

14th ANNUAL REPORT

2024-25



Hedge Finance Limited
ഹെഡ്ജ് ഫിനാൻസ് ലിമിറ്റഡ്

ANNUAL REPORT 2024-25

BOARD OF DIRECTORS

Alex Kalluvila Babu

Managing Director

**Kiliyanat Puliasseri
Padmakumar**

Whole Time Director

Raphel Thomas

Director

Palathunkal Chacko John

Independent Director

Kuruppath Ajitkumar

Independent Director

Registered Office

Hedge Finance Ltd, Hedge House,
Mamangalam, Palarivattom P.O,
Kochi Ernakulam Kerala-682 025

www.hedgefinance.com

info@hedgefinance.com

CIN: U65923KL2011PLC027672

Statutory Auditor

Mohandas & Associates
Chartered Accountants,
III Floor, Sree Residency,
Press Club Road, Thrissur-1

Registrar and Transfer Agent

Integrated Registry Management Services Pvt.Ltd
2nd Floor, Kences Towers
No.1 Ramakrishna Street, North Usman Road
T Nagar, Chennai - 600 017

Debenture Trustees

Mitcon Credentia Trusteeship Services Limited
1402/1403, B Wing, 14Th Floor, Dalamal Tower,
Free Press Journal Marg, 211 Nariman Point,
Mumbai – 400 021

Bankers

AU Small Finance Bank Limited
Axis Bank Limited
Dhanlaxmi Bank Limited
HDFC Bank Limited
IDFC First Bank Limited
State Bank of India
The Federal Bank Limited
Yes Bank Limited

BOARD'S REPORT

To

The Members,

Your Directors have pleasure in presenting the 14th Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the Financial Year ended 31st March 2025.

Financial Performance:

During the year under review, performance of your Company was as under:

(₹ in lakhs)

| Particulars | Year ended 31 st March 2025* | Year ended 31 st March 2024* |
|---|--|--|
| Total revenue | 5487.44 | 5046.39 |
| Total Expenses | 5139.15 | 4329.27 |
| Profit/(Loss) before taxation | 348.28 | 717.11 |
| Less/Add: | | |
| Current Tax | 94.16 | 193.78 |
| Deferred Tax | 7.41 | -22.96 |
| Total Tax Expenses | 101.57 | 170.82 |
| Profit / Loss after tax | 246.72 | 546.29 |
| Other Comprehensive Income | -6.11 | -14.44 |
| Total Comprehensive Income for the year | 240.61 | 531.85 |
| Add: Balance B/F from the previous year | 781.4 | 457.97 |
| Less: Dividend paid | - | -102.05 |
| Less: Transfer to reserve | -48.12 | -106.37 |
| Balance Profit /(Loss) C/F to the next year after setting off accumulated loss | 973.89 | 781.4 |

* Prepared in accordance with IndAS as per regulatory requirements.

The Year That Went By:

The Profit Before Tax for 31st March 2025 was ₹ 348.28 lakhs as compared to the Profit Before Tax of ₹ 717 lakhs for the year ended 31st March 2024.

The profitability of the Company was primarily impacted due to write off of ₹ 4.21 Crore. While the Retail Loan portfolio was ₹17,569 lakhs as on 31 March 2024 it stood at ₹ 18,525 lakhs on 31st March 2025, registering an increase of ₹ 956 lakhs. The non-retail loan segment stood at ₹ 5,343 lakhs as on 31st March 2025, as compared to ₹ 6,148 lakhs as on 31st March 2024, showing a reduction of ₹ 805 lakhs. The yield on Retail and Non-retail loans together went up by 17 basis points, which was 23.14%

as at 31st March 2024 to 23.31% as at 31st March 2025. The relentless collection and recovery efforts of the Company helped in collecting its loans promptly. The cost of liability stood at 10.72% as on 31st March 2025 as compared to 10.66% as on 31st March 2024 registering an increase of 0.06%.

The Company raised during the year ₹ 60 Crore through Listed Secured and Unsecured Non-Convertible Debentures (NCDs). Going forward in the light of the SEBI regulations that came into effect in January 2024, the Company will have to raise funds only through Listed NCDs, both Secured and Unsecured.

As part of the strengthening on collection and recovery efforts, the field set up was deepened and the Company continued to take legal steps as part of prompt recovery action. One Time Settlements (OTS) was taken in deserving cases, and the Company organized court initiated Adalat's in a few centres. Repossession of vehicles and stock and their prompt disposal also helped the Company to contain the net NPA level of the portfolio at 4.01% as on 31st March 2025 as against 3.03% as at 31st March 2024.

The Return on Equity (ROE) stood at 5.11% and Return on Average Assets stood at 1.10% as on 31st March 2025, as against 11.92% and 2.54% as on 31st March 2024.

Going forward the Company will continue its focus to deepen its retail loans by entering new segments of economic activity in the retail loan space. During the year under review the Company focused on increasing the clientele in pre-owned vehicles finance and business loans through innovative products responding to market demand.

Future Outlook:

The Company proposes to continue its strategy to deepen its forays into retail lending in MSME space and preowned passenger vehicle segment, simultaneously reducing the exposure to non-retail loans. In the context of the Company moving to the 90 days plus norm for recognition of NPAs from 1st April 2025 complying with the Central Bank norms, the Collection and Recovery Department which has been strengthened, will continue to undertake strategic moves to ensure that on an ongoing basis the Gross NPA level is kept at 3% of the total portfolio.

Material changes and commitments, if any, affecting the financial position of the company which has occurred between the end of the Financial Year of the company to which the Financial Statements relate and the date of the report:

There were no material changes and commitments which affected the financial position of the Company which had an impact on the functioning and working of the Company.

Change in nature of business, if any, during FY 2024-25:

Your Company has not deviated from its line of business activity nor has expanded the area of activities.

Reserves:

During the Financial Year 2024-25, your company has registered a Profit Before Tax of ₹ 348.28 lakhs as against ₹ 717 lakhs in 2023-2024, and an amount of ₹ 48.12 lakhs is transferred to reserves.

Share Capital:

The Capital structure of the Company is as follows:

| | | (₹ in lakhs) | |
|----------------------|---|----------------|----------------|
| Share Capital | | 31.03.2025 | 31.03.2024 |
| A | Authorised Share Capital | | |
| | 55000000 Equity Shares of ₹10/- each | 5500.00 | 5500.00 |
| | 20000000 Preference Shares of ₹ 10/- each | 2000.00 | 2000.00 |
| B | Issued Share Capital | | |
| | 34016482 Equity Shares of ₹ 10/- each | 3401.65 | 3401.65 |
| C | Subscribed and fully paid-up Share Capital | | |
| | 34016482 Equity Shares of ₹ 10/- each fully paid up | 3401.65 | 3401.65 |
| D | Subscribed but not fully Paid-up Share Capital | - | - |
| TOTAL (C + D) | | 3401.65 | 3401.65 |

Changes in Share Capital:

There is no change in the Share Capital structure of the Company during 2024-2025.

Revision of Financial Statement:

There was no revision of the Financial Statements of any earlier years during the year under review.

Extract of Annual Return:

<https://www.hedgefinance.com/annual-reports>

Subsidiary/Associate Companies/Joint Ventures:

For the Financial Year ended on 31st March 2025, the Company has had no holding company, subsidiaries or associate companies and joint ventures.

Composition of Board:

During the Financial Year under review, the Board comprised of the following members:

| DIN | Name of the Director | Designation | Date of first Appointment | Date of Cessation |
|----------|---------------------------------|---------------------|---------------------------|-------------------|
| 01254207 | Alex K Babu | Managing Director | 15/02/2011 | NA |
| 00023176 | Kiliyanat Puliasseri Padmakumar | Whole Time Director | 01/07/2019 | NA |
| 00042147 | Palathunkal Chacko John | Director | 04/09/2019 | NA |
| 03588605 | Kuruppath Ajitkumar | Director | 04/09/2019 | NA |
| 06379667 | Raphael Thomas | Director | 19/04/2018 | NA |

On the recommendation of Nomination and Remuneration Committee, Mr. Kiliyanat Puliasseri Padmakumar was reappointed as Whole Time Director and Mr. Alex K Babu, (DIN: 01254207), Director who retires by rotation, was re-appointed, as Director of the Company, liable to retire by rotation at the Annual General Meeting held on 25/09/2024. Mr. P C John (DIN: 00042147) and Mr. Kuruppath Ajit Kumar (DIN: 03588605) were re-appointed as Independent Directors for a period of one year at the Annual General Meeting held on 25/09/2024. There has not been any change in the constitution of Board of Directors of the Company, during last Financial Year also.

All Independent Directors have given their declarations that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

Key Managerial Personnel:

The Key Managerial Personnel comprised of the following members: -

| DIN/PAN | Name | Designation |
|------------|--------------------|-------------------------|
| 01254207 | Alex K Babu | Managing Director |
| AWVPS6152Q | Vinay Sasidharan | Chief Executive Officer |
| CIJPS6370Q | Suraj Ramachandran | Chief Financial Officer |
| ACXPG2744C | Girish Kumar G | Company Secretary |

Meetings of the Board of Directors:

During the Financial Year 2024-25, 10 meetings of Board of Directors of the company were held as detailed below;

| Sl.No | Date of the meeting | K P Padmakumar | Alex Kalluvila Babu | Palathunkal Chacko John | Kuruppath Ajitkumar | Rapheal Thomas |
|-------|---------------------|----------------|---------------------|-------------------------|---------------------|----------------|
| 1 | 24-04-2024 | Present | Present | Present | Absent | Absent |
| 2 | 23-05-2024 | Present | Present | Present | Present | Absent |
| 3 | 13-08-2024 | Present | Present | Present | Present | Absent |
| 4 | 11-09-2024 | Present | Present | Present | Present | Absent |
| 5 | 11-10-2024 | Present | Present | Present | Absent | Absent |
| 6 | 13-11-2024 | Present | Present | Absent | Present | Absent |
| 7 | 18-12-2024 | Present | Present | Present | Present | Absent |
| 8 | 24-01-2025 | Present | Present | Present | Present | Absent |
| 9 | 10-02-2025 | Present | Present | Present | Present | Absent |
| 10 | 19-03-2025 | Present | Present | Present | Present | Present |

General Meeting:

| Date of Meeting | Nature of Meeting | No. of Directors attended the meeting | No. of members attended the meeting including Directors |
|-----------------|------------------------|---------------------------------------|---|
| 25.09.2024 | Annual General Meeting | 3 | 8 |

Audit Committee:

The Company has constituted an Audit Committee as required under Section 177 of the Companies Act, 2013. The Board has accepted all the recommendations of the Audit Committee during the year 2024-25 and Mr. Palathunkal Chacko John was the Chairman of such Committee meeting.

The Composition and details of meeting of Audit Committee is as follows:

| Date of Meeting | Alex K Babu | Palathunkal Chacko John | Kuruppath Ajitkumar |
|-----------------|--|--|--|
| Category | Executive and Non-independent Director | Non-Executive and Independent Director | Non-Executive and Independent Director |
| 23.05.2024 | Present | Present | Present |
| 13.08.2024 | Present | Present | Present |
| 13.11.2024 | Present | Present | Present |
| 10.02.2025 | Present | Present | Present |
| 19.03.2025 | Present | Present | Present |

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of Directors decides on the policies and details of remuneration payable to the Directors. The Committee had met one time during the Financial Year under review ie on 09.08.2024 and all its members were present except Mr. Raphel Thomas. Mr. P C John was the Chairman of the Committee Meeting. The composition of the Nomination and Remuneration Committee is as follows: -

| Date of the meeting | Raphel Thomas | Palathunkal Chacko John | Kuruppath Ajitkumar |
|---------------------|--|--|--|
| Category | Non-Executive and Non-independent Director | Non-Executive and Independent Director | Non-Executive and Independent Director |
| 09.08.2024 | Absent | Present | Present |

Remuneration Policy:

The Company has laid down remuneration criteria for directors, key managerial personnel, independent Directors, other employees in the Remuneration Policy.

The main contents of this policy are as follows:

1. The remuneration structure is based on the qualification and skill levels at the time of joining the organisation and reviewed on a yearly basis by way of an assessment of their actual performance, through a robust "Performance Management System".
2. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully and is comparable to the compensation structure obtaining in other NBFCs and the broader financial sector.
3. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

4. Remuneration to executive directors, key managerial personnel involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
5. Non-Executive Independent Directors of the Company are paid sitting fee for attending Board/ Committees meetings and reimbursement of expenses for participation in Board/Committee meetings.

Particulars of Loan, Guarantees and investments under Section 186:

The Company, being a Non-Banking Financial Company registered under Chapter IIIB of the Reserve Bank of India Act, 1934, is exempted from the provisions of Loans made by Company under Section 186 of Companies Act, 2013. An investment amounting to ₹ 121.95 lakhs in one of the group company Hedge Equities Ltd existed at the beginning of the financial year and is continuing at the end of the financial year for the same amount as the company has not made any further investment or sale during the period.

Particulars of Contracts or Arrangements with Related Parties:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in subsection (1) of Section 188 of the Companies Act, 2013 read along with rule 8 of the Companies (Accounts) Rules, 2014 and Part A of Schedule V of SEBI LODR Regulations has been enclosed in Form AOC-2 attached as **Annexure I**.

Auditors:

M/s. Mohandas & Associates, Chartered Accounts, Thrissur, were appointed by the shareholders, as the Statutory Auditors of the Company, under section 139 of the Companies Act, 2013 for a period of 5 years from the conclusion of 10th Annual General Meeting till the conclusion of the 15th Annual General Meeting. based on the recommendation of the Board of Directors.

There is no qualification or adverse remark in Auditors' Report. There is no incident of fraud reporting by the Auditors under Section 143(12) of the Act.

Cost Auditors:

The provisions of Companies (Cost Records & Audit) Amendment Rules 2014 are not applicable to your Company. The Central government has not specified maintenance of cost records for the Company under sub – section (1) of section 148 of the Companies Act 2013. Therefore, there is no requirement for appointment of Cost Auditors.

Secretarial Audit:

Your Company is exempted from the definition of Listed Company pursuant to the recent amendment of insertion of Rule 2A in Companies (Specification of definitions details) Rules, 2014, as amended from time to time. Therefore, your Company is not required to have Secretarial Audit and hence no Secretarial Audit was conducted for the Financial Year ended 31 March 2025.

