52.50%	52.50%
NYE Investech Private Limited* (Formerly known as Kuantz Wealth Private Limited)	Step Down Subsidiary	India	Rapipay Fintech Private Limited	52.50%	52.50%
NYE Insurance Broking Private Limited*	Step Down Subsidiary	India	Rapipay Fintech Private Limited	52.50%	52.50%

Note:

*NYE Investech Private Limited (Formerly known as Kuantz Wealth Private Limited) and NYE Insurance Broking Private Limited are wholly owned subsidiary of Rapipay Fintech Private Limited.

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

36 Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended March 31, 2025 and March 31, 2024

Details of entities considered in the consolidated financial statements for the year ended March 31, 2025.

Name of the entity in the Group	Net Assets (Total assets minus total liabilities)		Share in profit or loss (PAT)		Share in other comprehensive income(OCI)		Share in Total comprehensive income(TCI)	
	% of consolidated net assets	Amount (INR in lakhs)	% of consolidated PAT	Amount (INR in lakhs)	% of consolidated OCI	Amount (INR in lakhs)	% of consolidated TCI	Amount (INR in lakhs)
Capital India Finance Limited -Parent	98.98%	62,153.57	(115.22%)	1,178.10	15.11%	8.65	(122.95%)	1,186.75
Subsidiaries - Indian								
Capital India Home Loans Limited	23.66%	14,857.76	(27.22%)	278.26	23.81%	13.63	(30.24%)	291.89
Capital India Assets Management Private Limited	0.00%	1.65	0.05%	(0.48)	0.00%	-	0.05%	(0.48)
NYE Insurance Broking Private Limited	0.12%	74.86	0.03%	(0.26)	0.00%	-	0.03%	(0.26)
NYE Investech Private Limited (Formerly known as Kuant's Wealth Private Limited)	1.30%	815.01	5.25%	(53.66)	3.60%	2.06	5.35%	(51.60)
Rapipay Fintech Private Limited	8.89%	5,579.88	237.11%	(2,424.41)	57.48%	32.89	247.76%	(2,391.52)
Non-controlling Interests in subsidiaries	(4.02%)	(2,524.85)	0.00%	-	0.00%	-	0.00%	-
CFS adjustment and elimination	(28.93%)	(18,162.01)	0.00%	-	0.00%	-	0.00%	-
Total	100.00%	62,795.87	100.00%	(1,022.45)	100.00%	57.23	100.00%	(965.22)

Details of entities considered in the consolidated financial statements for the year ended March 31, 2024

Name of the entity in the Group	Net Assets (Total assets minus total liabilities)		Share in profit or loss (PAT)		Share in other comprehensive income(OCI)		Share in Total comprehensive income(TCI)	
	% of consolidated net assets	Amount (INR in lakhs)	% of consolidated PAT	Amount (INR in lakhs)	% of consolidated OCI	Amount (INR in lakhs)	% of consolidated TCI	Amount (INR in lakhs)
Capital India Finance Limited -Parent	97.42%	60,654.18	(312.42%)	2,010.27	80.66%	(40.99)	(283.65%)	1,969.28
Subsidiaries - Indian								
Capital India Home Loans Limited	23.33%	14,526.37	(19.23%)	123.73	(0.03%)	0.02	(17.82%)	123.74
Capital India Assets Management Private Limited	0.00%	2.14	0.10%	(0.66)	0.00%	-	0.09%	(0.65)
NYE Insurance Broking Private Limited	0.12%	75.12	(0.37%)	2.35	0.00%	-	(0.34%)	2.35

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Name of the entity in the Group	Net Assets (Total assets minus total liabilities)		Share in profit or loss (PAT)		Share in other comprehensive income(OCI)		Share in Total comprehensive income(TCI)	
	% of consolidated net assets	Amount (INR in lakhs)	% of consolidated PAT	Amount (INR in lakhs)	% of consolidated OCI	Amount (INR in lakhs)	% of consolidated OCI	Amount (INR in lakhs)
NYE Investech Private Limited (Formerly known as Kuant's Wealth Private Limited)	1.39%	863.27	9.07%	(58.36)	(8.15%)	4.14	7.81%	(54.22)
Rapipay Fintech Private Limited	12.85%	8,000.05	582.93%	(3,750.78)	27.52%	(13.99)	542.26%	(3,764.77)
Non-controlling Interests in subsidiaries	(5.92%)	(3,687.56)	0.00%	-	0.00%	-	0.00%	-
CFS adjustment and elimination	(29.19%)	(18,171.11)	(160.08%)	1,030.00	0.00%	-	(148.36%)	1,030.00
Total	100.00%	62,262.46	100.00%	(643.45)	100.00%	(50.82)	100.00%	(694.27)

37 Disclosure of Related party transactions pursuant to (Ind AS – 24) and Companies Act 2013 "Related Party Disclosures"

(i) Names of related parties

Name of the related party	Nature of relationship
Capital India Corp Private Limited (Formerly known as Capital India Corp LLP)	Holding Company
Credenc Web Technologies Private Limited	Associate through Subsidiary (upto 16 May, 2023)
Trident Infrahomes Private Limited	Fellow Subsidiary
Atulya Foundation	Enterprise over which control is exercised by the Company
Capitall India Private Limited	Common Directorship
Dr. Harsh Kumar Bhanwala	Chairman (upto 24 Jan, 2024)
Mr. Keshav Porwal	Managing Director
Mr. Vineet Kumar Saxena	Chief Executive Officer (upto 08 Aug, 2023)
Mr. Pinank Jayant Shah	Chief Executive Officer (from 09 Aug, 2023)
Mr. Vikas Srivastava	Chief Financial Officer
Mr. Rachit Malhotra	Chief Compliance Officer & Company Secretary (upto 28 Jun, 2024)
Mr. Sulabh Kaushal	Chief Compliance Officer & Company Secretary (from 13 Aug, 2024)
Mr. Deepak Vaswan	Relative of a person having control over the Company
Mr. Yogendra Pal Singh	Independent Director
Mr. Vinod Somani	Independent Director (upto 25 Jan, 2024)
Mrs. Rachna Dikshit	Non-Executive Chairman (Independent) (from 25 Jan, 2024)
Mrs. Rashmi Fauzdar	Independent Woman Director (upto 08 Aug, 2023)
Mr. Dalbir Singh Suhag	Independent Director (from 24 Aug, 2023)
Ms. Jyuthika Mahendra Jivani	Independent Woman Director (from 20 Mar, 2024)
Mr. Subhash Chander Kalia	Independent Director (upto 20 Feb, 2025)

Note: Related party and their relationships are reported only where the Group has transactions with those parties during the current year / previous year.