Compliance with Secretarial Standards on Board and General Meetings:

The Company has complied with Secretarial standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

Conservation of Energy, Technology, Absorption and Foreign Exchange:

The particulars as prescribed under sub-section (3) (m) Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 as amended up to date, are set out hereunder:

A. Conservation of energy:

Though your Company does not have energy intensive operations, it continues to adopt energy conservation measures in its administrative and other operations to the extent possible in spirit of contributing towards green ecology initiative which is globally gaining popularity and adoptability. Adequate measures have been taken to conserve energy by using energy-efficient computers and equipment, which would help in conservation of energy.

B. Technology Absorption, Adaptation and Innovation, Research and Development:

Your Company has neither carried out any research and development activities during the year under review nor incurred any expenditure thereupon. However, your Company is always finding out newer ways of attracting customers and launching new initiatives to capture market dominance.

C. Foreign Exchange Earnings and Outgo:

During the period under report, your Company had not earned any amount of foreign exchange nor had incurred expenditure in foreign exchange.

D. Other Disclosures required to be made as per Companies Act

1. No Dividend has been recommended for FY 2024-25.
2. No application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year by the Company during the financial year.
3. There has been no one time settlement effected by the Company with Banks or Financial Institutions.

Risk Management Policy:

As per the Risk Management Policy of the company, all fixed assets and machineries are properly maintained, and this Policy has been reviewed by the Board on an annual basis.

The company has a proper Risk Management Policy towards operations and administrative affairs of the company. The Managing Director will review the policy at regular intervals and ensure proper implementation of the policy formulated.

Details of significant and material orders passed by the Regulators or Courts or Tribunal:

There were no significant material orders passed by any Regulators or Courts or Tribunal during the year under review which would have impact on the going concern status of the Company and its future operation.

Adequacy of internal financial controls with reference to the Financial Statements:

The Company has an adequate system of internal controls in place. These controls have been designed to provide a reasonable assurance with regard to maintenance of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, and protecting assets from unauthorized use or losses, compliances with regulations. The Company has continued its efforts to align all its processes and controls with global best practices.

Deposits:

The Company has not accepted any deposits during FY 2024-25. The directives issued by Reserve Bank of India and as per the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the company.

Corporate Social Responsibility (CSR) Policy:

The provisions of Section 135 of the Companies Act 2013 read with Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 relating to Corporate Social Responsibility became applicable to your Company from 2024 since the Company recorded a Net Profit of above ₹ 5 Crore which is the threshold limit for Companies to have CSR activity under the Companies Act, 2013. The Company has a Board approved CSR policy and accordingly has a CSR Committee constituted as required under the regulations is as below:

| Sl. No | Name of Director | Designation |
|--------|------------------|----------------------|
| 1 | Alex K Babu | Managing Director |
| 2 | Vinay Sasidharan | CEO |
| 3 | P C John | Independent Director |

Your Company keeping in line with its commitment towards empowering marginalized communities, extended financial support as part of its CSR activities to SOS Children's Village of India, The Adarsh Charitable Trust for their residential-cum-vocational Training Centre, and towards Rotary Club of Cochin Knights towards its community service projects. Amount spent on CSR for the period under consideration was ₹ 9.68 lakhs.

Disclosure of Establishment of Vigilance Mechanism:

The company being an entity which always promotes and follow ethical paths, has established the necessary mechanism through Whistle Blower policy duly approved by the Board, for employees to report concerns about unethical behaviour. No person was denied access to the Audit Committee. The policy of the company ensures standards of professionalism, honesty, integrity, and ethical behaviour. Going forward the company will be reviewing this policy based on the regulatory requirements to keep in pace with requirements.

Disclosure under Sexual Harassment of Women at Workplace (prevention, prohibition & Redressal) Act, 2013:

The Company has zero tolerance for sexual harassment at workplace and has adopted a sexual harassment policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company has constituted necessary Committee as required under the above-mentioned Act.

There was no Sexual Harassment of Women reported during the year ended 31.03.2025. There are proper and adequate arrangements so as to avoid occurrence of sexual harassment.

Directors Responsibility Statement:

In accordance with the provisions of the Section 134(5) of the Companies Act 2013, the Board of Directors to best of their knowledge and ability, confirm that:

- a) In the preparation of annual accounts for the Financial Year ended 31 March 2025, the applicable accounting standards had been followed and there was no departure from the accounting standards followed.
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as 31 March 2025 and of the profit / (loss) of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- d) The directors had prepared the annual accounts on a going concern basis.
- e) Since the Company has not listed its shares on Stock Exchanges this clause regarding internal financial controls is not applicable to the Company.
- f) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of Employees:

The statement of particulars of employees as per Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to your Company.

Acknowledgement:

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

The Board places on record its appreciation for the support and co-operation your Company has been receiving from RBI, BSE, business partners, suppliers, redistribution stockists, retailers and others associates with the Company as its trading partners.

It will be the Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and cooperation with each other, consistent with consumer interests.

The Directors also take this opportunity to thank all Investors, Clients, Vendors, Banks, Government and Regulatory Authorities for their continued support.

**For and on behalf of the Board of Directors
HEDGE FINANCE LIMITED**

**Place: Kochi
Date: 22.08.2025**

**Alex Kalluvila Babu
Sd/-
Managing Director
DIN: 01254207**

**K P Padmakumar
Sd/-
Director
DIN: 00023176**

ANNEXURE I
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and Part A of Schedule V of SEBI LODR Regulations)

1. Details of contracts or arrangements or transactions at arm's length basis

(a) Name(s) of the related parties Nature of Relationship:

| Sl. No | Name of Entity | Nature of Relationship |
|--------|------------------------|---|
| 1 | Hedge Equities Limited | Common Directors and the Directors hold more than 2% of the paid-up share capital in Hedge Equities Limited |

(b) Nature of contracts/arrangements/ Transactions.

| | |
|---|---|
| Name of the Related Party | Hedge Equities Limited |
| Nature of contract/ agreement/ transaction | Rent paid |
| Duration of contract/agreements/ transactions | 3 years (from 01/06/2025 to 31/05/2028) |
| Salient terms of the contracts or arrangements or transaction including the value, if any | NA |
| Date of approval by the Board, if any | 22.08.2025 |
| Amount paid as advances, if any | Nil |

2. Details of material contracts or arrangement or transactions not at arm's length basis: NIL

For and on behalf of the Board of Directors
HEDGE FINANCE LIMITED

Place: Kochi
Date: 22.08.2025

Alex Kalluvila Babu
Sd/-
Managing Director
DIN: 01254207

K P Padmakumar
Sd/-
Director
DIN: 00023176

Independent Auditor's Report

To the members of Hedge Finance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hedge Finance Limited ("the Company") which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the Significant Accounting Policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("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 as at March 31, 2025, and its profit including other comprehensive income, its cash flows and the changes in equity for ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statement.

Information Other Than Financial Statements and Auditors Report Thereon

The Company's Board of Directors is responsible for other information. The other information comprises of information included in the Company's Annual Report but does not include the Financial Statements and our report thereon.

Our Opinion on the Financial Statements does not cover the other information and we do not express any form of assurance.

In connection with our audit on the Financial Statements, our responsibility is to read the other information made available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Managements Responsibility for the Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standard (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the asset of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibilities are to design suitable audit procedures to obtain reasonable assurance about whether the Ind AS 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 the users taken on the basis of these Financial Statements.

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

1. Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls systems in place and operating effectiveness of such controls. Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

4. Conclude on the appropriateness of the 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 as inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However future events or conditions may cause the company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations precludes public disclosure about a 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 benefit of such communication.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and 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 the mall relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure 1" to this report a statement on the matters specified in Paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 2016, issued by the Reserve Bank of India in exercise of the powers conferred by sub-section (1A) of Section 45 MA of the Reserve Bank of India Act, 1934, we give in the "Annexure 2", an additional Audit Report addressed to the Board of Directors containing our statements on the matters specified therein.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
- c) No report on the accounts of any of the branch offices audited under subsection 8 of section 143 by any person has been received by us and therefore no comments need to be made on the matter.
- d) The balance sheet, the statement of profit and loss (including Other Comprehensive Income), the cash flow statement, and the statement of changes in equity dealt with by this report are in agreement with the books of account.
- e) In our opinion, the foresaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- f) On the basis of the written representations received from the directors as on March 31, 2025 and 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.
- g) In our opinion there are no qualifications, reservations, or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
- h) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the limit prescribed by section 197 for maximum permissible managerial remuneration is complied.
- i) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our Report in "Annexure3"
- j) With respect to the matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to explanations given to us:
 - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The company does not have any long-term contracts including derivative contracts for which there were any foreseeable losses.
 - iii. According to the information provided, there are no any amounts, required to be transferred by the company to the Investor Education & Protection Fund as on 31.03.2025.
 - iv. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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 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;

(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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 ; and

v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

4. Based on our examination which included test checks the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. And management has represented that the audit trail feature cannot be disabled. Company has preserved the Audit trail as per the statutory requirements for records retention.

Place: Kochi
Date: 28/05/2025

For Mohandas & Associates
Sd/-
Mohandas Anchery
(Partner)
Chartered Accountants
Membership No: 036726
Firm Reg No: 002116S
UDIN: 25036726BMHUIR1752

The Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of the Our Report of even date to the members of Hedge Finance Limited on the accounts of the company for the year ended 31st March 2025.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

I.

- a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
(B) The Company has maintained proper records showing full particulars of intangible assets;
- b) According to the information and explanation provided by the Management, the Company has a regular programme for the verification of its Property, Plant and equipment. In our opinion, this periodicity of physical verification is reasonable having regard to the size and nature of the Company and the nature of its assets. Pursuant to such programme, a portion of such fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company;
- d) The company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets or both during the year;
- e) No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;

II.

- a) The Company is a Non-Banking Financial Company engaged in the business of providing loans and does not hold any type of physical inventories. Therefore, the provisions of paragraph 3(ii)(a) of the Companies (Auditor’s Report) Order, 2020 are not applicable to the Company;
- b) During the year, the company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions on the basis of security of current assets including receivables. The statements filed by the company with such banks or financial institutions are in agreement with the books of accounts of the company.

III.

- a) The Company is a Non- Banking Financial Company engaged in the principal business of providing loans. Therefore, the provisions of paragraph 3(iii)(a) of the Companies (Auditor’s Report) Order, 2020 are not applicable to the Company;
- b) The terms and conditions of all the loans and advances granted by the company during the year are not prejudicial to the company’s interest;

- c) In our opinion and according to the information and explanations given to us the company, in respect of Micro finance and term loans, the schedule of repayment of principal and payment of interest has been stipulated. The repayments or receipts are regular except in 789 loans, outstanding amounting to ₹ 1880.78 lakhs, against which appropriate provision has been made.

| Type of Loan | No of Loans | Principal Overdue | Remarks |
|----------------|-------------|-------------------|---|
| MSME | 521 | 753.59 | Since it's a NBFC their principal business is to give loans. The loans for which overdue for more than 90 days are treated as irregular and these cases are classified as NPA as per RBI IRACP norms. |
| Business Loan | 2 | 279.85 | |
| Vehicle loan | 243 | 641.27 | |
| Personal loan | 4 | 20.5 | |
| Equipment Loan | 18 | 29.66 | |
| Mortgage loan | 1 | 155.89 | |
| Gold Loan | - | - | |
| TOTAL | 789 | 1880.78 | |

- d) Out of the total loans and advances there are advances which are overdue for more than 120 days amounting to ₹ 1420.28 lakhs, against which appropriate provision has been made. The company has taken necessary steps for the recovery of principal and interest. The details are given in the below table.

(₹ in lakhs)

| Type of Loan | No of Loans | Principal Overdue | Remarks |
|----------------|-------------|-------------------|--|
| MSME | 457 | 662.14 | Since it's a NBFC their principal business is to give loans. The loans for which overdue for more than 120 days are treated as irregular and these cases are classified as NPA as per RBI IRACP norms. The income recognition of the above has been done as per RBI IRACP norms. |
| Business Loan | 2 | 279.85 | |
| Vehicle loan | 123 | 292.85 | |
| Personal loan | 3 | 5.55 | |
| Equipment Loan | 14 | 23.99 | |
| Mortgage loan | 1 | 155.89 | |
| Gold Loan | - | - | |
| TOTAL | 600 | 1420.28 | |

- e) The Company is a Non-Banking Financial Company engaged in the principal business of providing loans. Therefore, the provisions of paragraph 3(iii) (e) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company;
- f) The company has not granted any loans and advances which are repayable on demand. The company has not granted any loans repayable on demand to the promoters or related parties as defined in clause 76 of section 2 of Companies Act,2013.

IV. In our opinion and according to the information and explanations given to us, the Company has not given any loans, made any investments, provided any guarantees, and given any security to which the provision of Section 185 and 186 of the Companies Act are applicable.

V. The Company has not accepted any Deposits or amounts which are deemed to be deposits from the public. Therefore, the Directives issued by the Reserve Bank Of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder are not applicable to the Company. The Company has not received any order from the

Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard;

VI. Being a Non-Banking Finance Company, maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013;

VII.

- a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities wherever applicable to it. There are no arrears of statutory dues as at the last day of the financial year concerned for a period of more than six months from the date on which they became payable;
- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.

VIII. There are no transactions which were not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

IX.

- a) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in repayment of interest thereon to any lender.
- b) In our opinion and according to the information and explanation given to us, the company is not a declared wilful defaulter by any bank or financial institution or other lender.
- c) In our opinion and according to the information and explanation given to us, the term loans were applied for the purpose for which the loans were obtained.
- d) In our opinion and according to the information and explanation given to us, the company has not utilized the funds raised on short term basis for long term purposes.
- e) In our opinion and according to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) In our opinion and according to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

X.

- a) In our opinion and according to the information and explanations given to us, money has not been raised by way of public offer of debt .

- b) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

XI.

- a) According to the information and explanations given to us during the year under audit, no fraud by the company has been noticed or reported.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us and based on our examination of the records of the company, no whistle-blower complaints have been received during the year by the company.

XII. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company;

XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the Notes to the financial statements of the Company as required by the applicable Ind AS.

XIV.

- a) The Company has an internal audit system commensurate with the size and nature of its business;
- b) The reports of the internal auditors for the period under audit were considered by us on a random basis, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

XV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable to the Company.

XVI.

- a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has obtained the required registration under Section 45-IA of the Reserve Bank of India Act, 1934.
- b) The company has conducted Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) There are no CICs as part of the Group to which the company belongs

- 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 in the financial year and in the immediately preceding financial year.
- XVIII.** There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable / paragraph 3(xviii) of the Order is not applicable.
- XIX.** 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, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is 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;
- XX.**
- a) In respect of other than ongoing projects, the company transferred to the Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to Section 135(5) of said Act.
 - b) In respect of ongoing projects, the company does not have any unspent amount under sub-section (5) of section 135 of the Companies Act, 2013, to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;
- XXI.** Since this is a standalone financial statement Paragraph 3 (xxi) is not applicable.

Place: Kochi
Date: 28/05/2025

For Mohandas & Associates
Sd/-
Mohandas Anchery
(Partner)
Chartered Accountants
Membership No: 036726
Firm Reg No: 002116S
UDIN: 25036726BMHUIR1752

ANNEXURE 2

TO THE AUDITOR'S REPORT

To the Board of Directors of Hedge Finance Limited,

We have audited the Balance Sheet of Hedge Finance Limited for the year ended as on March 31, 2025, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Cash Flow and the Statement of Changes in Equity for the year then ended annexed thereto and issued our audit opinion dated 28th May 2025 thereon. These financial statements are the responsibility of the Company's management. Our responsibility was to express an opinion on these financial statements based on our audit. Our audit was conducted in the manner specified in the audit report. As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2016, and according to the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report hereunder on the matters specified in paragraphs 3 and 4 of the aforesaid directions;

- i. The company is engaged in the business of Non-Banking Financial Institution, and it has obtained the certificate of registration as provided in section 45-IA of the RBI Act, 1934.
- ii. The Company is entitled to continue to hold the Certificate of Registration in terms of the Asset/Income pattern as on March 31, 2025.
- iii. The Board of Directors of the Company has passed a resolution for non-acceptance of public deposit.
- iv. The Company has not accepted any public deposit during the period under review.
- v. According to the information and explanation given to us, the Company has complied with the prudential norms on Income Recognition, Indian Accounting Standards, Asset Classification, Provisioning for bad and doubtful debts as specified in the direction issued by the Reserve Bank of India in terms of the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016.
- vi. The capital adequacy ratio as disclosed in the return submitted to RBI in terms of Master Direction – Non-Banking Financial Company – Systemically Important Non- deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016, has been correctly arrived and such ratio is in compliance with the minimum CRAR as prescribed by the Reserve Bank of India.
- vii. The Company has furnished to RBI the annual statement of Capital Fund, risk assets and risk assets ratio within the stipulated period.
- viii. The Company has not been classified as NBFC-MFI for the year ended March 31, 2025.
- ix. We have no responsibility to update this report for events and circumstances occurring after the date of our audit opinion mentioned in paragraph 1.

The report has been issued pursuant to the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2016 and is issued to the Board of Directors of the Company as required by Paragraph 2 of such directions and should not be used for any other purpose.

Place: Kochi
Date: 28/05/2025

For Mohandas & Associates
Sd/-
Mohandas Anchery
(Partner)
Chartered Accountants
Membership No: 036726
Firm Reg No: 002116S
UDIN: 25036726BMHUIR1752

ANNEXURE 3

TO THE AUDITOR'S REPORT

Annexure 3 to the Independent Auditor's Report of even date on the Financial Statements of Hedge Finance Limited for the year ended 31 March 2025.

Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") (Referred to in paragraph 3(i) under Report on Other Legal and Regulatory Requirements 'section of our report of even date)

Opinion

We have audited the internal financial controls over financial reporting of Hedge Finance Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has in all material respects, an adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note issued by the ICAI.

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 the internal controls stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the "Guidance Note") and the standards on auditing ("the Standards") issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and 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 control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of the internal financial

controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatements 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 over financial reporting.

Meaning of Internal Financial Control over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide a 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 the 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 in accordance with authorization of the management and directors of the Company; and
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitation of internal financial controls over financial reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to fraud or error 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 the changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Place: Kochi
Date: 28/05/2025

For Mohandas & Associates
Sd/-
Mohandas Anchery
(Partner)
Chartered Accountants
Membership No: 036726
Firm Reg No: 002116S
UDIN: 25036726BMHUIR1752

HEDGE FINANCE LTD
BALANCE SHEET

(₹ in Lakhs)

| Particulars | Note No. | As at March 31,2025 (Audited) | As at March 31,2024 (Audited) |
|--|----------|----------------------------------|----------------------------------|
| I. ASSETS | | | |
| 1 Financial assets | | | |
| a) Cash and cash equivalents | 1.1 | 2280.35 | 1881.50 |
| b) Bank Balance other than (a) above | 1.2 | 301.83 | 16.66 |
| c) Receivables | | | |
| (I) Trade receivables | | - | - |
| (II) Other receivables | | 16.61 | 5.16 |
| d) Loans | 2 | 23728.73 | 23507.19 |
| e) Investments | 3 | 2843.78 | 1430.98 |
| f) Other financial assets | 4 | 22.02 | 21.07 |
| 2 Non-financial Assets | | | |
| a) Inventories | | - | - |
| b) Investment Properties | | - | - |
| c) Current tax assets (Net) | | - | - |
| d) Deferred tax assets (Net) | | 120.27 | 127.67 |
| e) Property, Plant and Equipment | 5 | 1069.20 | 878.32 |
| f) Other intangible assets | 6 | 8.35 | 11.42 |
| g) Other non-financial assets | 7 | 392.68 | 370.66 |
| Total Assets | | 30783.81 | 28250.64 |
| II. LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| 1 Financial Liabilities | | | |
| a) Debt Securities | 8 | 20684.46 | 20179.13 |
| b) Borrowings (other than debt securities) | 9 | 888.70 | 468.74 |
| c) Deposits | | - | - |
| d) Subordinated liabilities | 10 | 3915.58 | 2534.63 |
| e) Other financial liabilities | 11 | 94.02 | 161.56 |
| 2 Non-financial Liabilities | | | |
| a) Provisions | 12 | 80.23 | 57.94 |
| b) Other non-financial liabilities | 13 | 295.90 | 264.34 |
| 3 EQUITY | | | |
| a) Equity share capital | 14 | 3401.65 | 3401.65 |
| b) Other equity | 15 | 1423.26 | 1182.65 |
| Total Liabilities and Equity | | 30783.81 | 28250.64 |

See accompanying notes to the financial statements

As per our Report of even date attached

For and on behalf of the Board

Sd/-
Alex Kalluvila Babu
(Managing Director)
DIN:01254207

Sd/-
K P Padmakumar
(Director)
DIN:00023176

Sd/-
Vinay Sasidharan
(Chief Executive Officer)

Sd/-
Suraj Ramachandran
(Chief Financial Officer)

Sd/-
Girish Kumar Ganapathy
(Company Secretary)

For Mohandas & Associates
Sd/-
Mohandas Anchery
(Partner)
Chartered Accountants
Membership No: 036726
Firm Reg No: 002116S
UDIN: 25036726BMHUIR1752

Place: Kochi
Date: 28/05/2025

HEDGE FINANCE LTD
STATEMENTS OF PROFIT AND LOSS

(₹ in Lakhs)

| Particulars | | Note No. | Year ended March 31, 2025 (Audited) | Year ended March 31, 2024 (Audited) |
|--------------------------------|--|----------|-------------------------------------|-------------------------------------|
| Revenue from operations | | | | |
| (i) | Interest income | 16 | 4523.57 | 4312.79 |
| (ii) | Dividend income | | 4.00 | 1.89 |
| (iii) | Rental income | | - | - |
| (iv) | Fees and Commission income | | - | - |
| (v) | Net gain on derecognition of financial instruments under amortised cost category | | - | - |
| (vi) | Net gain on fair value changes | 17 | - | 26.97 |
| (vii) | Other operating Income | 18 | 605.00 | 457.24 |
| (I) | Total Revenue from operations | | 5132.57 | 4798.89 |
| (II) | Other Income | 19 | 354.87 | 247.50 |
| (III) | Total Income (I + II) | | 5487.44 | 5046.39 |
| Expenses | | | | |
| (i) | Finance costs | 20 | 2543.84 | 2241.60 |
| (ii) | Net loss on fair value changes | 17 | 37.42 | - |
| (iii) | Impairment on financial instruments | 21 | -28.50 | 129.15 |
| (iv) | Employee benefits expenses | 22 | 1054.81 | 795.69 |
| (v) | Depreciation, amortization and impairment | 23 | 64.88 | 51.68 |
| (vi) | Other expenses | 24 | 1466.69 | 1111.15 |
| (IV) | Total Expenses (IV) | | 5139.15 | 4329.27 |
| (V) | Profit before tax (III- IV) | | 348.28 | 717.11 |
| (VI) | Tax Expense: | | | |
| | (1) Current tax | | 94.16 | 193.78 |
| | (2) Earlier years adjustments | | - | - |
| | (3) Deferred tax | | 7.41 | -22.96 |
| (VII) | Profit for the year (V- VI) | | 246.72 | 546.29 |
| A) | Other Comprehensive Income | | | |
| | (i) Items that will not be reclassified to profit or loss | | | |
| | - Remeasurement of defined benefit plans | | -6.11 | -14.44 |
| | - Fair value changes on equity instruments through other comprehensive income | | - | - |

| | | | | |
|---------------|---|----|---------------|---------------|
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| | Subtotal (A) | | -6.11 | -14.44 |
| B) | (i) Items that will be reclassified to profit or loss | | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| | Subtotal (B) | | - | - |
| (VIII) | Other Comprehensive Income (A + B) | | -6.11 | -14.44 |
| (IX) | Total Comprehensive Income for the year (VII+VIII) | | 240.61 | 531.85 |
| | Earnings per equity share (Face value of ₹ 10/- each) | | | |
| | Basic (₹) | 25 | 0.71 | 1.56 |
| | Diluted (₹) | 25 | 0.71 | 1.56 |

For and on behalf of the Board

As per our Report of even date attached

Sd/-
Alex Kalluvila Babu
(Managing Director)
DIN:01254207

Sd/-
K P Padmakumar
(Director)
DIN:00023176

Sd/-
Vinay Sasidharan
(Chief Executive Officer)

Sd/-
Suraj Ramachandran
(Chief Financial Officer)

Sd/-
Girish Kumar Ganapathy
(Company Secretary)

For Mohandas & Associates
Sd/-
Mohandas Anchery
(Partner)
Chartered Accountants
Membership No: 036726
Firm Reg No: 002116S
UDIN:25036726BMHUIR1752

Place: Kochi
Date: 28/05/2025

HEDGE FINANCE LTD
CASH FLOW STATEMENT

(₹ in Lakhs)

| Particulars | For the Year ended March 31, 2025 (Audited) | | For the Year Ended 31 March 2024 (Audited) | |
|---|--|-----------------|---|-----------------|
| A. Cash Flow from Operating Activities | | | | |
| Profit before tax | | 348.28 | | 717.11 |
| Adjustments for : | | | | |
| Impairment on financial instruments | -28.50 | | 129.15 | |
| Net (Profit) / loss on fair value changes | - | | -26.97 | |
| Net (Profit) / loss on fair value changes | 37.42 | | - | |
| Net (Profit) / Loss on Sale of assets | -3.53 | | -1.74 | |
| Finance Costs | 2543.84 | | 2241.60 | |
| Depreciation, amortization and impairment | 64.88 | | 51.68 | |
| Income from Non-Operating Business | | | | |
| - Rental Income | - | | - | |
| - Dividend | -4.00 | 2610.11 | -1.89 | 2391.83 |
| Operating Profit / (Loss) before working capital Adjustments | | 2958.40 | | 3108.94 |
| Adjustments for : | | | | |
| Loans | -200.26 | | -3806.72 | |
| Other financial assets | -12.40 | | -55.06 | |
| Other non-financial assets | -22.02 | | -75.63 | |
| Bank Balance other than "Cash and cash equivalents" | -285.17 | | 9.65 | |
| Provisions | 21.36 | | 10.92 | |
| Other financial liabilities | -67.54 | | 79.35 | |
| Other non-financial liabilities | 31.56 | -534.46 | 29.72 | -3807.77 |
| Cash Generated from operations | | 2423.94 | | -698.82 |
| Income Tax paid | | 94.16 | | 193.78 |
| Finance cost paid | | 2543.84 | | 2241.60 |
| Net Cash Flow from Operating Activity | | -214.06 | | -3134.21 |
| B. Cash Flow from Investment Activities | | | | |
| Other Investment | -1448.19 | | -84.16 | |
| Purchase of Fixed Assets | -253.64 | | -374.41 | |
| Sale of asset | 4.49 | | 2.12 | |
| Issue of capital | - | | - | |
| Dividend Paid | - | | -102.05 | |
| Dividend Received | 4.00 | -1693.33 | 1.89 | -556.61 |
| Net Cash Flow from Investment Activity | | -1693.33 | | -556.61 |
| C. Cash Flow from Financing Activity | | | | |
| Change in capital | - | | - | |
| Net increase/(Decrease) in Borrowings (other than debt securities) | 419.97 | | 449.09 | |

| | | | | |
|--|---------|----------------|---------|----------------|
| Net increase/(Decrease) in Sub debt | 1380.95 | | 925.21 | |
| Net increase/(Decrease) in Debt Securities | 505.33 | 2306.24 | 2546.54 | 3920.83 |
| Net Cash Flow from Financing Activity | | 2306.24 | | 3920.83 |
| Net Increase/ (Decrease) in Cash & Cash Equivalents(A+B+C) | | 398.85 | | 230.02 |
| Opening Balance of Cash & Cash Equivalents | | 1881.50 | | 1651.48 |
| Closing Balance of Cash & Cash Equivalents | | 2280.35 | | 1881.50 |
| Components of Cash and Cash Equivalents | | | | |
| Current Account with Banks | | 2170.30 | | 1805.83 |
| With Banks in fixed deposit (maturing within a period of three months) | | 50.75 | | 10.97 |
| Cash in Hand | | 59.13 | | 63.99 |
| Trading Stamp Paper | | .18 | | .71 |
| | | 2280.35 | | 1881.50 |