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

(ii) Details of transaction with related parties are as under:

Related Party	Nature of transaction	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Capital India Corp Private Ltd. (Formerly known as Capital India Corp LLP)	Reimbursement of expenses	100.00	100.00
	Sale of Investment	-	47.00
	Dividend	56.78	56.78
Capitall India Private Limited	Business Analytics Expenses	8.75	-
	Commission expenses	-	60.78
	Inter corporate deposit given	-	2,200.00
	Repayment of Inter corporate deposit given	-	2,200.00
	Repayment of Loan	-	700.00
	Interest Income received	-	287.02
	Reimbursement received	-	45.35
	Ticket and Hotel Booking	-	13.39
	Facilitation fees	-	1.49
Credenc Web Technologies Private Limited	Inter corporate deposit given	1,000.00	-
	Repayment of Inter corporate deposit given	1,000.00	-
	Interest Income received	59.84	-
Atulya Foundation	CSR Expenses	40.00	40.00
Mr. Deepak Vaswan	Remuneration Paid	-	46.67
	Consultancy fees	-	24.83
Dr. Harsh Kumar Bhanwala	Sale of Foreign Currencies	0.49	0.29
Mr. Keshav Porwal	Remuneration Paid	-	185.49
Mr. Vineet Kumar Saxena	Sale of Foreign Currencies and Travel Services	-	4.80
Mr. Pinank Jayant Shah	Remuneration Paid	201.00	250.96
Mr. Vikas Srivastava	Sale of Foreign Currencies and Travel Services	0.29	1.09
Mr. Rachit Malhotra	Remuneration Paid	-	299.52
Mr. Sulabh Kaushal	Sale of Foreign Currencies	-	0.49
Mr. Yogendra Pal Singh	Remuneration Paid	390.05	200.93
Mr. Vinod Soman	Sitting Fees Paid	10.90	11.60
Mrs. Rashmi Fauzdar	Sitting Fees Paid	14.05	12.65
Ms. Jyuthika Mahendra Jivani	Sitting Fees Paid	12.30	6.15
Mrs. Rachna Dikshit	Sitting Fees Paid	7.45	-
Mr. Dalbir Singh Suhag	Sitting fees paid	-	5.50
Mr. Subhash Chander Kalia	Sitting Fees Paid	2.35	-
	Sitting Fees Paid	10.20	10.20

Note:

- i). Remuneration paid excludes amounts pertaining to gratuity and compensated absences, which are actuarially valued at the Company level.
- ii). Transaction with KMP's include transaction with their relatives.
- iii). All related party transactions entered during the year were in the ordinary course of business and on arm's length price.

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

(iii) Balance as at

Name of Related Parties	Closing Balances	As at 31 st March, 2025	As at 31 st March, 2024
Credenc Web Technologies Private Limited	Trade Receivables/ (Trade Payables) Investment	- 954.15	0.98 954.15

38 Employee benefits
(A) Defined Contribution Plan - Provident Fund (PF) Contribution, Employee State Insurance (ESI) Contribution and Labour Welfare Fund (LWF)

The Group makes contribution towards PF, ESI and LWF in respect of qualifying employees. The amount recognised as an expense and included in Note 27 "Employee Benefits" are as under.

The employees of the Group are members of a retirement contribution plan operated by the government. The Group is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Group with respect to the plan is to make the specified contributions.

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Employer's Contribution to Provident Fund	549.35	583.52
Employer's contribution to Employee State Insurance	7.23	7.98
Labour welfare fund	0.92	0.67

(B) Defined Benefit Plan - Gratuity

The Group has a defined benefit gratuity plan, under which every employee who has completed atleast five years of service gets a gratuity on departure @15 days of last drawn basic salary for each completed year of service.

The plan is of a final salary defined benefit in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows while computing the liability and thereby requiring higher accounting provisioning.

Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the Group. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Mortality & disability :

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the Group, which results in a higher liability for the Group and is therefore a plan risk for the Group.

The estimates of the future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The discount rate is based on the prevailing market yield on government securities as at the balance sheet date for the estimated average remaining service.

Withdrawals :

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

The disclosure as required by Indian Accounting Standard (Ind AS) -19 "Employee Benefits" is as under.

Particulars	As at 31 st March, 2025	As at 31 st March 2024
I. Assumption		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest / Discount Rate	6.42% to 7.00%	6.90% to 7.25%
Rate of increase in compensation	5.00% to 8.40%	5.00% to 8.40%
II. Reconciliation of net defined benefit (asset)/liability		
(a) Reconciliation of present value of defined benefit obligation		
Opening Defined Benefit Obligation	379.07	227.20
Interest Cost	26.28	16.36
Current Service Cost	113.03	113.69
Impact of Liability assumed or (settled)	-	-
Actuarial (Gains) / Losses	(64.74)	64.60
Benefits Paid	(45.71)	(42.79)
Closing Defined Benefit Obligation	407.93	379.06
(b) Reconciliation of net defined benefit (asset)/liability		
Present value of obligation as at the end of year	407.93	379.06
Fair value of plan assets as at the end of year	-	-
Recognised in Balance Sheet - (Asset) / Liability	407.93	379.06
III. Actuarial (Gain)/Loss on Obligation		
Due to Demographic Assumption	(23.85)	1.03
Due to Financial Assumption	(10.23)	(6.53)
Due to Experience	(30.66)	70.10
Net Actuarial (Gain)/ Loss on Obligation	(64.74)	64.60
IV. Actual Return on Plan Assets		
Actual Interest Income	-	-
Expected Interest Income	-	-
Return on Plan Assets excluding Interest Income	-	-
V. Net Interest		
Interest Expense	26.28	16.36
Interest Income	-	-
Net Interest Exp/(Income)	26.28	16.36
VI. Expenses Recognised in Profit and Loss account under Employee benefit expenses		
Current Service Cost	113.03	113.69
Net Interest Exp/(Income)	26.28	16.36
Past Service Cost (vested benefits)	-	-
Expenses recognised in Profit and Loss Account	139.31	130.05
VII. Remeasurements recognised in Other Comprehensive Income		
Net Actuarial (Gain)/ Loss on obligation	(64.74)	64.60
Return on Plan Assets excluding Interest Income	-	-
Total Actuarial (Gain)/ Loss recognised in OCI	(64.74)	(43.80)
VIII. Others		
Weighted average duration of defined benefit Obligation	1 to 26 years	1 to 27 years

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Sensitivity analysis :

Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 100 basis points:

Particulars	As at 31 st March, 2025	As at 31 st March 2024
Change in rate of Discount Rate + 100 basis points	301.75	230.19
Change in rate of Discount Rate- 100 basis points	319.53	249.55
Change in rate of Salary Escalation Rate + 100 basis points	319.27	249.32
Change in rate of Salary Escalation Rate - 100 basis points	301.84	230.22

The Expected Payout

Particulars	As at 31 st March, 2025	As at 31 st March 2024
Year 1	118.34	56.49
Year 2	58.95	40.81
Year 3	56.80	44.30
Year 4	49.09	44.54
Year 5	30.30	47.18
Year 6 to year 10	147.03	212.63

Notes:

i) Since the gratuity plan and Leave encashment plan of the Group is not funded, and hence the disclosure related to plan assets are not applicable.

ii) Details compensated absences

The change towards compensated absences based on actuarial valuations using the projected unit credit method is as follows:

Particulars	31 st March, 2025	31 st March, 2024
Amount Recognised as compensated absences in statement of profit and loss	111.12	8.74
Provision for compensated absences	339.11	227.99

iii) The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

39 Employee Stock Option Plan

A. The shareholders of the Company passed a resolution through postal ballot/ e-voting on 23rd September 2018 for approval of the issue of 1,75,00,000 after split of shares in the ratio* of 1:5 (35,00,000 options before split) under the Scheme titled "CIFL EMPLOYEE STOCK OPTION PLAN 2018" (ESOP 2018).