For and on behalf of the Board

As per our Report of even date attached

Sd/-
Alex Kalluvila Babu
(Managing
Director)
DIN:01254207

Sd/-
K P Padmakumar
(Director)
DIN:00023176

For Mohandas & Associates
Sd/-
Mohandas Anchery
(Partner)

Chartered Accountants
Membership No: 036726
Firm Reg No: 002116S
UDIN: 25036726BMHUIR1752

Sd/-
Vinay Sasidharan
(Chief Executive Officer)

Sd/-
Suraj Ramachandran
(Chief Financial Officer)

Sd/-
Girish Kumar Ganapathy
(Company Secretary)

Place: Kochi
Date: 28/05/2025

STATEMENT OF CHANGES IN EQUITY

a. Equity Share Capital

Equity shares of ₹ 10/- each issued, subscribed and fully paid

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31,2024 (Audited) |
|---|-------------------------------|-------------------------------|
| As at the beginning of the period | 3401.65 | 3401.65 |
| Changes in Equity Share Capital due to prior period items | - | - |
| Restated balance at the beginning of the current reporting period | - | - |
| Changes in equity share capital during the current year | - | - |
| Balance at the end of current reporting period | 3401.65 | 3401.65 |

b. Other Equity

(₹ in Lakhs)

| Particulars | Reserves and Surplus | | | | | Other comprehensive income | | Total |
|---|---|--------------------|------------------------------|---------------------|-------------------|---|--|----------------|
| | Special Reserve Fund (u/s 45 IC of RBI Act, 1934) | Securities Premium | Debenture Redemption Reserve | Revaluation Reserve | Retained Earnings | Equity instruments through Other Comprehensive Income | Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans) | |
| Balance as at April 01, 2023 | 294.88 | - | - | - | 463.05 | - | -5.08 | 752.85 |
| Transfer from Retained earnings | 106.37 | - | - | - | - | - | - | 106.37 |
| Securities premium on share options exercised during the year | - | - | - | - | - | - | - | - |
| Amount transferred | - | - | - | - | - | - | - | - |
| Profit for the period | - | - | - | - | 546.29 | - | -14.44 | 531.85 |
| Transfer to Special Reserve Fund | - | - | - | - | -106.37 | - | - | -106.37 |
| Dividend | - | - | - | - | -102.05 | - | - | -102.05 |
| Transfer from/(to) Debenture Redemption Reserve | - | - | - | - | - | - | - | - |
| Balance as at March 31, 2024 | 401.25 | - | - | - | 800.92 | - | -19.52 | 1182.65 |
| Transfer from Retained earnings | 48.12 | - | - | - | - | - | - | 48.12 |
| Securities premium on share options exercised during the year | - | - | - | - | - | - | - | - |
| Amount transferred | - | - | - | - | - | - | - | - |
| Profit for the period | - | - | - | - | 246.72 | - | -6.11 | 240.61 |
| Transfer to Special Reserve Fund | - | - | - | - | -48.12 | - | - | -48.12 |
| Dividend | - | - | - | - | - | - | - | - |
| Transfer from/(to) Debenture Redemption Reserve | - | - | - | - | - | - | - | - |
| Balance as at March 31,2025 | 449.37 | - | - | - | 999.52 | - | -25.63 | 1423.26 |

Notes to Ind AS Financial Statements for the Year ended March 31, 2025

Note 1.1: Cash and cash equivalents

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31,2024 (Audited) |
|--|----------------------------------|----------------------------------|
| Cash in hand | 59.13 | 63.99 |
| Balances with Banks | | |
| - in current accounts | 2170.30 | 1805.83 |
| - in fixed deposit (maturing within a period of three months) | 50.75 | 10.97 |
| Stamp in hand | .18 | .71 |
| Total | 2280.35 | 1881.50 |

Note 1.2: Bank balance other than cash and cash equivalents

(₹ in Lakhs)

| Particulars | As at March 31,2025 Audited) | As at March 31,2024 (Audited) |
|---|---------------------------------|----------------------------------|
| Fixed deposits with bank (maturing after period of three months) | 301.83 | 16.66 |
| Total | 301.83 | 16.66 |

Note 1.3: Additional details of Fixed Deposits

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31,2024 (Audited) |
|--|----------------------------------|----------------------------------|
| Fixed deposits given as security for borrowings | 200.00 | - |
| Fixed deposits given as security for guarantees | - | - |
| Fixed deposits held for redemption of debentures | - | - |
| Free held fixed deposits | 152.58 | 27.63 |
| Total | 352.58 | 27.63 |

Note 2: Loans

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | | | | | |
|--|----------------------|------------------------------------|------------------------|---|-----------|-----------------|
| | Amortised Cost | At Fair value | | | | Total |
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | Sub-total | |
| (A) | | | | | | |
| i) Loans repayable on demand | - | - | - | - | - | - |
| ii) Term loans | 18636.77 | - | - | - | - | 18636.77 |
| iii) Leasing | - | - | - | - | - | - |
| iv) Factoring | - | - | - | - | - | - |
| v) Others | 5231.46 | - | - | - | - | 5231.46 |
| vi) Interest accrued on above | 433.02 | - | - | - | - | 433.02 |
| Total (A) - Gross | 24301.25 | - | - | - | - | 24301.25 |
| Less: Impairment loss allowance | 572.52 | - | - | - | - | 572.52 |
| Total (A) - Net | 23728.73 | - | - | - | - | 23728.73 |
| (B) | | | | | | |
| I) Secured by tangible assets | | | | | | |
| Business Loan | 285.75 | - | - | - | - | 285.75 |
| Vehicle Loan | 10709.45 | - | - | - | - | 10709.45 |
| Equipment Loan | 1212.69 | - | - | - | - | 1212.69 |
| Loan against Shares | 151.17 | - | - | - | - | 151.17 |
| Mortgage Loan | 5065.86 | - | - | - | - | 5065.86 |
| MSME Loans | 5032.70 | - | - | - | - | 5032.70 |
| Gold Loan | 11.25 | - | - | - | - | 11.25 |
| (i)Interest accrued on above | 412.83 | - | - | - | - | 412.83 |
| Total (I) - Gross | 22881.70 | - | - | - | - | 22881.70 |
| Less: Impairment loss allowance | 562.63 | - | - | - | - | 562.63 |
| Total (I) - Net | 22319.07 | - | - | - | - | 22319.07 |
| II) Covered by Bank / Government Guarantees | | | | | | |
| III) Unsecured | | | | | | |
| Business Loan | 867.52 | - | - | - | - | 867.52 |
| Consumer Loan | - | - | - | - | - | - |
| MSME loan | .55 | - | - | - | - | .55 |
| Micro Lending | - | - | - | - | - | - |
| Personal Loan | 498.63 | - | - | - | - | 498.63 |
| Staff Loan | 32.67 | - | - | - | - | 32.67 |
| (i)Interest accrued on above | 20.18 | - | - | - | - | 20.18 |
| Total (III) - Gross | 1419.55 | - | - | - | - | 1419.55 |
| Less: Impairment loss allowance | 9.89 | - | - | - | - | 9.89 |
| Total (III) - Net | 1409.66 | - | - | - | - | 1409.66 |
| Total (B) (I+II+III) - Net | 23728.73 | | | | | 23728.73 |
| (C) (I) Loans in India | | | | | | |
| i) Public Sector | - | - | - | - | - | - |
| ii) Others | 24301.25 | - | - | - | - | 24301.25 |
| (C) (II) Loans outside India | - | - | - | - | - | - |
| Total (C) - Gross | 24301.25 | - | - | - | - | 24301.25 |
| Less: Impairment loss allowance | 572.52 | - | - | - | - | 572.52 |
| Total (C)- Net | 23728.73 | - | - | - | - | 23728.73 |

(₹ in Lakhs)

| Particulars | As at March 31,2024 | | | | | |
|--|---------------------|------------------------------------|------------------------|---|-----------|-----------------|
| | Amortised Cost | At Fair value | | | | Total |
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | Sub-total | |
| (A) | | | | | | |
| i) Loans repayable on demand | - | - | - | - | - | - |
| ii) Term loans | 17335.75 | - | - | - | - | 17335.75 |
| iii) Leasing | - | - | - | - | - | - |
| iv) Factoring | - | - | - | - | - | - |
| v) Others | 6380.44 | - | - | - | - | 6380.44 |
| vi) Interest accrued on above | 384.81 | - | - | - | - | 384.81 |
| Total (A) - Gross | 24100.99 | - | - | - | - | 24100.99 |
| Less: Impairment loss allowance | 593.80 | - | - | - | - | 593.80 |
| Total (A) - Net | 23507.19 | - | - | - | - | 23507.19 |
| (B) | | | | | | |
| I) Secured by tangible assets | | | | | | |
| Business Loan | 285.77 | - | - | - | - | 285.77 |
| Vehicle Loan | 9218.58 | - | - | - | - | 9218.58 |
| Equipment Loan | 1021.83 | - | - | - | - | 1021.83 |
| Loan against Shares | 43.45 | - | - | - | - | 43.45 |
| Mortgage Loan | 5019.78 | - | - | - | - | 5019.78 |
| MSME Loans | 4871.39 | - | - | - | - | 4871.39 |
| Gold Loan | 344.92 | - | - | - | - | 344.92 |
| (i) Interest accrued on above | 352.84 | - | - | - | - | 352.84 |
| Total (I) - Gross | 21158.54 | - | - | - | - | 21158.54 |
| Less: Impairment loss allowance | 586.25 | - | - | - | - | 586.25 |
| Total (I) - Net | 20572.29 | - | - | - | - | 20572.29 |
| II) Covered by Bank / Government Guarantees | | | | | | |
| III) Unsecured | | | | | | |
| Business Loan | 1985.81 | - | - | - | - | 1985.81 |
| Consumer Loan | .25 | - | - | - | - | .25 |
| MSME loan | 298.75 | - | - | - | - | 298.75 |
| Micro Lending | - | - | - | - | - | - |
| Personal Loan | 596.76 | - | - | - | - | 596.76 |
| Staff Loan | 28.91 | - | - | - | - | 28.91 |
| (i) Interest accrued on above | 31.97 | - | - | - | - | 31.97 |
| Total (III) - Gross | 2942.45 | - | - | - | - | 2942.45 |
| Less: Impairment loss allowance | 7.55 | - | - | - | - | 7.55 |
| Total (III) - Net | 2934.90 | - | - | - | - | 2934.90 |
| Total (B) (I+II+III) - Net | 23507.19 | | | | | 23507.19 |
| (C) (I) Loans in India | | | | | | |
| i) Public Sector | - | - | - | - | - | - |
| ii) Others | 24100.99 | - | - | - | - | 24100.99 |
| (C) (II) Loans outside India | - | - | - | - | - | - |
| Total (C) - Gross | 24100.99 | - | - | - | - | 24100.99 |
| Less: Impairment loss allowance | 593.80 | - | - | - | - | 593.80 |
| Total (C)- Net | 23507.19 | - | - | - | - | 23507.19 |

2.1 Expected Credit Loss (ECL)

As required by RBI, the Company is obliged to comply with the extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). ECL computed by the Company as per the policy, laid down under significant accounting policies, is higher than the provision as per IRACP norms.

The Notification RBI/2019-20/170 dated 13 March, 2020, states that a comparison to be made between the provisions required under IRACP and impairment allowances made under Ind AS 109 and where the impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), the Company shall appropriate the difference from their net profit or loss after tax to a separate 'impairment reserve'.

Since, the ECL provision computed as per the policy laid down under significant accounting policies is higher than the provision as per IRACP norms, the requirement of appropriating the difference from the net profit after tax to a separate 'impairment reserve' does not arise.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to receivables under financing activities is, as follows:

(₹ in Lakhs)

| Year ended March 31, 2025(AUM) | | | | |
|--------------------------------|-----------|---------|---------|-----------|
| ECL Provision | Stage 1 | Stage 2 | Stage 3 | Total |
| Opening Gross carrying amount | 21608.82 | 1438.45 | 1053.72 | 24100.99 |
| Add: New Assets | 13136.98 | 310.01 | 37.81 | 13484.80 |
| Less: Assets repaid | -12005.45 | -730.66 | -127.30 | -12863.41 |
| Transfer to Stage 1 | 114.30 | -112.71 | -1.59 | - |
| Transfer to Stage 2 | -1123.30 | 1125.89 | -2.59 | - |
| Transfer to Stage 3 | -450.63 | -227.14 | 677.77 | - |
| Less: Write off | -98.89 | -107.72 | -214.52 | -421.13 |
| Closing Gross carrying amount | 21181.82 | 1696.12 | 1423.30 | 24301.25 |

Reconciliation of ECL Balance

(₹ in Lakhs)

| Year ended March 31, 2025 | | | | |
|--|---------|---------|---------|---------|
| ECL Provision | Stage 1 | Stage 2 | Stage 3 | Total |
| Gross carrying amount | 202.16 | 46.63 | 345.01 | 593.80 |
| Add: New Assets | 47.59 | 5.65 | 10.72 | 63.97 |
| Less: Assets repaid | -92.83 | -17.49 | -32.11 | -142.43 |
| Transfer to Stage 1 | 5.76 | -3.45 | -2.31 | - |
| Transfer to Stage 2 | -19.78 | 22.56 | -2.78 | - |
| Transfer to Stage 3 | -61.29 | -23.96 | 85.25 | - |
| Less: Write off | -1.30 | -4.33 | -81.28 | -86.91 |
| Impact of changes in credit risk on account of stage movements | | | 144.09 | 144.09 |
| Closing carrying amount | 80.31 | 25.61 | 466.59 | 572.52 |

2.2 MOVEMENT OF PROVISION FOR STANDARD AND NON-PERFORMING ASSETS

As per the Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Reserve Bank Directions, 2016, the Company has created provision for Standard Assets as well as Non-Performing Assets. Details are as per the table below:-

(₹ in Lakhs)

| Particulars | F.Y 2024-25 | F.Y 2023-24 |
|--|----------------|----------------|
| Provision for Standard Assets | 57.47 | 65.66 |
| Provision at the beginning of the year | 70.52 | 70.52 |
| Additional provision made during the year | -13.05 | -4.85 |
| Provision at the close of the year | 57.47 | 70.52 |
| Non-Performing Assets | | |
| Sub-standard Assets | 708.20 | 398.69 |
| Doubtful Assets (Upto 1 year) | 243.20 | 209.20 |
| Doubtful Assets (1 – 3 years) | 192.05 | 165.98 |
| Doubtful Assets (More than 3 years) | 279.85 | 279.85 |
| Loss Assets | - | - |
| Total Non-performing Assets | 1423.30 | 1053.72 |
| | | |
| Provision for non-performing assets | | |
| Provision at the beginning of the year | 502.01 | 243.40 |
| Additional provision made during the year | -133.52 | 258.61 |
| Provision at the close of the year | 368.48 | 502.01 |

2.3 Credit Quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification

(₹ in Lakhs)

| As on 31/03/2025 | | | | |
|------------------|-----------------|----------------|----------------|-----------------|
| Internal Rating | Stage 1 | Stage 2 | Stage 3 | Grand Total |
| High grade | 21181.82 | 707.90 | - | 21889.73 |
| Medium grade | - | 529.65 | 435.74 | 965.40 |
| Low grade | - | 458.56 | 987.56 | 1446.12 |
| Total | 21181.82 | 1696.12 | 1423.30 | 24301.25 |
| As on 31/03/2024 | | | | |
| Internal Rating | Stage 1 | Stage 2 | Stage 3 | Grand Total |
| High grade | 21608.82 | 955.87 | - | 22564.69 |
| Medium grade | - | 387.38 | 279.85 | 667.24 |
| Low grade | - | 95.20 | 773.87 | 869.06 |
| Total | 21608.82 | 1438.45 | 1053.72 | 24100.99 |

Note 3: Investments

(₹ in Lakhs)

| Particulars | As at March 31, 2025 (Audited) | As at March 31, 2024 (Audited) |
|---|-----------------------------------|-----------------------------------|
| i) Mutual funds & ETF | 84.58 | 46.97 |
| ii) Government securities | 209.66 | 3.22 |
| iii) Debt securities | 1603.50 | 951.52 |
| iv) Equity instruments | | |
| Subsidiaries | - | - |
| Others | 946.15 | 431.42 |
| Total Gross (A) | 2843.90 | 1433.14 |
| i) Investments outside India | - | - |
| ii) Investments in India | 2843.90 | 1433.14 |
| Total Gross (B) | 2843.90 | 1433.14 |
| Less: Allowance for impairment loss (C) | .13 | 2.15 |
| Total - Net D = (A) - (C) | 2843.78 | 1430.98 |

Equity instruments

(₹ in Lakhs)

| Particulars | As at March 31, 2025, | | As at March 31, 2024, | |
|---|-----------------------|--------|-----------------------|--------|
| | Number | Amount | Number | Amount |
| Subsidiaries | | | | |
| Quoted | - | - | - | - |
| Unquoted | - | - | - | - |
| Subtotal | - | - | - | - |
| Others | | | | |
| Quoted | | | | |
| Adani Ports and Special Economic Zone Ltd | - | - | 230.00 | 3.09 |
| Ambuja Cements Ltd. | - | - | 400.00 | 2.45 |
| Ashok Leyland Limited | - | - | 1,390.00 | 2.38 |
| Bank Of Baroda | - | - | 4,000.00 | 10.57 |
| Dcx Systems Ltd | - | - | 570.00 | 1.68 |
| Hdfc Bank Limited | - | - | 1,000.00 | 14.48 |
| Hindustan Aeronautics Ltd | - | - | 90.00 | 2.99 |
| Indraprastha Medical Corporation Ltd | - | - | 14,000.00 | 24.05 |
| Ircon International Ltd | - | - | 1,000.00 | 2.20 |
| Larsen & Toubro Ltd. | - | - | 80.00 | 3.01 |
| National Aluminium Company Limited | - | - | 1,500.00 | 2.29 |
| Ntpc Ltd | - | - | 3,750.00 | 12.60 |
| One Mobikwik | 1,000.00 | 3.05 | 1,000.00 | 6.41 |
| Punjab National Bank | - | - | 2,840.00 | 3.53 |
| Rail Vikas Nigam Ltd | - | - | 4,000.00 | 10.12 |
| Rail Vikas Nigam Ltd | - | - | 1,440.00 | 3.64 |
| Reliance Industries Limited | - | - | 500.00 | 14.88 |
| Reliance Industries Ltd | - | - | 100.00 | 2.97 |
| Schaeffler India Ltd | - | - | - | - |
| Swiggy Ltd | 1,31,199.00 | 433.22 | 70.00 | 1.97 |
| Tata Consumer Products Ltd | - | - | - | - |
| Tata Power Co. Ltd. | - | - | 250.00 | 2.74 |
| Tata Power Co. Ltd. | - | - | 500.00 | 1.97 |
| Zomato Ltd | - | - | 1,490.00 | 2.71 |

| | | | | |
|--|--------------|---------------|--------------|---------------|
| Powergrid Infrastructure Investment Trust | 58,100.00 | 44.17 | - | - |
| Irb Invit Fund | 41,600.00 | 20.80 | - | - |
| Indigrid Infrastructure Trust | 17,200.00 | 24.20 | - | - |
| Exchange Traded Fund - Quoted | | | - | - |
| Nippon India ETF Liquid Bees | 10,501.71 | 105.02 | 0.25 | .00 |
| Subtotal | | 630.46 | | 132.73 |
| Unquoted | | | | |
| Hedge Equities Ltd | 24,39,000.00 | 121.95 | 24,39,000.00 | 121.95 |
| Aventus Future Leaders Fund II | 100.01 | 100.00 | 83.01 | 83.00 |
| Basic Enterprises Private Limited | 33.00 | 24.75 | 33.00 | 24.75 |
| Intellioak Technologies Private Limited (Preference Shares) (Zappyhire) | 222.00 | 48.99 | 222.00 | 48.99 |
| Dcg Pac | 3,472.00 | 20.00 | 3,472.00 | 20.00 |
| Subtotal | | 315.69 | | 298.69 |
| Total | | 946.15 | | 431.42 |

Debt Instruments & Mutual Funds

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|-------------------------|--------------|-------------------------|--------------|
| | Number | Amount | Number | Amount |
| Quoted | | | | |
| Canara Robeco Bluechip Equity Reg-G | 34,900.69 | 20.57 | 28,180.69 | 15.25 |
| Canara Robeco Emerging Equities Reg-G | 8,917.76 | 20.85 | 7,266.60 | 15.39 |
| Kotak Equity Opportunities Reg-G | 846.08 | 2.63 | - | - |
| Mirae Asset Large & Midcap Reg-G | 1,746.09 | 2.37 | - | - |
| UTI Nifty 50 Index Reg-G | 3,392.87 | 5.45 | - | - |
| Motilal Oswal Nifty Midcap 150 Index Reg-G | 15,583.73 | 5.16 | - | - |
| Nippon India Nifty Smallcap 250 Index Reg-G | 17,057.24 | 4.94 | - | - |
| HDFC Liquid-G | - | - | 0.44 | .02 |
| Parag Parikh Flexi Cap Reg-G | 28,654.63 | 22.60 | 23,532.39 | 16.31 |
| Subtotal | | 84.58 | - | 46.97 |
| ECL-11.25%-3-5-25-PVT | - | - | 5.00 | 50.86 |
| ESAF-11.10%-28-2-34-PVT | 3.00 | 3.35 | - | - |
| MFCL-ZC-6-7-24-NCD | - | - | 200.00 | 2.54 |
| MFCL-8.90%-30-6-26-NCD | 662.00 | 6.55 | - | - |
| MFL-2-12-24-NCD | - | - | 609.00 | 6.82 |
| MFL-2-5-25-NCD | 49.00 | .58 | 49.00 | .51 |
| MFL-8%-5-12-24-NCD | - | - | 48.00 | .47 |
| MFL-8.10%-2-5-25-NCD | 1,240.00 | 12.23 | - | - |
| MFL-8.25%-3-4-25-NCD | 616.00 | 6.16 | 411.00 | 4.02 |
| MFL-8.25%-5-11-25-NCD | - | - | 81.00 | .79 |
| MFL-8.5%-13-5-24-NCD | - | - | 617.00 | 6.05 |
| MFL-8.50%-28-12-24-NCD | - | - | 693.00 | 6.67 |
| MFL-8.65%-20-9-25-NCD | 1244.00 | 12.32 | - | - |
| MFL-8.75%-29-1-26-NCD | 300.00 | 2.97 | - | - |
| MFL-8.90%-31-1-26-NCD | 591.00 | 5.79 | - | - |
| MFL-9%-1-11-25-NCD | 310.00 | 3.15 | 566.00 | 5.65 |
| MFL-9.15%-29-10-25-NCD | 736.00 | 7.31 | - | - |
| MFL-9.25%-17-7-25-NCD | 310.00 | 3.09 | - | - |
| MFL-9.25%-31-1-26-NCD | 65.00 | .66 | - | - |
| MFL-9.6%-29-10-25-NCD | 140.00 | 1.44 | - | - |

| | | | | |
|--|-------------|----------------|-------------|---------------|
| MFL-9.50%-7-2-25-NCD | - | - | 103.00 | 1.03 |
| MFL-9.75%-17-7-25-NCD | 89.00 | .94 | 205.00 | 2.19 |
| MCSL-9.90%-12-6-26-PVT | 224.00 | 224.00 | - | - |
| MFL-ZC-13-5-24-NCD | - | - | 15.00 | .19 |
| MFL-ZC-2-5-24-NCD | - | - | 555.00 | 6.55 |
| MFL-ZC-3-4-25-NCD | 2,758.00 | 35.11 | - | - |
| MFLIII-9%-10-1-27-NCD | 329.00 | 3.18 | - | - |
| MFLIII-9.40%-10-1-27-NCD | 1,521.00 | 14.90 | - | - |
| MMFL-10%-14-8-24-NCD | - | - | 362.00 | 3.26 |
| MMFL-10%-31-12-25-PVT | 43.00 | 41.71 | 300.00 | 302.89 |
| MMFL-10%-25-4-27-PVT | 71.00 | 71.07 | - | - |
| MMFL-10%-27-2-26-PVT | 1.00 | .98 | - | - |
| MMFL-10.35%-12-9-24-NCD | - | - | 65.00 | .65 |
| MMFL-10.5%-17-2-25-NCD | - | - | 100.00 | 1.00 |
| MMFL-10.5%-29-9-25-NCD | 36.00 | .36 | 36.00 | .36 |
| MMFL-9.50%-15-3-25-NCD | - | - | 30.00 | .30 |
| MMFL-9.75%-2-11-24-NCD | - | - | 349.00 | 3.49 |
| MMFL-ZC-12-9-24-NCD | - | - | 135.00 | 2.07 |
| MMFL-ZC-15-11-25-NCD | 125.00 | 1.66 | 125.00 | 1.51 |
| MMFL-ZC-17-4-24-NCD | - | - | 1.00 | .01 |
| MMFL-ZC-2-1-25-NCD | - | - | 237.00 | 2.80 |
| MMFL-ZC-29-11-24-NCD | - | - | 106.00 | 1.45 |
| MMFL-ZC-31-8-24-NCD | - | - | 17.00 | .24 |
| SIBL-13.75%-PERP-PVT | - | - | 131.00 | 141.48 |
| SR I 13.75 BD PERPETUAL FVRSILAC | - | - | 20.00 | 21.60 |
| NFL-10.25%-31-12-26-PVT | 100.00 | 100.00 | - | - |
| SEC RE NCD 10.50% SR.IV | 113.00 | 1.14 | - | - |
| SEC RE NCD 8.85% SR I | 4,984.00 | 52.23 | - | - |
| Dureleg Manufacturing Private Limited | 10.00 | 100.00 | - | - |
| Aurore Life Sciences Private Limited | 10.00 | 100.59 | - | - |
| Mpokket | 100.00 | 100.00 | - | - |
| Subtotal | | 913.47 | | 577.47 |
| Unquoted | | | | |
| Ask Absolute Return Fund-Aif | 9,999.50 | 100.00 | - | - |
| Hella Infra Market Private Limited | - | - | - | - |
| Neo Special Credit Opportunities Fund | 890.31 | 90.03 | 600.00 | 61.00 |
| Sr I Tr Ii 14.50 Loa 13Jn25 Fvrs10Lac (Eldeco) | - | - | - | - |
| Uti Structured Debt Opportunities Fund Iii - Classa1 | 95,593.46 | 100.00 | - | - |
| Nuvama Multi Asset Strategy-Aif | 9,80,218.21 | 100.00 | - | - |
| Kspl 12.00 09022024 (Krazy) | - | - | - | - |
| Eldeco Infrastructure & Properties Limited | - | - | 10.00 | 13.05 |
| Crsl 14.03 02012025 | - | - | 100.00 | 100.00 |
| Motilal Oswal Multi Factor Strategy | 6,09,268.66 | 100.00 | - | - |
| Motilal Oswal Growth Anchors Fund - Series II | 8,07,002.21 | 100.00 | 8,07,002.21 | 100.00 |
| Vivriti Wealth Optimizer Fund | 1,000.00 | 100.00 | 1,000.00 | 100.00 |
| Subtotal | | 690.03 | | 374.05 |
| Total | | 1688.09 | | 998.49 |

Government securities

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---------------------|----------------------|---------------|----------------------|-------------|
| | Number | Amount | Number | Amount |
| Quoted | | | - | - |
| Government of India | 200000 | 209.66 | 50 | 3.22 |
| Unquoted | - | - | - | - |
| Sub Total | | 209.66 | | 3.22 |
| Total | | 209.66 | | 3.22 |

Note 4: Other financial assets

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31, 2024 (Audited) |
|------------------------------|-------------------------------|--------------------------------|
| Security deposits | | |
| - Rent Deposit | 18.74 | 18.39 |
| - Security Deposit with CDSL | 1.50 | 1.50 |
| - Deposit with BSE | 1.65 | 1.05 |
| - Security Deposit with KSEB | .14 | .14 |
| Total | 22.02 | 21.07 |