The ESOP Scheme allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

As per the ESOP Scheme "CIFL EMPLOYEE STOCK OPTION PLAN 2018", the Nomination and Remuneration Committee (NRC) of the Board of Directors grants the options to the employees deemed eligible. The Exercise Price for the Options shall be determined by the Committee which shall not be less than the face value of the Shares of the Company as on date of Grant. The options granted vest not earlier than minimum period of 1 (One) year and not later than maximum period of 5 (Five) years from the date of Grant. The Exercise Period in respect of Vested Options shall not be more than 5 (Five) years from the date of Vesting of Options.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

B. The shareholders of the Company passed a resolution through postal ballot/ e-voting on 09th December 2023 for approval of the issue of 2,00,00,000 after split of shares in the ratio* of 1:5 (40,00,000 options before split) under the Scheme titled "CIFL EMPLOYEE STOCK OPTION PLAN 2023" (ESOP 2023).

The ESOP Scheme allows the issue of options to employees of the Company/ Holding/ Subsidiary/ Group/ Associate and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

As per the ESOP Scheme "CIFL EMPLOYEE STOCK OPTION PLAN 2023", the Nomination and Remuneration Committee of the Board of Directors grants the options to the employees deemed eligible. The Exercise Price for the Options shall be determined by the Committee which shall not be less than the face value of the Shares of the Company as on date of Grant. The options granted vest not earlier than minimum period of 1 (One) year and not later than maximum period of 4 (Four) years from the date of Grant. The Exercise Period in respect of Vested Options shall not be more than 5 (Five) years from the date of Vesting of Options.

Method used for accounting for shared based payment plan.

The Company uses fair value to account for the compensation cost of stock options to employees of the Company.

Movement in the options outstanding under the Employees Stock Option Plan for the year ended 31st March, 2025 and 31st March 2024

a) Weighted average exercise price per options for the period ended 31st March, 2025

Scheme reference	Exercise Price	Balance as at March 24	Split during the year	Balance Outstanding after Split	Granted	Exercised	Vested	Lapsed/ Cancelled adjusted	Balance as at March 25
ESOP 2018	72	10,02,500	1:5	50,12,500	-	4,60,594	28,70,180	5,12,500	40,39,406
ESOP 2018	90	80,000	1:5	4,00,000	-	-	93,750	2,75,000	1,25,000
ESOP 2018	92	16,54,700	1:5	82,73,500	-	-	40,11,750	-	82,73,500
ESOP 2018	95	-	1:5	-	21,25,000	-	-	-	21,25,000
ESOP 2023	92	23,32,100	1:5	1,16,60,500	-	-	-	-	1,16,60,500
ESOP 2023	95	-	1:5	-	40,00,000	-	-	-	40,00,000
		50,69,300		2,53,46,500	61,25,000	4,60,594	69,75,680	7,87,500	3,02,23,406

b) Weighted average exercise price per options for the period ended 31st March, 2024

Scheme reference	Exercise Price	Balance as at March 23	Split during the year	Balance Outstanding after Split	Granted	Exercised	Vested	Lapsed/ Cancelled adjusted	Balance as at March 24
ESOP 2018	72	11,09,500	NA	11,09,500	-	-	1,36,375	1,07,000	10,02,500
ESOP 2018	90	80,000	NA	80,000	-	-	20,000	-	80,000
ESOP 2018	92	-	NA	-	16,54,700	-	-	-	16,54,700
ESOP 2018	95	-	NA	-	-	-	-	-	-
ESOP 2023	92	-	NA	-	23,32,100	-	-	-	23,32,100
ESOP 2023	95	-	NA	-	-	-	-	-	-
		11,89,500		11,89,500	39,86,800	-	1,56,375	1,07,000	50,69,300

Weighted average remaining contractual life for options outstanding as at 31st March 2025 is 2 year and 1 month (Previous year 2 years and 6 month).

Options available for Grant as at 31st March 2025 is 68,16,000 (after split of shares in the ratio of 1:5) and as at 31st March 2024 is 1,21,53,500 (after split of shares in the ratio of 1:5).

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	As At 31 st March, 2025	As At 31 st March, 2024
Risk-free interest rate	6.37% - 6.45%	6.83% - 6.93%
Expected life of the option	1 year to 5 years	1 year to 5 years
Expected annual volatility of shares	14.95% to 20.99%	12.01% to 24.88%
Expected dividend yield	1.00%	0.13%

During the year ended 31st March 2025, the company recorded an employee stock compensation expense of INR 324.04 Lakhs (31st March, 2024 expense of INR 220.37 Lakhs) in the Statement of Profit and Loss.

During the Year ended March 31, 2025 the Company has allotted 4,60,594 equity shares of face value of INR 2 per share to employees who have exercised their options under the approved CIFL Employee Stock Option Plan 2018.

*The members vide resolution passed through postal ballot on January 29, 2025, have approved the sub-division / split of equity share of the Company from face value of INR 10/- each to face value of INR 2/- each. The record date for the sub-division / split of equity shares was February 17, 2025.

B. CIHL EMPLOYEE STOCK OPTION PLAN 2018 - Capital India Home Loans Private Limited

In the extraordinary general meeting held on 8 August 2018, the shareholders approved the issue of 12,500,000 options under the Scheme titled "CIHL EMPLOYEE STOCK OPTION PLAN 2018" (ESOP SCHEME).

The ESOP Scheme allows the issue of options to employees of the Company and its Holding Company (whether in India or abroad). Each option comprises one underlying equity share.

As per the ESOP Scheme, the Board / Nomination & Remuneration Committee ("NRC") grants the options to the employees deemed eligible. The Exercise Price for the Options shall be determined by the Board / NRC which shall not be less than the face value of the Shares of the Company as on date of Grant. The options granted vest not earlier than minimum period of 1 (One) year and not later than maximum period of 5 (Five) years from the date of Grant. The Board / NRC at its discretion may grant Options specifying Vesting Period ranging from minimum and maximum period as afore-stated. The Exercise Period in respect of Vested Options shall be period as specified in the Grant Letter, which period shall not be more than 5 (Five) years from the date of Vesting of Options.

Method used for accounting for shared based payment plan.

The Company uses fair value to account for the compensation cost of stock options to employees of the Company.

Movement in the options outstanding under the Employees Stock Option Plan for the year ended 31 March 2025

Particulars	Options (Numbers)	Weighted average exercise price per option (INR)
Option outstanding at the beginning of the year	25,00,000	10
Granted during the year	30,000	10
Vested during the year (including option lapsed)	2,17,500	10
Exercised during the year	1,15,000	10
Lapsed during the year	10,40,000	10
Options outstanding at the end of the year	13,75,000	10
Options available for grant	1,08,50,000	10

Weighted average remaining contractual life for options outstanding as at 31 March 2025 is 3.05 months.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Movement in the options outstanding under the Employees Stock Option Plan for the year ended 31 March 2024

Particulars	Options (Numbers)	Weighted average exercise price per option (INR)
Option outstanding at the beginning of the year	61,65,000	10
Granted during the year	1,50,000	10
Vested during the year (including option lapsed)	5,07,500	10
Exercised during the year	-	10
Lapsed during the year	38,15,000	10
Options outstanding at the end of the year	25,00,000	10
Options available for grant	1,00,00,000	10

Weighted average remaining contractual life for options outstanding as at 31 March 2024 is 11.94 months.