Note 5: Property, plant and equipment

(₹ in Lakhs)

| Particulars | Buildings | Printer & Scanners | Mobile Phone | Furniture and Fixtures | Computer | Office Equipment's | UPS & Battery | Air conditioner | Vehicles | Electrical Installations | Total |
|---|---------------|--------------------|--------------|------------------------|---------------|--------------------|---------------|-----------------|---------------|--------------------------|----------------|
| Gross block- at cost | | | | | | | | | | | |
| Deemed cost as at April 01, 2023 | 417.97 | 3.47 | 2.39 | 103.79 | 67.31 | 19.79 | 7.59 | 17.62 | 57.19 | 20.65 | 717.79 |
| Additions | 297.32 | .68 | 1.99 | 24.13 | 13.76 | 12.02 | 1.93 | 3.62 | .00 | 17.87 | 373.32 |
| Disposals | - | - | - | - | - | - | - | - | 7.64 | - | 7.64 |
| As at March 31, 2024 | 715.29 | 4.15 | 4.38 | 127.93 | 81.08 | 31.81 | 9.52 | 21.24 | 49.55 | 38.52 | 1083.47 |
| Additions | 53.91 | .50 | | 79.31 | 19.68 | 1.65 | 5.33 | 1.46 | 81.04 | 8.81 | 251.68 |
| Disposals | - | - | - | 1.43 | - | - | - | - | 14.15 | .54 | 16.12 |
| As at March 31, 2025 | 769.20 | 4.65 | 4.38 | 205.80 | 100.76 | 33.46 | 14.85 | 22.70 | 116.44 | 46.79 | 1319.03 |
| Accumulated depreciation | | | | | | | | | | | |
| As at April 01, 2023 | 24.38 | 2.73 | 2.17 | 28.88 | 53.54 | 6.54 | 5.19 | 11.01 | 26.52 | 5.86 | 166.81 |
| Charge for the period | 9.38 | .56 | .47 | 11.30 | 7.98 | 2.49 | 1.34 | 3.31 | 5.88 | 2.88 | 45.59 |
| Reversal of Depreciation | - | - | - | - | - | - | - | - | 7.25 | - | 7.25 |
| As at March 31, 2024 | 33.76 | 3.28 | 2.65 | 40.17 | 61.52 | 9.03 | 6.53 | 14.32 | 25.15 | 8.74 | 205.15 |
| Charge for the period | 12.23 | .47 | 1.64 | 14.12 | 11.13 | 3.12 | 1.95 | 2.18 | 8.00 | 3.87 | 58.72 |
| Reversal of Depreciation | - | - | - | .62 | - | - | - | - | 13.18 | .23 | 14.03 |
| As at March 31, 2025 | 45.99 | 3.75 | 4.29 | 53.68 | 72.65 | 12.14 | 8.48 | 16.50 | 19.97 | 12.38 | 249.83 |
| Net Block | | | | | | | | | | | |
| As at March 31, 2024 | 681.53 | .87 | 1.73 | 87.75 | 19.55 | 22.78 | 3.00 | 6.92 | 24.40 | 29.78 | 878.32 |
| As at March 31, 2025 | 723.20 | .90 | .09 | 152.13 | 28.11 | 21.31 | 6.37 | 6.20 | 96.47 | 34.41 | 1069.20 |

Note 6: Other Intangible Assets

(₹ in Lakhs)

| Particulars | Computer Software | Intangible assets under development | Total |
|----------------------------------|-------------------|-------------------------------------|--------------|
| Gross block- at cost | | | |
| Deemed cost as at April 01, 2023 | 34.60 | - | 34.60 |
| Additions | 1.09 | - | 1.09 |
| Disposals | - | - | - |
| As at March 31, 2024 | 35.69 | - | 35.69 |
| Additions | 1.96 | | 1.96 |
| Disposals | - | - | - |
| As at March 31, 2025 | 37.65 | - | 37.65 |
| Accumulated amortisation | | | |
| Deemed cost as at April 01, 2023 | 18.18 | - | 18.18 |
| Charge for the period | 6.09 | - | 6.09 |
| As at March 31, 2024 | 24.27 | - | 24.27 |
| Charge for the period | 5.03 | | 5.03 |
| As at March 31, 2025 | 29.30 | - | 29.30 |
| Net book value: | | | |
| As at April 01, 2023 | 16.42 | - | 16.42 |
| As at March 31, 2024 | 11.42 | - | 11.42 |
| As at March 31, 2025 | 8.35 | - | 8.35 |

Note 6.1 Intangible assets under development aging schedule

(₹ in Lakhs)

| Intangible assets under development | Amount of CWIP for a period of | | | | Total |
|-------------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | - | - | - | - | - |

Note 7: Other non-financial assets

(₹ in Lakhs)

| Particulars | As at March 31, 2025 (Audited) | As at March 31, 2024 (Audited) |
|--------------------------------------|--------------------------------|--------------------------------|
| Balances with government authorities | | |
| -GST Receivable | 9.52 | 15.32 |
| - Income tax | 83.05 | 45.06 |
| Other Advances/Receivables | 300.11 | 310.29 |
| Total | 392.68 | 370.66 |

Note 8: Debt Securities

(₹ in Lakhs)

| Particulars | As at March 31, 2025 (Audited) | | | |
|--|--------------------------------|--------------------------------------|---|----------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total |
| Debt securities in India | | | | |
| (i) Secured | | | | |
| (a) Privately Placed NCD | 13204.60 | - | - | 13204.60 |
| (b) Privately Placed NCD application money | - | - | - | - |
| (c) Public Issue NCD | - | - | - | - |

| | | | | |
|---|-----------------|---|---|-----------------|
| (ii) Unsecured | | | | |
| (a) Privately Placed NCD | 6630.00 | - | - | 6630.00 |
| (b) Public Issue NCD | - | - | - | - |
| (iii) Unclaimed Matured Debentures | - | - | - | - |
| (iv) Interest accrued on above | 849.86 | - | - | 849.86 |
| (v) Unamortized transaction cost on NCD | - | - | - | - |
| Total (A) | 20684.46 | - | - | 20684.46 |
| Debt securities outside India | - | - | - | - |
| Total (B) | 20684.46 | | | 20684.46 |

(₹ in Lakhs)

| Particulars | As at March 31, 2024 (Audited) | | | |
|--|--------------------------------|--------------------------------------|---|-----------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total |
| Debt securities in India | | | | |
| (i) Secured | | | | |
| (a) Privately Placed NCD | 15491.70 | - | - | 15491.70 |
| (b) Privately Placed NCD application money | - | - | - | - |
| (b) Public Issue NCD | - | - | - | - |
| (ii) Unsecured | | | | |
| (a) Privately Placed NCD | 3780.00 | - | - | 3780.00 |
| (b) Public Issue NCD | - | - | - | - |
| (iii) Unclaimed Matured Debentures | - | - | - | - |
| (iv) Interest accrued on above | 907.55 | - | - | 907.55 |
| (v) Unamortized transaction cost on NCD | -12 | - | - | -12 |
| Total (A) | 20179.13 | - | - | 20179.13 |
| Debt securities outside India | - | - | - | - |
| Total (B) | 20179.13 | | | 20179.13 |

8.1 Secured Redeemable Non-Convertible Debentures – Unlisted

The outstanding amount of Secured Redeemable Non-Convertible Unlisted Debentures raised through Private Issue stood at ₹ 4204.60 lakhs

| Series | Date of Maturity | (₹ in lakhs) | Interest rate |
|---------------------------------|------------------|--------------|------------------|
| NCD - Tranche - 7 - (2021-2022) | 27-04-2025 | 60.00 | 10.00%-10.25% |
| NCD- Tranche - 6 (2020-2021) | 15-05-2025 | 20.00 | 11.25% - 11.75% |
| NCD - Tranche - 7 - (2021-2022) | 28-05-2025 | 147.50 | 10.00% - 10.75% |
| NCD- Tranche - 6 (2020-2021) | 19-06-2025 | 33.00 | 11.75% - 11.75% |
| NCD - Tranche - 7 - (2021-2022) | 26-06-2025 | 30.00 | 10.50% - 10.75% |
| NCD - Tranche - 7 - (2021-2022) | 19-07-2025 | 94.00 | 10.00% to 10.25% |
| NCD- Tranche - 6 (2020-2021) | 22-07-2025 | 40.00 | 11.00% - 11.75% |
| NCD - Tranche - 7 - (2021-2022) | 26-07-2025 | 50.00 | 10.50% - 10.50% |
| NCD - Tranche - 7 - (2021-2022) | 31-07-2025 | 50.00 | 10.00% - 10.75% |
| NCD- Tranche - 6 (2020-2021) | 22-08-2025 | 104.50 | 11.00% - 11.50% |
| NCD – Tranche 8 – (2022-2023) | 25-08-2025 | 60.00 | 10.00% - 10.00% |
| NCD – Tranche 8 – (2022-2023) | 26-09-2025 | 237.00 | 10.00% - 10.75% |
| NCD- Tranche - 6 (2020-2021) | 24-10-2025 | 1.00 | 10.25% - 10.25% |
| NCD – Tranche 8 – (2022-2023) | 25-10-2025 | 134.00 | 10.00% - 10.75% |
| NCD- Tranche - 6 (2020-2021) | 24-11-2025 | 16.00 | 10.00% - 10.75% |

| | | | |
|---------------------------------|------------|--------|-----------------|
| NCD – Tranche 8 – (2022-2023) | 26-11-2025 | 160.00 | 10.00% - 10.75% |
| NCD- Tranche - 6 (2020-2021) | 22-12-2025 | 62.00 | 11.00% - 11.25% |
| NCD – Tranche 8 – (2022-2023) | 25-12-2025 | 40.00 | 10.75% - 10.75% |
| NCD- Tranche - 6 (2020-2021) | 25-01-2026 | 60.00 | 11.00% - 11.75% |
| NCD – Tranche 8 – (2022-2023) | 26-01-2026 | 36.00 | 10.25% - 10.25% |
| NCD- Tranche - 6 (2020-2021) | 25-02-2026 | 153.00 | 11.00% - 11.75% |
| NCD – Tranche 8 – (2022-2023) | 28-02-2026 | 30.50 | 10.25% - 10.75% |
| NCD – Tranche 8 – (2022-2023) | 26-03-2026 | 94.00 | 10.50% - 10.75% |
| NCD- Tranche - 6 (2020-2021) | 30-03-2026 | 121.00 | 11.00% - 11.75% |
| NCD – Tranche 8 – (2022-2023) | 26-04-2026 | 80.00 | 10.00% - 10.25% |
| NCD – Tranche 8 – (2022-2023) | 27-05-2026 | 10.00 | 10.50% - 10.50% |
| NCD – Tranche 8 – (2022-2023) | 22-06-2026 | 32.00 | 10.75% - 10.75% |
| NCD – Tranche 8 – (2022-2023) | 28-07-2026 | 54.00 | 10.00% - 10.75% |
| NCD Tranche 9 (2023-2024) | 27-08-2026 | 40.00 | 10.00% - 10.75% |
| NCD Tranche 9 (2023-2024) | 27-09-2026 | 71.00 | 10.00% - 10.75% |
| NCD Tranche 9 (2023-2024) | 22-10-2026 | 61.00 | 10.00% - 10.75% |
| NCD Tranche 9 (2023-2024) | 27-11-2026 | 112.00 | 10.00% - 10.75% |
| NCD Tranche 9 (2023-2024) | 28-12-2026 | 147.50 | 10.00% - 10.75% |
| NCD Tranche 9 (2023-2024) | 27-01-2027 | 56.00 | 10.00% - 10.75% |
| NCD - Tranche - 7 - (2021-2022) | 16-02-2027 | 15.00 | 10.00% - 10.75% |
| NCD Tranche 9 (2023-2024) | 27-02-2027 | 19.50 | 10.75% - 10.75% |
| NCD Tranche 9 (2023-2024) | 24-03-2027 | 90.00 | 10.00% - 10.75% |
| NCD - Tranche - 7 - (2021-2022) | 27-03-2027 | 20.00 | 10.00% - 10.00% |
| NCD Tranche 9 (2023-2024) | 19-04-2027 | 103.00 | 10.25% - 10.75% |
| NCD - Tranche - 7 - (2021-2022) | 27-04-2027 | 40.00 | 10.00% - 10.50% |
| NCD Tranche 9 (2023-2024) | 30-04-2027 | 35.00 | 10.25% - 10.25% |
| NCD - Tranche - 7 - (2021-2022) | 25-05-2027 | 81.00 | 10.00% - 10.75% |
| NCD - Tranche - 7 - (2021-2022) | 27-06-2027 | 60.00 | 10.00% - 10.75% |
| NCD - Tranche - 7 - (2021-2022) | 28-07-2027 | 15.00 | 10.25% - 10.25% |
| NCD - Tranche - 7 - (2021-2022) | 26-08-2027 | 30.00 | 10.00% - 10.00% |
| NCD - Tranche - 7 - (2021-2022) | 19-09-2027 | 25.00 | 10.00% - 10.25% |
| NCD - Tranche - 7 - (2021-2022) | 26-09-2027 | 70.00 | 10.75% - 11.00% |
| NCD - Tranche - 7 - (2021-2022) | 30-09-2027 | 87.00 | 10.00% - 10.75% |
| NCD – Tranche 8 – (2022-2023) | 25-10-2027 | 40.00 | 10.00% - 10.00% |
| NCD – Tranche 8 – (2022-2023) | 26-11-2027 | 123.10 | 10.00% - 10.75% |
| NCD – Tranche 8 – (2022-2023) | 25-12-2027 | 20.00 | 10.00% - 10.25% |
| NCD – Tranche 8 – (2022-2023) | 26-01-2028 | 72.00 | 10.00% - 10.75% |
| NCD – Tranche 8 – (2022-2023) | 25-02-2028 | 34.00 | 10.00% - 10.00% |
| NCD – Tranche 8 – (2022-2023) | 26-03-2028 | 50.00 | 10.25% - 10.25% |
| NCD – Tranche 8 – (2022-2023) | 29-04-2028 | 10.00 | 10.00% - 10.00% |
| NCD – Tranche 8 – (2022-2023) | 26-05-2028 | 76.00 | 10.00% - 10.25% |
| NCD – Tranche 8 – (2022-2023) | 26-06-2028 | 30.00 | 10.00% - 10.75% |
| NCD – Tranche 8 – (2022-2023) | 15-09-2028 | 20.00 | 10.50% - 10.50% |
| NCD – Tranche 8 – (2022-2023) | 28-09-2028 | 120.00 | 10.00% - 10.00% |
| NCD Tranche 9 (2023-2024) | 27-10-2028 | 20.00 | 10.00% - 10.25% |
| NCD Tranche 9 (2023-2024) | 27-11-2028 | 32.00 | 10.00% - 10.25% |
| NCD Tranche 9 (2023-2024) | 22-12-2028 | 53.00 | 10.00% - 10.50% |
| NCD Tranche 9 (2023-2024) | 27-01-2029 | 60.00 | 10.00% - 10.50% |
| NCD Tranche 9 (2023-2024) | 28-02-2029 | 97.00 | 10.00% - 10.75% |
| NCD Tranche 9 (2023-2024) | 27-03-2029 | 110.00 | 10.00% - 10.25% |

| | | | |
|---------------------------|------------|----------------|-----------------|
| NCD Tranche 9 (2023-2024) | 27-04-2029 | 10.00 | 10.00% - 10.00% |
| NCD Tranche 9 (2023-2024) | 24-05-2029 | 30.00 | 10.25% - 10.75% |
| NCD Tranche 9 (2023-2024) | 30-06-2029 | 10.00 | 10.50% - 10.50% |
| Total | | 4204.60 | |

8.2 Secured Redeemable Non-Convertible Debentures - Listed

The Company had privately placed Secured Redeemable Non-Convertible Debentures with an outstanding amount of ₹ 9000.00 lakhs.

| Series | Redemption Period | Date of Maturity | (₹ in lakhs) | Interest Rate |
|-------------------------------------|-------------------|------------------|----------------|---------------|
| Tranche 9- Listed Series IX (MON) | 15 Months | 05-04-2025 | 500.00 | 10.00% |
| Tranche 9- Listed Series VIII (MON) | 30 Months | 18-03-2026 | 500.00 | 10.25% |
| Tranche 9- Listed Series IX (MON) | 30 Months | 05-07-2026 | 750.00 | 10.25% |
| Tranche 10- Listed Series XII (MON) | 28 Months | 11-02-2027 | 1000.00 | 10.25% |
| Tranche 9- Listed Series VIII (MON) | 45 Months | 18-06-2027 | 500.00 | 10.50% |
| Tranche 8- Listed Series IV (MON) | 60 Months | 02-08-2027 | 500.00 | 10.50% |
| Tranche 8-Listed Series IV (CUM) | 60 Months | 02-08-2027 | 500.00 | 11.00% |
| Tranche 9-Listed Series IX (MON) | 45 Months | 05-10-2027 | 750.00 | 10.50% |
| Tranche 8-Listed Series V (MON) | 60 Months | 27-10-2027 | 500.00 | 10.50% |
| Tranche 8- Listed Series VI (MON) | 60 Months | 01-03-2028 | 500.00 | 10.50% |
| Tranche 8- Listed Series V (CUM) | 66 Months | 27-04-2028 | 500.00 | 11.00% |
| Tranche 9- Listed Series VII (MON) | 60 Months | 28-06-2028 | 500.00 | 10.50% |
| Tranche 8-Listed Series VI (CUM) | 66 Months | 01-09-2028 | 500.00 | 11.00% |
| Tranche 9-Listed Series VII (CUM) | 66 Months | 28-12-2028 | 500.00 | 11.00% |
| Tranche 10- Listed Series XII (MON) | 66 Months | 11-04-2030 | 1000.00 | 10.50% |
| Total | | | 9000.00 | |

8.3 Unsecured Debentures – Listed

| Series | Date of maturity | (₹ in lakhs) | Interest Rate |
|------------------------------------|------------------|----------------|---------------|
| Tranche 9-Listed Series X (ANNU) | 18-03-2026 | 1000.00 | 11.00% |
| Tranche 10- Listed Series XI (MON) | 23-05-2026 | 1000.00 | 10.50% |
| Tranche 9-Listed Series XIII (MON) | 24-11-2026 | 1000.00 | 10.30% |
| Tranche 10- Listed Series XI (MON) | 23-05-2029 | 1000.00 | 11.00% |
| Tranche 9-Listed Series XIII (MON) | 24-01-2030 | 1000.00 | 11.00% |
| Total | Total | 5000.00 | |

8.4 Unsecured Debentures – Unlisted

| Series | Date of Maturity | (₹ in lakhs) | Interest Rate |
|--------------------------------------|------------------|----------------|---------------|
| Tranche 7- Listed Series IX (ANNU) | 27-07-2025 | 200.00 | 11.00% |
| Tranche 8- Listed Series VIII (MON) | 11-12-2025 | 330.00 | 11.00% |
| Tranche 7- Listed Series IX (ANNU) | 13-01-2026 | 200.00 | 11.00% |
| Tranche 7- Listed Series IX (ANNU) | 17-01-2026 | 300.00 | 11.00% |
| Tranche 7- Listed Series IX (ANNU) | 20-01-2026 | 300.00 | 11.00% |
| Tranche 8- Listed Series VIII (ANNU) | 11-12-2026 | 300.00 | 11.00% |
| Total | Total | 1630.00 | |

8.5 Unclaimed Matured Debentures

| Period | (₹ in lakhs) |
|--------------|--------------|
| | |
| Total | - |

There are no outstanding dues pending to be transferred to Investor Education and Protection Fund as on 31st March 2025.

Note 9: Borrowings (other than debt securities)

(₹ in Lakhs)

| Particulars | As at March 31, 2025 (Audited) | | | |
|---|-----------------------------------|--------------------------------------|---|---------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total |
| (a) Term loan | | | | |
| <i>(i) from banks</i> | | | | |
| Vehicle Loans | 86.97 | - | - | 86.97 |
| Working Capital Term Loan | 303.00 | | | 303.00 |
| <i>(ii) from others</i> | | | | |
| (b) Loans from related party | - | - | - | - |
| (c) Loans repayable on demand | | | | |
| <i>(i) from banks</i> | 498.73 | - | - | 498.73 |
| <i>(ii) from financial institutions</i> | | | | |
| Total (A) | 888.70 | - | - | 888.70 |
| Borrowings in India | 888.70 | - | - | 888.70 |
| Borrowings outside India | - | | | - |
| Total (B) | 888.70 | - | - | 888.70 |

(₹ in Lakhs)

| Particulars | As at March 31, 2024 (Audited) | | | |
|---|--------------------------------|--------------------------------------|---|---------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total |
| (a) Term loan | | | | |
| <i>(i) from banks</i> | | | | |
| Vehicle Loans | 14.53 | - | - | 14.53 |
| Working Capital Term Loan | 454.19 | | | 454.19 |
| <i>(ii) from others</i> | | | | |
| (b) Loans from related party | - | - | - | - |
| (c) Loans repayable on demand | | | | |
| <i>(i) from banks</i> | .02 | - | - | .02 |
| <i>(ii) from financial institutions</i> | | | | |
| Total (A) | 468.74 | - | - | 468.74 |
| Borrowings in India | 468.74 | - | - | 468.74 |
| Borrowings outside India | - | | | - |
| Total (B) | 468.74 | - | - | 468.74 |

9.1 Terms of Repayment

(₹ in Lakhs)

| Tenure (from the date of balance sheet) | Rate of Interest | Amount |
|--|------------------|---------------|
| Vehicle Loan - Ertiga | | |
| Due within 2-5 years | 7.70%-11.40% | 1.53 |
| Due within 1-2 years | 7.70%-11.40% | 1.76 |
| Due within 1 year | 7.70%-11.40% | 1.63 |
| Total | | 4.92 |
| Vehicle Loan - Honda City | | |
| Due within 2-5 years | 7.50%-11% | 3.14 |
| Due within 1-2 years | 7.50%-11% | 2.49 |
| Due within 1 year | 7.50%-11% | 2.42 |
| Total | | 8.05 |
| Vehicle Loan - KIA CARNIVAL | | |
| Due within 5-7 years | 8.80% | 23.64 |
| Due within 2-5 years | 8.80% | 32.97 |
| due within 1-2 years | 8.80% | 9.20 |
| Due within 1 year | 8.80% | 8.20 |
| Total | | 74.00 |
| SBI Term loans | | |
| Due within 2-5 years | 10.95% | - |
| Due within 1-2 years | 10.95% | 125.00 |
| Due within 1 year | 10.95% | 178.00 |
| Total | | 303.00 |
| Cash Credit Facility from SBI | | |
| Due within 1 year | 10.95% | 0.0038 |
| Total | | 0.0038 |
| Cash Credit Facility from Dhanalakshmi Bank | | |
| Due within 1 year | 11.00% | 498.73 |
| Total | | 498.73 |

9.2 Term Loans

Federal Bank Vehicle Loan - Maruti Ertiga

Amount outstanding ₹ 4.92 lakhs Secured by way of first and exclusive charge by Hypothecation of the vehicle for the due payment.

Repayment terms: 84 monthly instalments of ₹ 0.16 lakhs.

Federal Bank Vehicle Loan - Honda City

Amount outstanding ₹ 8.05 lakhs secured by way of first and exclusive charge by hypothecation of the vehicle for the due payment.

Repayment terms :84 monthly instalments of ₹ 0.23 lakhs.

State Bank of India Term Loan

Amount outstanding ₹ 303.00 lakhs secured by way of pari-passu over entire current assets including gold loan receivables.

Repayment terms: 36 monthly instalments of ₹ 12.5 lakhs each.

State Bank of India Cash Credit

Amount outstanding ₹ 0.0038 lakhs secured by way of pari passu over entire current assets including gold loan receivables.

Sanction Limit: 35 lakhs

Repayment terms: On demand

Federal Bank Vehicle Loan - KIA

Amount outstanding ₹ 73.99 lakhs secured by way of first and exclusive charge by hypothecation of the vehicle for the due payment.

Repayment terms :84 monthly instalments of ₹ 1.22 lakhs

Dhanalakshmi Bank Cash Credit

Amount outstanding ₹ 498.73 lakhs secured by a first pari passu charge, shared with other charge holders including MBA.

(SBI) and NCD holders, on the current assets, book debts, Loan receivables, Cash & bank balances of the Company, as per the terms of the lending agreement.

Additionally, an equitable mortgage has been created over 14 commercial apartments situated at Hedge House, Mamangalam, Palarivattom, along with the corresponding undivided share in 6.86 Ares of land, all held in the name of Hedge Finance Ltd.

Sanction Limit: ₹ 500 lakhs

Repayment terms: On demand

Note 10: Subordinated Liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2025 (Audited) | | | |
|--|--------------------------------|--------------------------------------|---|----------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total |
| Subordinated Liabilities in India | 3915.58 | - | - | 3915.58 |
| Subordinated Liabilities outside India | - | - | - | - |
| Application money received | - | - | - | - |
| Total | 3915.58 | - | - | 3915.58 |

(₹ in Lakhs)

| Particulars | As at March 31, 2024 (Audited) | | | |
|--|--------------------------------|--------------------------------------|---|----------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total |
| Subordinated Liabilities in India | 2534.53 | - | - | 2534.53 |
| Subordinated Liabilities outside India | - | - | - | - |
| Application money received | .10 | - | - | .10 |
| Total | 2534.63 | - | - | 2534.63 |

10.1 Subordinate Debt by Private Placement

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital subject to discounting as may be applicable under the applicable Reserve Bank master directions. The outstanding as at the end of the financial year stood at ₹ 3915.58 lakhs (including interest accrued of ₹ 278.50 lakhs)

| Series | Particulars | As at 31 st March, 2025 (₹ In lakhs (₹) * | Interest Rate |
|--|--------------|---|---------------|
| Maturity Pattern (Interest pay out-Monthly) | | | |
| Sub Debts - Series 1 (2020-2021) | 31-12-2025 | 17.50 | 11.50% |
| Sub Debts - Series 1 (2020-2021) | 15-01-2026 | 46.26 | 11.50% |
| Sub Debts - Series 1 (2020-2021) | 31-01-2026 | 48.80 | 11.50% |
| Sub Debts - Series 1 (2020-2021) | 15-02-2026 | 33.25 | 11.50% |
| Sub Debts - Series 1 (2020-2021) | 28-02-2026 | 62.50 | 11.50% |
| Sub Debts - Series 1 (2020-2021) | 15-03-2026 | 23.00 | 11.50% |
| Sub Debts - Series 2 (2022-2023) | 30-08-2027 | 14.00 | 10.50% |
| Sub Debts - Series 2 (2022-2023) | 19-09-2027 | 52.55 | 10.50% |
| Sub Debts - Series 2 (2022-2023) | 29-09-2027 | 44.00 | 10.50% |
| Sub Debts - Series 2 (2022-2023) | 25-10-2027 | 20.75 | 10.50% |
| Sub Debts - Series 2 (2022-2023) | 28-11-2027 | 88.30 | 10.50% |
| Sub Debts - Series 2 (2022-2023) | 28-12-2027 | 107.70 | 10.50% |
| Sub Debts - Series 2 (2022-2023) | 28-01-2028 | 59.50 | 10.50% |
| Sub Debts - Series 2 (2022-2023) | 24-02-2028 | 24.00 | 10.50% |
| Sub Debts - Series 2 (2022-2023) | 29-03-2028 | 16.60 | 10.50% |
| Sub Debts - Series 3 (2023-2024) | 25-01-2029 | 340.82 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 27-02-2029 | 101.45 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 27-03-2029 | 90.00 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 28-03-2029 | 44.50 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 30-03-2029 | 74.10 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 27-04-2029 | 42.50 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 28-05-2029 | 47.55 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 26-06-2029 | 71.51 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 29-07-2029 | 178.90 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 28-08-2029 | 13.00 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 28-09-2029 | 7.00 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 29-10-2029 | 18.55 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 27-11-2029 | 60.60 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 28-12-2029 | 28.60 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 30-12-2029 | 43.50 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 20-01-2030 | 44.50 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 24-02-2030 | 6.00 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 28-03-2030 | 132.05 | 11.00% |
| | Total | 2003.84 | |

| | | | |
|---|------------|-------|--------|
| Maturity Pattern (Interest Pay out - Yearly) | | | |
| Sub Debts - Series 1 (2020-2021) | 31-12-2025 | 19.00 | 12.00% |
| Sub Debts - Series 1 (2020-2021) | 15-01-2026 | 19.25 | 12.00% |
| Sub Debts - Series 1 (2020-2021) | 31-01-2026 | 15.00 | 12.00% |
| Sub Debts - Series 1 (2020-2021) | 15-02-2026 | 5.00 | 12.00% |
| Sub Debts - Series 1 (2020-2021) | 28-02-2026 | 15.30 | 12.00% |
| Sub Debts - Series 1 (2020-2021) | 15-03-2026 | 7.50 | 12.00% |
| Sub Debts - Series 2 (2022-2023) | 30-08-2027 | 17.20 | 11.00% |
| Sub Debts - Series 2 (2022-2023) | 19-09-2027 | 41.20 | 11.00% |
| Sub Debts - Series 2 (2022-2023) | 29-09-2027 | 28.35 | 11.00% |
| Sub Debts - Series 2 (2022-2023) | 25-10-2027 | 32.00 | 11.00% |