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	As at 31 st March 2025	As at 31 st March 2024
Risk-free interest rate	7.00%	7.00%
Expected life of the option	1 year 1 month	1 year 1 month
Expected annual volatility of shares	46%	46%
Fair value of the share at the time of option grant (INR)	12.61	12.51
Expected dividend yield	Nil	Nil

During the year ended March 31, 2025, the subsidiary Company recorded a increase in employee stock compensation of INR 28.00 lakh (recorded a decrease of INR 26.67 lakh as on March 31, 2024) in the Statement of Profit and Loss.

C RAPipay Employee Stock Option Plan 2020 - Rapipay Fintech Private Limited

The subsidiary company has in place an employee stock option scheme (ESOP scheme) under the name Rapipay Employee Stock Option Plan 2020 duly approved by the shareholders of the Company. Under the scheme, eligible employee(s) are granted an option to purchase the shares of the Company, in accordance with the terms and conditions of the scheme. The Company recognises this scheme as an equity settled share based payments arrangement in accordance with IND AS 102 - Share Based Payment. Options granted under ESOP scheme on or before 31 March 2022 vests on expiry of 12 months, 24 months, 36 months, 48 months from the date of grant, whereas Options granted after 31 March 2022 vests on expiry of 12 months, 24 months, 36 months from the date of grant. The options are exercisable after a minimum period of 1 year from the date of grant subject to vesting. Such ESOP expense in respect of employees of the Company is charged over the vesting period. The charge is based on fair value of options calculated using "Black-Scholes Option Pricing Model". The fair value charge is recognised as share based payment expenses under employee benefit expense.

(i) Employee stock option schemes:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Date of grant	Nil	2 May 2023
Vesting requirements	Not Applicable	Stock options due for vesting on each vesting date shall vest on the basis of time i.e. mere continuance of employment as on relevant date of vesting.
Vesting conditions	Not Applicable	- 33.33% on expiry of 12 months from the date of grant - 33.33% on expiry of 24 months from the date of grant - 33.34% on expiry of 36 months from the date of grant
Method of settlement	Not Applicable	Equity

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

The fair value of options, based on the valuation of the independent valuer as on the date of grant are:

Grant date	For the year ended March 31, 2025			For the year ended March 31, 2024		
	No. of years vesting	Fair value per share	Exercise Price	No. of years vesting	Fair value per share	Exercise Price
02 May 2023	-	-	-	3 years	508	300

(ii) Details of grant and outstanding options during the period:-

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Number of options granted	-	3,000
Outstanding number of options	24,43,439	30,87,503

(iii) The weighted average exercise price and remaining contractual life of the ESOP Scheme are as follows:

Grant Dates	Exercise Price (INR)	For the year ended March 31, 2025		For the year ended March 31, 2024	
		No. of Options outstanding	Weighted average remaining contractual life (in years)	No. of Options outstanding	Weighted average remaining contractual life (in years)
12 November 2020	100	4,18,183	-	6,00,002	0.62
12 May 2021	100	54,545	0.13	54,545	1.12
09 August 2021	100	25,000	0.36	25,000	1.36
20 August 2021	100	5,00,000	0.39	5,00,000	1.39
12 October 2021	100	-	-	55,000	1.53
28 October 2021	100	50,000	0.58	50,000	1.58
08 January 2022	100	-	-	15,000	1.78
04 March 2022	100	-	-	-	1.93
04 March 2022	100	10,00,000	-	10,00,000	-
22 May 2022	300	-	-	28,000	1.08
01 August 2022	300	-	-	1,54,000	1.34
05 August 2022	300	4,000	0.35	4,000	1.35
20 September 2022	300	-	-	10,000	1.47
01 October 2022	300	3,81,711	0.50	5,67,956	1.50
16 January 2023	300	3,000	0.80	11,000	1.80
13 February 2023	300	7,000	0.87	10,000	1.87
03 May 2023	300	-	-	3,000	2

(iv) Options granted during the year ended March 31, 2025 - Nil (March 31, 2024 : 3,000).

(v) Reconciliation of stock options:

Particulars	Number of Options
Outstanding as at 01 April 2023	34,46,904
Stock option issued during the year	3,000
Exercised and vested	-
Forfeited/ lapsed	(3,62,401)
Outstanding as at 31 March 2024	30,87,503
Stock option issued during the year	-
Exercised and vested	-
Forfeited/ lapsed	(6,44,064)

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Particulars	Number of Options
Outstanding as at 31 March 2025	24,43,439
Exercisable at the end of the period	
- 31 March 2025	22,45,942
- 31 March 2024	22,88,719

(vi) The subsidiary Company has recognised share based payment expense of INR 5.42 Lakhs (31 March 2024: INR 884.44 Lakhs) during the year as proportionate cost.

(vii) The fair value of the options granted is determined on the date of the grant using the "Black-Scholes option pricing model" with the following assumptions, as certified by an independent valuer.

Particulars	As at March 31, 2025	As at March 31, 2024
Expected volatility (%)	NA	16.22 to 21.56
Expected option life (weighted average)	NA	3 Years and 1 year
Expected dividends yield (%)	NA	-
Risk free interest rate (%)	NA	6.81 to 6.87

Note: The expected volatility was determined based on historical volatility data of the other comparable Company's shares listed on the Stock Exchange.

40 Disclosure Pursuant to Ind AS 116 "Leases"

The following is the movement in lease liabilities during the year ended March 31, 2025 and March 31, 2024.

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Opening balance	1,570.28	2,867.43
Additions during the year	1,730.74	225.37
Deletions during the year	(118.19)	(659.86)
Finance cost accrued during the year	226.23	174.49
Payment of lease liabilities	(923.93)	(1,037.15)
Closing balance	2,485.13	1,570.28

Maturity analysis of Lease Liabilities (Undiscounted basis)

Particulars	As at 31 st March, 2025	As at 31 st March 2024
Not later than 1 year	889.52	724.05
Later than 1 year and not later than 5 years	2,035.98	1,071.50
Later than 5 years	201.93	-
Total	3,127.43	1,795.55

Amount recognised in statement of Profit & Loss account during the year

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Rent expense recognised for short term and low value leases	458.61	499.61
Depreciation on RoU assets	732.65	841.01

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Interest expenses on lease liabilities	226.23	174.49
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Nature of the Group leasing activities by type of right-of-use asset recognised on balance sheet:

As at 31st March, 2025

Right of use Assets	No. of RoU Assets Leased	Range of remaining term (in years)
Building	15	0-6 years

As at 31st March 2024

Right of use Assets	No. of RoU Assets Leased	Range of remaining term (in years)
Building	16	0-4 years

Note:

- i). The Group does not have variable lease payments during the year ended 31st March, 2025 and 31st March, 2024.
- ii). The Group has not subleased right of use asset during the year ended 31st March, 2025 and 31st March, 2024.
- iii). The Group does not have any significant restrictions or covenants imposed by leases during the year ended 31st March, 2025 and 31st March, 2024.
- iv). The Group does not have any committed undiscounted leases that has not yet commenced as at 31st March, 2025 and 31st March, 2024.
- v). The Group also has certain leases of buildings with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.
- vi). The Group does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the lease liabilities as and when they fall due.

41 Disclosure pursuant to Ind AS 12 'Income Taxes'

(i) Tax Expenses recognised in the Statement of Profit and Loss

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Current Tax:		
In respect of current year	353.73	737.79
In respect of prior years	(195.73)	-
Deferred Tax:		
Deferred tax relating to origination and reversal of temporary differences	(24.60)	34.95
Total Income Tax recognised in profit or loss		
Current tax	158.00	737.79
Deferred tax	(24.60)	34.95
Total	133.40	772.74

(ii) Income Tax recognised in Other comprehensive income

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Deferred tax related to items recognised in Other comprehensive income during the year:		
Remeasurement of defined employee benefits	(7.50)	13.78

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Total Income tax recognised in Other comprehensive income	(7.50)	13.78
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(iii) Reconciliation of effective tax rate :

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows :

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Profit before Tax	(889.05)	(902.16)
Enacted income tax rate (%)	25.17%	25.17%
Income tax expense calculated at applicable income tax rate	(223.76)	(227.06)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses that are not deductible for tax purposes	624.05	465.18
Deductions available under income tax	(594.56)	(418.93)
Income tax for earlier year	-	-
Other Temporary differences	548.00	918.60
Income Tax expense recognised in profit and loss	353.74	737.79
Deferred Tax recognised in profit and loss	(24.60)	34.95
Tax recognised for the year	329.14	772.74
Actual effective income tax rate (%)	(37.02%)	(85.65%)
Income tax for earlier year	(195.73)	-
Tax recognised in profit and loss	133.41	772.74

The Group has recognised Deferred Tax Assets arising from deductible temporary differences to the extent there is an evidence of future taxable profit.

(iv) Movement in temporary differences

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Credit / (Charge) in the Statement of Profit and Loss during the year		
Loans and Advances	59.70	94.75
Employee Benefits	162.54	27.40
Depreciation	69.34	35.26
ROU and Lease Liability	(332.85)	325.95
MAT Adjustment	-	(11.06)
Borrowings	0.67	33.69
Investments	(7.68)	2.18
On Fair value of DA pool	(227.71)	(245.26)
Carry forward losses	300.59	(297.86)
Total (a)	24.60	(34.95)
Credit / (Charge) in the other comprehensive income during the year		
Provisions - employee benefit expenses for the year	(7.50)	13.78
Total (b)	(7.50)	13.78
Net deferred income tax asset at the beginning (c)	1,029.99	1,051.16

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Net deferred tax asset/(Liabilities) at the end of the period (d) = (a) + (b) + (c)	1,047.09	1,029.99
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42 Maturity Analysis of Assets & Liabilities

Particulars	As at 31 st March, 2025			As at 31 st March, 2024		
	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
ASSETS						
Financial Assets						
Cash & cash equivalents	16,178.64	-	16,178.64	23,681.69	-	23,681.69
Bank balances other than Cash & cash equivalents	8,348.94	2,609.57	10,958.51	6,544.92	4,057.95	10,602.87
Receivables						
- Trade Receivables	1,174.42	-	1,174.42	709.34	-	709.34
- Other Receivables	2,482.99	-	2,482.99	1,335.91	-	1,335.91
Loans	32,408.87	97,149.69	1,29,558.56	28,009.75	96,114.32	1,24,124.07
Investments	5,369.64	984.56	6,354.20	-	984.56	984.56
Other financial assets	2,316.18	2,669.11	4,985.29	1,745.22	2,134.55	3,879.77
Non-financial Assets						
Inventories	98.22	-	98.22	110.01	-	110.01
Current tax assets(net)	305.70	44.85	350.55	569.42	16.35	585.77
Deferred tax asset (net)	-	1,047.09	1,047.09	-	1,029.99	1,029.99
Property, plant and equipment	-	1,423.58	1,423.58	-	1,855.39	1,855.39
Capital work in progress	-	-	-	-	30.17	30.17
Intangible Assets Under Development	-	867.56	867.56	-	1,001.18	1,001.18
Other intangible assets	-	3,464.36	3,464.36	-	4,390.65	4,390.65
Goodwill on consolidation	-	1,807.59	1,807.59	-	1,807.59	1,807.59
Right of use assets	-	2,280.46	2,280.46	-	1,332.00	1,332.00
Other non-financial assets	962.58	1,264.72	2,227.30	1,532.45	1,096.74	2,629.19
Total Assets	69,646.18	1,15,613.14	1,85,259.32	64,238.71	1,15,851.44	1,80,090.15
LIABILITIES						
Financial Liabilities						
Payables						
(i) Trade Payables	1,642.26	-	1,642.26	1,526.05	-	1,526.05
(ii) Other Payables	30.30	-	30.30	70.77	-	70.77
Borrowings	38,361.70	58,785.56	97,147.26	34,807.23	53,565.33	88,372.56
Lease liability	685.68	1,799.45	2,485.13	605.03	965.25	1,570.28
Other financial liabilities	16,357.98	-	16,357.98	19,858.42	-	19,858.42
Non-Financial Liabilities						
Current tax liabilities (net)	-	-	-	0.79	-	0.79
Provisions	987.18	518.76	1,505.94	873.61	504.95	1,378.56
Other non-financial liabilities	769.73	-	769.73	1,362.70	-	1,362.70
Total Liabilities	58,834.83	61,103.77	1,19,938.60	59,104.60	55,035.53	1,14,140.13
Net	10,811.35	54,509.37	65,320.72	5,134.10	60,815.92	65,950.02
Total Commitments	1,805.00	-	1,805.00	2,285.24	-	2,285.24

Note: It includes term loan facility which are sanctioned but undrawn/ In principal approval received as at Balance Sheet date.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

43 Financial Risk Management

The respective Board of Directors of the group through its respective committees have overall responsibility for the establishment and oversight of the risk management framework. They oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks.

The risk management policies are established to identify and analyse the risks faced, 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.

The Group has exposure to the following risks arising from its business operations:

i) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Lending activities account for most of the Group's credit risk. Other sources of credit risk also exist in loans and transaction settlements. Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. The maximum exposure to credit risk in case of all the financial instruments is restricted to their respective carrying amount.

Credit Risk is monitored through stringent credit appraisal, counter party limits and internal risk ranges of the borrowers. Exposure to credit risk is managed through regular analysis of the ability of all the customers and counterparties to meet interest and capital repayment obligations and by changing lending limits where appropriate.

Group primarily offers loans secured by immovable property /housing property. In order to mitigate credit risk, Group also seeks collateral appropriate to the product segment and also ensure that Loan to value ratio is maintained as specified by regulator. Other means of mitigating credit risk that the Group uses are guarantees. The most common types of collateral the Group receives, measured by collateral value, are mortgages on financial assets in the form of Residential/Commercial property.

a) Maximum exposure to the Credit risk

This table below shows the Group's maximum exposure to the credit risk.

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Financial Assets at amortised cost - Loans & Advances (Gross)	1,33,734.35	1,28,374.10
Less : Impairment loss allowances	2,633.63	2,543.71
Financial Assets at amortised cost - Loans & Advances (Net)	1,31,100.72	1,25,830.39
Financial Assets measured at FVTPL - Mutual funds	5,369.64	-
Receivables	3,657.41	2,045.25
Total	1,40,127.77	1,27,875.64

Credit risk on Cash and Cash equivalents is considered to be NII as these are generally held with leading banks.

b) Credit quality analysis

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The credit quality of Loans and advances measured at amortised cost is primarily assessed by the Days Past Due (DPD) status and other qualitative factors leading to increase in credit risk

Inputs, assumptions and techniques used for estimating impairment

In assessing the impairment of financial assets under the expected credit loss model, the Group defines default when a loan obligation is overdue for more than 90 days and credit impaired.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the Group considers the DPD status of the loans. Credit risk is deemed to have increased significantly when an asset is more than 30 days past due (DPD) and other qualitative internal or external factors demonstrating credit or liquidity risk.

(i) Calculation of expected credit losses

The key elements in calculation of ECL are as follows:

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.

EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

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 lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

For PD the Company has relied upon the PD data from industry benchmarks and external rating agencies. For Loss Given Default (LGD) the Company has relied on internal and external information.

The following table sets out information about the credit quality of financial assets measured at amortised cost.

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Gross Stage 1	1,22,236.38	1,18,478.63
Less : Impairment loss allowance	1,034.22	1,057.05
Net Stage 1 Assets	1,21,202.16	1,17,421.58
ECL Prov. Coverage	0.85%	0.89%
Gross Stage 2	9,102.95	7,700.41
Less : Impairment loss allowance	425.92	352.93
Net Stage 2 Assets	8,677.03	7,347.48
ECL Prov. Coverage	4.68%	4.58%
Gross Stage 3	2,395.02	2,195.06
Less : Impairment loss allowance	1,173.49	1,133.73
Net Stage 3 Assets	1,221.53	1,061.33
ECL Prov. Coverage	49.00%	51.65%
Total Loans & Advances	1,33,734.35	1,28,374.10
Less : Impairment loss allowance	2,633.63	2,543.71
Net Loans & Advances	1,31,100.72	1,25,830.39
ECL Prov. Coverage	1.97%	1.98%

Credit impairment charge to the income statement

Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
New and increased / (decreased) provisions	89.92	301.60
Bad debts and write off net of recoveries	540.10	2.65
Total charge to the income statement	630.02	304.25

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

(ii) In case of subsidiary Rapipay Fintech Private Limited, provides financial guarantee (First Loss Default Guarantee i.e. FLDG) to lending partners to cover the loss on the credit extended to its merchants by its lending partner. Financial guarantee are capped to the extent agreed with the respective lending partner in line with the digital lending guidelines issued by RBI.

In case of subsidiary Rapipay Fintech Private Limited, has established a credit quality review process to provide early warning signals to identify the changes in the credit worthiness of its merchants and business users. The credit quality review process enables the periodic assessment of the potential loss to which the Company is exposed thereby allowing it to take corrective actions. The Company has, based on current available information and based on the policy determined the provision for FLDG obligation.

Expected credit loss on FLDG contract : - In case of subsidiary Rapipay Fintech Private Limited though does not hold any assets directly, has, based on current available information and based on the policy, has done a parallel calculation for impairment loss allowance using the Expected Credit Loss (ECL) model to cover the guarantees provided to its lending partners.

Expected credit loss (ECL) methodology :- In case of subsidiary Rapipay Fintech Private Limited has assessed the credit risk associated with its FLDG contracts for provision of Expected Credit Loss (ECL) as at the reporting dates. The Company makes use of various reasonable supportive forward-looking parameters which are both qualitative as well as quantitative while determining the change in credit risk and the probability of default. The underlying ECL parameters have been detailed out in the note on Summary of material accounting policies.

In case of subsidiary Rapipay Fintech Private Limited provides for expected credit loss based on the following:

For the year ended 31 March 2025, the Company has developed an ECL Model that takes into consideration the stage of delinquency, Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

- I. Probability of Default (PD): represents the likelihood of default over a defined time horizon.
- II. Exposure at Default (EAD): represents what is the user's likely borrowing at the time of default.
- III. Loss Given Default (LGD): represents expected losses on EAD given the event of default.

Each financial guarantee contract is classified into (a) Stage 1, (b) Stage 2 and (c) Stage 3 (Default or Credit Impaired). Delinquency buckets have been considered as the basis for the staging of all credit exposure under the guarantee contract in the following manner:

- a) Stage 1: 1-30 days past due loans
- b) Stage 2: More than 31 and up to 60 days past due loans
- c) Stage 3: More than 61 and up to 90 days past due loans
- d) Stage 4: Above 90 days past due loans

Inputs, assumptions and estimation techniques used to determine expected credit loss :-

In case of subsidiary Rapipay Fintech Private Limited, ECL provision are made on the basis of the Company's historical loss experience and future expected credit loss, after factoring in various macroeconomic parameter. In calculating the ECL, given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information up to the date of approval of these financial statements. The selection of variables was made purely based on business sense. Default rates are used with the same LGD and EAD to arrive at the expected credit loss for all three cases. The three cases were then assigned weights and a final probability-weighted expected credit loss estimate was computed.

Notes to Consolidated Ind AS Financial Statements

 for the year ended 31st March, 2025

(Currency: INR In Lakhs)

As at 31 March 2025

Particulars	Gross exposure at Default	Expected credit loss allowance (ECL)	Net carrying amount	Impact on profit or loss
Where credit risk has not significantly increased from initial recognition (Stage 1)	1,624.23	2.49	2.49	-
Where credit risk has not significantly increased from initial recognition (Stage 2)	994.75	110.14	110.14	676.36
Where credit risk has increased significantly but are not credit impaired (Stage 3)	1,630.69	43.76	43.76	868.88
Where credit risk has increased significantly and are credit impaired (Stage 4)	3,703.21	1,140.90	1,140.90	337.14
Total	7,952.88	1,297.29	1,297.29	1,882.38

As at 31 March 2024

Particulars	Gross exposure at Default	Expected credit loss allowance (ECL)	Net carrying amount	Impact on profit or loss
Where credit risk has not significantly increased from initial recognition (Stage 1)	1,567.67	-	-	-
Where credit risk has not significantly increased from initial recognition (Stage 2)	479.90	183.92	183.92	516.90
Where credit risk has increased significantly but are not credit impaired (Stage 3)	495.87	111.08	111.08	123.55
Where credit risk has increased significantly and are credit impaired (Stage 4)	903.94	77.66	77.66	671.70
Total	3,447.38	372.66	372.66	1,312.15

Notes:

- i). Gross exposure at default represents the maximum amount in case of subsidiary Rapipay Fintech Private Limited has guaranteed under the respective financial guarantee contracts including amount outstanding, accrued interest, future interest due and any expected drawdowns in future from the sanctioned loan limits as on the reporting date.
- ii). The Expected Credit Loss allowance is computed as a product of PD, LGD and EAD.
- iii). Net Carrying Amount represents the Expected Credit Loss (ECL) recognized on financial guarantee contracts.
- iv). Impact on Statement of profit or loss is the loss allowance recognized during the financial year.

c) Movement in Gross Exposures and credit impairment for loans and advances

The Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets measured at amortised cost. Group follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition. Please refer to the accounting policy for details.

Particulars	Movement in Gross Exposure to Loans & Advances				Movement in ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as at 01 April, 2023	1,14,512.83	12,999.17	987.76	1,28,499.76	680.61	1,075.62	485.87	2,242.10
Changes due to financial assets recognised in opening balance that have:								
- Transferred to 12 month ECL	2,390.50	(2,254.64)	(135.86)	-	217.03	(216.48)	(0.55)	-

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Particulars	Movement in Gross Exposure to Loans & Advances				Movement in ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
- Transferred to lifetime ECL -significant increase in credit risk	(4,263.28)	4,299.94	(36.66)	-	(163.66)	166.38	(2.72)	-
- Transferred to lifetime ECL credit - impaired	(724.54)	(817.68)	1,542.22	-	(337.62)	(361.19)	698.81	-
Increase due to financial assets originated	51,634.93	1,262.66	54.99	52,952.58	931.86	366.36	125.21	1,423.43
Decrease due to loans derecognised on full payment	(45,071.25)	(7,789.04)	(215.30)	(53,075.59)	(271.15)	(677.76)	(171.13)	(1,120.04)
Write off	(0.56)	-	(2.09)	(2.65)	(0.02)	-	(1.76)	(1.78)
Balance as at 31st March, 2024	1,18,478.63	7,700.41	2,195.06	1,28,374.10	1,057.05	352.93	1,133.73	2,543.71
Changes due to financial assets recognised in opening balance that have:								
- Transferred to 12 month ECL	1,408.73	(1,155.98)	(252.75)	-	4.29	(3.67)	(0.62)	-
- Transferred to lifetime ECL - significant increase in credit risk	(6,096.79)	6,131.60	(34.81)	-	(265.18)	267.28	(2.10)	-
- Transferred to lifetime ECL credit - impaired	(964.05)	(282.74)	1,246.79	-	(455.86)	(120.75)	576.61	-
Increase due to financial assets originated	52,084.14	1,264.98	1.16	53,350.28	1,247.69	164.20	77.96	1,489.85
Decrease due to loans derecognised on full payment	(42,604.37)	(4,496.67)	(348.89)	(47,449.93)	(551.08)	(200.07)	(263.53)	(1,014.68)
Write off	(69.91)	(58.65)	(411.54)	(540.10)	(2.69)	(34.00)	(348.56)	(385.25)
Balance as at 31st March, 2025	1,22,236.38	9,102.95	2,395.02	1,33,734.35	1,034.22	425.92	1,173.49	2,633.63

d) Collateral and other credit enhancements

Group would generally have its credit exposures backed by securities, either primary or collateral. Lending Policy of the Company prescribes Asset cover norms and collateral guidelines for its various product offering. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty and product offered.

Group grants loans against collateral of real estate (Land, Under construction projects, Ready property) including commercial and residential properties.

As collateral is a source of mitigating credit risk, assessment of the condition of the securities and their value is undertaken on regular basis. There were no significant changes in the collateral policy of the Group during the Financial Year 2024-2025.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

e) Credit Concentration

The Group has exposure on Advances, as detailed below.

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Total Advances to twenty largest borrowers	15,002.30	12,869.08
Percentage of Advances to twenty largest borrowers to Total Advances	11.34%	10.14%

ii) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are selected by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The respective BOD of the group through its respective committees monitors liquidity functions. They review Asset Liability strategy and Balance Sheet management in relation to asset and liability profile. They ensures that the objectives of liquidity management are met by monitoring the gaps in the various time buckets, deciding on the source and mix of liabilities, setting the maturity profile of the incremental assets and liabilities etc.

Key principles adopted in the Group's approach to managing liquidity risk include:

- Monitoring the Group's liquidity position on a regular basis, using a combination of contractual and behavioural modelling of balance sheet and cash flow information.
- Maintaining a high quality liquid asset portfolio.
- Operating a prudent funding strategy which ensures appropriate diversification and limits maturity concentrations.

The Group's principal sources of liquidity are cash and cash equivalents, Overdraft facilities from Banks, liquid asset portfolio like Mutual funds and the cash flow that is generated from operation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include interest accrued till the reporting date.

As at 31 st March, 2025	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	97,147.26	38,114.92	43,790.45	11,666.66	3,575.23
Trade and Other Payables	1,672.56	1,672.56	-	-	-
Other Financial Liabilities	16,357.98	16,357.98	-	-	-
Lease Liability	2,485.13	662.00	1,552.83	270.30	-
Total	1,17,662.93	56,807.46	45,343.28	11,936.96	3,575.23

As at 31 st March, 2024	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	88,372.56	34,555.10	38,391.27	9,954.47	5,471.72
Trade and Other Payables	1,596.82	1,596.82	-	-	-
Other Financial Liabilities	19,858.42	19,858.42	-	-	-
Lease Liability	1,570.28	637.38	800.48	132.42	-
Total	1,11,398.08	56,647.72	39,191.75	10,086.89	5,471.72

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

iii) Market Risk:

Market risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

iv) Interest rate risk

Group has exposure to interest rate risk, primarily from its lending business and related borrowings. The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's statement of profit and loss.

Particulars	% Increase in rate		Increase/(decrease) in profit	
	31 st March, 2025	31 st March, 2024	31 st March, 2025	31 st March, 2024
Borrowings that are re-priced	0.25%	0.25%	(230.51)	(223.16)
Loans that are re-priced	0.25%	0.25%	205.77	188.83

Interest rate risk is managed primarily by monitoring the sensitivity of expected net interest income ('NII') under varying interest rate scenarios. This monitoring is undertaken by the respective Board of directors of the group through its respective committees on regular basis. The NII sensitivities shown are indicative and based on simplified scenarios.

v) Foreign Exchange Rate Risk:

The Group entered into foreign currency transactions in the Foreign currency business. The currency risk arising out of foreign currency transactions in the foreign currency business is monitored by a central dealing room, which then hedges the positions transactions entered into at individual locations across the country, through deals in the interbank market, thereby ensuring that they are minimal open positions.

(a) Foreign currency risk exposure

The Group exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	As at 31 st March, 2025				As at 31 st March, 2024			
	EUR	GBP	USD	Others	EUR	GBP	USD	Others
Foreign currencies in hand	55.10	31.55	385.06	357.27	28.49	16.24	219.48	340.62
Foreign Currency Balance	20.77	2.00	217.32	145.51	-	-	-	-
Net exposure	75.87	33.55	602.38	502.78	28.49	16.24	219.48	340.62

(b) Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts.

Particulars	Impact on Profit after tax				Impact on Other components of Equity			
	As at 31 st March, 2025		As at 31 st March, 2024		As at 31 st March, 2025		As at 31 st March, 2024	
	Strength- ening	Weaken- ing	Strength- ening	Weaken- ing	Strength- ening	Weaken- ing	Strength- ening	Weaken- ing
Effect in INR								
0.75% movement*								
EUR	0.57	(0.57)	0.21	(0.21)	-	-	-	-
GBP	0.25	(0.25)	0.12	(0.12)	-	-	-	-
USD	4.52	(4.52)	1.65	(1.65)	-	-	-	-
Others	3.77	(3.77)	2.55	(2.55)	-	-	-	-

*Holding all other variables constant

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

vi) Operational Risk:

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or may lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

44 Impairment of Goodwill

The Group tests goodwill for impairment annually. During the year ended March 31, 2025, the testing did not result in any impairment in the carrying amount of goodwill.

45 Financial Instruments

Accounting classification and fair values:

The following table shows the carrying amounts and fair values of financial instruments (excluding investment in subsidiaries), including their levels in the fair value hierarchy. The Group has disclosed financial instruments not measured at fair value at carrying values because their carrying amounts are a reasonable approximation of the fair values.

As at 31 st March, 2025	Carrying Amount		
	FVTPL	Amortised Cost	Total
Financial Assets			
Investment	5,369.64	984.56	6,354.20
Cash and cash equivalents	-	16,178.64	16,178.64
Bank balances other than Cash & cash equivalents	-	10,958.51	10,958.51
Trade and other receivables	-	3,657.41	3,657.41
Loans & Advances	-	1,29,558.56	1,29,558.56
Other financial assets	-	4,985.29	4,985.29
Total	5,369.64	1,66,322.97	1,71,692.61
Financial liabilities			
Trade and other payables	-	1,672.56	1,672.56
Borrowings	-	97,147.26	97,147.26
Lease liabilities	-	2,485.13	2,485.13
Other financial liabilities	-	16,357.98	16,357.98
Total	-	1,17,662.93	1,17,662.93

As at 31 st March, 2024	Carrying Amount		
	FVTPL	Amortised Cost	Total
Financial Assets			
Investment	-	984.56	984.56
Cash and cash equivalents	-	23,681.69	23,681.69
Bank balances other than Cash & cash equivalents	-	10,602.87	10,602.87
Trade receivables	-	2,045.25	2,045.25
Loans & Advances	-	1,24,124.07	1,24,124.07
Other financial assets	-	3,879.77	3,879.77
Total	-	1,65,318.21	1,65,318.21
Financial liabilities			
Trade and other payables	-	1,596.82	1,596.82
Borrowings	-	88,372.56	88,372.56
Lease liabilities	-	1,570.28	1,570.28
Other financial liabilities	-	19,858.42	19,858.42
Total	-	1,11,398.08	1,11,398.08

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Ind AS 107, 'Financial Instruments - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet using a three-level fair value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value- hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on the 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.

Fair value hierarchy of financial instruments classified in FVTPL category:-

Particular	Fair Value as at 31 st March, 2025			Carrying Value as at 31 st March, 2025	Fair Value as at 31 st March, 2024			Carrying Value as at 31 st March, 2024
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Financial Assets								
Investment in Mutual fund Units	-	5,369.64	-	5,369.64	-	-	-	-
Total	-	5,369.64	-	5,369.64	-	-	-	-

46 Capital Management

The objective of the Group's Capital Management is to maximise shareholder value, safeguard business continuity and support the growth and continue as going concern. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated.

For the purpose of the Group's capital management capital includes issued capital and equity reserves. The primary objective of the Group's capital management is to ensure that the group complies with RBI prescribed Capital adequacy requirements and maintains adequate capital to support its business and maximise shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Capital to Risk Weighted Asset Ratio (CRAR) of Group Company:

Items	As at 31 st March, 2025	As at 31 st March, 2024
i. CRAR (%)*	38.96%	39.61%
ii. CRAR - Tier I capital (%)	38.24%	38.88%
iii. CRAR - Tier II capital (%)	0.72%	0.73%
iv. Leverage coverage ratio**	653.38%	225.51%
v. Debt Equity ratio	1.55	1.42

*CRAR calculation related to lending business of the Companies Capital India Finance Limited and Capital India Home Loans Limited.

**Leverage coverage ratio is calculated for Capital India Finance Limited (CIFL)

As per RBI Prudential norms, the minimum CRAR requirement for NBFCs is 15% and the Holding company and major subsidiaries has maintained CRAR well above the regulatory norms throughout the year.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

Regulatory capital-related information is presented as part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels. In accordance with such norms, Tier I capital of the Holding company comprises of share capital, share premium, reserves, Tier II capital comprises of provision on loans that are not credit-impaired, as per RBI Notification dated 31 March 2020 provision created under stage 1 is eligible for Tier II capital. There were no changes in the capital management process during the years presented.

47 Additional Disclosure

- i) There have been no **events after the balance sheet date** that require disclosure in the consolidated financial statement.
- ii) No funds have been received by the Companies within group from any person(s) or entity(is), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Companies within group shall, whether, directly or indirectly, lend to 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.
- iii) 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 Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iv) The group has no **transactions with the companies struck off** under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2025 and March 31, 2024.
- v) The group has no transaction which is not recorded in the books of accounts that has been **surrendered or disclosed as income** during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme and also shall state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year ended March 31, 2025 and March 31, 2024.
- vi) The group has not **invested in crypto currency or virtual currency** during the year ended March 31, 2025 and March 31, 2024.
- vii) The group has not been declared as **wilful defaulter** by the bank & financial institution or any other lender. In accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2025 and March 31, 2024.
- viii) No **Scheme of arrangements** has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year ended March 31, 2025 and March 31, 2024.
- ix) The group, being a Non-Banking Financial Company as required in terms of NBFC - Scale Based Regulations, Directions 2023 and the provisions of section 2(87) read with Companies (restriction on **number of layers**) Rules 2017 are not applicable.
- x) The group has not purchased any **credit impaired financial assets** during the year ended March 31, 2025 and March 31, 2024.
- xi) **Change in Liability arising from financing activities**

Particulars	As at March 31, 2023	Cash Inflow / Outflow/ Changes	As at 31 st March, 2024	Cash Inflow / Outflow/ Changes	As at 31 st March, 2025
Borrowings	81,523.70	6,848.86	88,372.56	8,774.70	97,147.26
Debt-Securities	8,053.58	(8,053.58)	-	-	-
Lease Liabilities	2,867.43	(1,297.15)	1,570.28	914.85	2,485.13

Notes to Consolidated Ind AS Financial Statements

for the year ended 31st March, 2025

(Currency: INR In Lakhs)

48 During the year ended March 31, 2024 Capital India Home Loans Limited (Subsidiary to "Capital India Finance Limited") has sold its stake in an associate, Credenc Web Technologies Private Limited whereby the holding has come down from 25.50% to 19.91%. Exceptional item represents reversal of loss on account of derecognition of an associate as per IND AS 28.

49 The Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14th May, 2025.

50 To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the group has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact in equity or net loss due to there regrouping / reclassification.

For V. SANKAR AIYAR & Co.
Chartered Accountants
Firm Registration No. : 109208W

S. Nagabushanam
Partner
Membership No. : 107022
Place: Mumbai

Date: 14th May, 2025

For and on behalf of the board
Capital India Finance Limited

Vinod Somani
Non-Executive Chairman (Independent)
DIN : 00327231
Place: Delhi

Vikas Srivastava
Chief Financial Officer
Place: Mumbai

Date: 14th May, 2025

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Sulabh Kaushal
Chief Compliance Officer & Company Secretary
Place: Delhi

Pinank Jayant Shah
Chief Executive Officer
Place: Mumbai

Date: 14th May, 2025



CAPITAL INDIA

Rediscover Business

CIN: L74899DL1994PLC128577

(Incorporated under the Companies Act, 1956)

Registered Office: 701, 7th Floor, Plot No. 23,

Aggarwal Corporate Towers,

Rajendra Place, New Delhi - 110008

011-69146000 www.capitalindia.com

secretarial@capitalindia.com