| | | | |
|----------------------------------|------------|---------------|--------|
| Sub Debts - Series 2 (2022-2023) | 28-11-2027 | 15.50 | 11.00% |
| Sub Debts - Series 2 (2022-2023) | 28-12-2027 | 74.50 | 11.00% |
| Sub Debts - Series 2 (2022-2023) | 28-01-2028 | 43.30 | 11.00% |
| Sub Debts - Series 2 (2022-2023) | 24-02-2028 | 21.25 | 11.00% |
| Sub Debts - Series 2 (2022-2023) | 29-03-2028 | 12.20 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 25-01-2029 | 15.00 | 11.50% |
| Sub Debts - Series 3 (2023-2024) | 27-02-2029 | 5.05 | 11.50% |
| Sub Debts - Series 3 (2023-2024) | 27-03-2029 | 14.90 | 11.50% |
| Sub Debts - Series 3 (2023-2024) | 28-03-2029 | .25 | 11.50% |
| Sub Debts - Series 3 (2023-2024) | 30-03-2029 | 3.20 | 11.50% |
| Sub Debts - Series 3 (2023-2024) | 27-04-2029 | 2.90 | 11.50% |
| Sub Debts - Series 3 (2023-2024) | 28-05-2029 | 6.00 | 11.50% |
| Sub Debts - Series 3 (2023-2024) | 29-07-2029 | 7.00 | 11.50% |
| Sub Debts - Series 3 (2023-2024) | 28-08-2029 | 2.25 | 11.50% |
| Sub Debts - Series 3 (2023-2024) | 28-09-2029 | .50 | 11.50% |
| Sub Debts - Series 3 (2023-2024) | 27-11-2029 | 6.35 | 11.50% |
| Sub Debts - Series 3 (2023-2024) | 28-12-2029 | 3.55 | 11.50% |
| Sub Debts - Series 3 (2023-2024) | 30-12-2029 | 1.20 | 11.50% |
| Sub Debts - Series 3 (2023-2024) | 20-01-2030 | .20 | 11.50% |
| Sub Debts - Series 3 (2023-2024) | 24-02-2030 | .25 | 11.50% |
| Sub Debts - Series 3 (2023-2024) | 28-03-2030 | 18.00 | 11.50% |
| Total | | 453.15 | |

| Maturity Pattern (Interest Pay out - Compounding) | | | |
|--|------------|----------------|--------|
| Sub Debts - Series 1 (2020-2021) | 31-12-2026 | 71.40 | 12.25% |
| Sub Debts - Series 1 (2020-2021) | 15-01-2027 | 49.80 | 12.25% |
| Sub Debts - Series 1 (2020-2021) | 31-01-2027 | 58.90 | 12.25% |
| Sub Debts - Series 1 (2020-2021) | 15-02-2027 | 53.40 | 12.25% |
| Sub Debts - Series 1 (2020-2021) | 28-02-2027 | 9.74 | 12.25% |
| Sub Debts - Series 1 (2020-2021) | 15-03-2027 | 44.40 | 12.25% |
| Sub Debts - Series 2 (2022-2023) | 19-05-2029 | 55.40 | 11.00% |
| Sub Debts - Series 2 (2022-2023) | 29-05-2029 | 34.45 | 11.00% |
| Sub Debts - Series 2 (2022-2023) | 25-06-2029 | 12.70 | 11.00% |
| Sub Debts - Series 2 (2022-2023) | 28-07-2029 | 16.20 | 11.00% |
| Sub Debts - Series 2 (2022-2023) | 28-08-2029 | 58.75 | 11.00% |
| Sub Debts - Series 2 (2022-2023) | 28-09-2029 | 1.60 | 11.00% |
| Sub Debts - Series 2 (2022-2023) | 24-10-2029 | 2.00 | 11.00% |
| Sub Debts - Series 2 (2022-2023) | 29-11-2029 | 11.00 | 11.00% |
| Sub Debts - Series 3 (2023-2024) | 25-01-2030 | 46.50 | 12.25% |
| Sub Debts - Series 3 (2023-2024) | 27-02-2030 | 19.00 | 12.25% |
| Sub Debts - Series 3 (2023-2024) | 27-03-2030 | 58.35 | 12.25% |
| Sub Debts - Series 3 (2023-2024) | 28-03-2030 | 19.55 | 12.25% |
| Sub Debts - Series 3 (2023-2024) | 30-03-2030 | 22.10 | 12.25% |
| Sub Debts - Series 3 (2023-2024) | 27-04-2030 | 12.05 | 12.25% |
| Sub Debts - Series 3 (2023-2024) | 28-05-2030 | 30.00 | 12.25% |
| Sub Debts - Series 3 (2023-2024) | 26-06-2030 | 41.00 | 12.25% |
| Sub Debts - Series 3 (2023-2024) | 29-07-2030 | 59.60 | 12.25% |
| Sub Debts - Series 3 (2023-2024) | 28-08-2030 | 22.50 | 12.25% |
| Sub Debts - Series 3 (2023-2024) | 28-09-2030 | 14.60 | 12.25% |
| Sub Debts - Series 3 (2023-2024) | 29-10-2030 | 22.75 | 12.25% |
| Sub Debts - Series 3 (2023-2024) | 27-11-2030 | 22.10 | 12.25% |
| Sub Debts - Series 3 (2023-2024) | 28-12-2030 | 33.20 | 12.25% |
| Sub Debts - Series 3 (2023-2024) | 30-12-2030 | 44.10 | 12.25% |
| Sub Debts - Series 3 (2023-2024) | 20-01-2031 | 43.85 | 12.25% |
| Sub Debts - Series 3 (2023-2024) | 24-02-2031 | 113.40 | 12.25% |
| Sub Debts - Series 3 (2023-2024) | 28-03-2031 | 75.70 | 12.25% |
| Total | | 1180.09 | |
| Grand Total | | 3637.08 | |

* Excluding interest accrued

Note 11: Other Financial liabilities

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31, 2024 (Audited) |
|------------------|-------------------------------|--------------------------------|
| Rent Payable | 2.09 | 2.23 |
| Salary Payable | 1.34 | .93 |
| Other Payables | 75.69 | 134.17 |
| Dividend Payable | - | - |
| Due to creditors | 14.90 | 24.22 |
| Total | 94.02 | 161.56 |

Note 12: Provisions

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31, 2024 (Audited) |
|----------------------------------|-------------------------------|--------------------------------|
| Provision for employee benefits: | | |
| - Gratuity | 80.23 | 52.76 |
| Provision for MTM loss | - | 5.18 |
| Total | 80.23 | 57.94 |

Note 13: Other non-financial liabilities

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31, 2024 (Audited) |
|----------------------------------|-------------------------------|--------------------------------|
| Statutory dues payable | | |
| -ESI, EPF & Staff Welfare Fund | 8.52 | 6.72 |
| -Tax Deducted at Source | 33.32 | 18.22 |
| -Professional tax | .43 | .40 |
| -GST Payable | 16.75 | 16.29 |
| -Provision for income tax | - | - |
| Card Expense Payable | - | - |
| Unamortized Processing Fees | 228.26 | 213.75 |
| Unamortized Verification Charges | 8.62 | 8.95 |
| Total | 295.90 | 264.34 |

Note 14: Equity share capital

14.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period.

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31, 2024 (Audited) |
|---|----------------------------------|-----------------------------------|
| Authorised | | |
| 75000000 Equity Shares of ₹10/- each | | |
| 55000000 Equity Shares of ₹10/- each | 5500.00 | 5500.00 |
| 20000000 Preference shares of ₹10/- each | 2000.00 | 2000.00 |
| Issued, subscribed and fully paid up | | |
| 34016482 Equity shares of ₹ 10/- each fully paid up | 3401.65 | 3401.65 |
| Subscribed but not fully paid up | - | - |
| Total Equity | 3401.65 | 3401.65 |

14.2 Terms/ rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

14.3 Reconciliation of the number of Equity shares and of Equity share capital amount outstanding at the beginning and at the end of the year.

| Particulars | In Numbers | In ₹ in Lakhs |
|---------------------------------|------------|---------------|
| As at April 1 2023 | 34016482 | 3401.65 |
| Shares issued during the period | - | - |
| As at March 31, 2024 | 34016482 | 3401.65 |
| Shares issued during the period | - | - |
| As at March 31,2025 | 34016482 | 3401.65 |

14.4 Details of Equity shareholders holding more than 5% shares in the company

| Particulars | As at Marh 31, 2025 (Audited) | | As at March 31, 2024 (Audited) | |
|-----------------|-------------------------------|------------------------|--------------------------------|------------------------|
| | No. of shares held | % holding in the class | No. of shares held | % holding in the class |
| Alex K Babu | 6684680 | 19.65% | 6684680 | 19.65% |
| Nithya Alex | 2132318 | 6.27% | 2132318 | 6.27% |
| Raphel P Thomas | 5250000 | 15.43% | 5250000 | 15.43% |
| KC Babu | 9593182 | 28.21% | 9593182 | 28.21% |

14.5 Disclosure as to aggregate number and class of shares allotted as pursuant to contract(s) without payment being received in cash, fully paid up by way of bonus shares and shares bought back.

| Particulars | Fully paid up pursuant to contract(s) without payment being received in cash | Fully paid up by way of bonus shares | Shares bought back |
|-----------------------|--|--------------------------------------|--------------------|
| Equity Shares: | | | |
| 2018-2019 | - | - | - |
| 2017-2018 | - | - | - |
| 2016-2017 | - | - | - |
| 2015-2016 | - | - | - |
| 2014-2015 | - | - | - |

Note 15: Other equity

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31, 2024 (Audited) |
|--|-------------------------------------|--------------------------------------|
| Statutory Reserves | | |
| Special Reserve Fund (u/s 45 IC of RBI Act, 1934) | | |
| Balance at the beginning of the year | 401.25 | 294.88 |
| Add: Transfer from Retained earnings | 48.12 | 106.37 |
| Balance at the end of the year | 449.37 | 401.25 |
| Debenture Redemption Reserve | | |
| Balance at the beginning of the year | - | - |
| Add: Transfer from/(to) Retained earnings | - | - |
| Balance at the end of the year | - | - |
| Securities Premium | | |
| Balance at the beginning of the year | - | - |
| Add: Securities premium on share options exercised during the year | - | - |
| Balance at the end of the year | - | - |
| Revaluation Reserve | | |
| Balance at the beginning of the year | - | - |
| Add: Amount transferred | - | - |
| Balance at the end of the year | - | - |
| Retained Earnings | | |
| Balance at the beginning of the year | 781.40 | 457.97 |
| Add: Profit for the period | 240.61 | 531.85 |
| Add/Less: Appropriation: - | | |
| Transfer to Special Reserve Fund | -48.12 | -106.37 |
| Dividend | - | -102.05 |
| Transfer from/(to) Debenture Redemption Reserve | - | - |
| Transfer to Impairment Reserve | - | - |
| Total appropriations | -48.12 | -208.42 |
| Balance at the end of the year | 973.89 | 781.40 |
| Total | 1423.26 | 1182.65 |

15.1 Nature and purpose of reserve

Statutory reserve

Statutory Reserve represents the Reserve Fund created u/s 45IC of the Reserve Bank of India Act, 1934. In current year ₹ 48.12 lakhs is appropriated from statement of profit and loss to the Special Reserve Fund.

Retained Earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Notes to Ind AS Financial Statements for the Year ended March 31, 2025

Note 16: Interest income

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31, 2024 (Audited) |
|------------------------------------|---|---|
| | On Financial asset measured at amortised cost | On Financial asset measured at amortised cost |
| <u>i) Interest on Loans</u> | | |
| Business Loan | 248.75 | 284.19 |
| Vehicle Loan | 2131.89 | 1827.04 |
| Equipment Loan | 268.50 | 208.95 |
| Loan against Shares | 41.43 | 7.32 |
| Mortgage Loan | 585.08 | 662.78 |
| MSME Loans | 962.60 | 971.75 |
| Personnel Loan | 88.30 | 153.02 |
| Gold Loan | 51.05 | 70.34 |
| Staff Loan | 4.92 | 4.16 |
| Micro Loan | - | - |
| Processing Fee | 141.03 | 123.24 |
| Total | 4523.57 | 4312.79 |

Note 17: Net gain on fair value changes

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31, 2024 (Audited) |
|---|-------------------------------|--------------------------------|
| Net gain/loss on financial instruments at fair value through profit or loss | | |
| (i) On trading portfolio | | |
| - Investments | -37.42 | 26.97 |
| (B) Loss on fair valuation of equity shares | | |
| Total Net gain on fair value changes (C) | -37.42 | 26.97 |
| Fair Value changes: | | |
| - Unrealised | -37.42 | 26.97 |
| Total Net gain on fair value changes | -37.42 | 26.97 |

Note 18: Other operating Income

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31, 2024 (Audited) |
|------------------------|-------------------------------|--------------------------------|
| Other Operating Income | 605.00 | 457.24 |
| Total | 605.00 | 457.24 |

Note 19: Other Income

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31, 2024 (Audited) |
|--------------------------------|-------------------------------|--------------------------------|
| Other non-operating income | 351.34 | 245.76 |
| Profit on sale of Fixed assets | 3.53 | 1.74 |
| Total | 354.87 | 247.50 |

Note 20: Finance Costs

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31, 2024 (Audited) |
|---|---|---|
| | On financial liabilities measured at amortised cost | On financial liabilities measured at amortised cost |
| Interest on borrowings (other than debt securities) | 42.43 | 27.02 |
| Interest on debt securities | | |
| -Private Placement | 2142.21 | 2008.25 |
| Interest on subordinated liabilities | 349.69 | 193.64 |
| Bank Charges | 9.52 | 12.69 |
| Total | 2543.84 | 2241.60 |

Note 21: Impairment on financial instruments

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31, 2024 (Audited) |
|-------------------|---|---|
| | On financial instruments measured at amortised cost | On financial instruments measured at amortised cost |
| Loans | -21.28 | 122.81 |
| Investments | -2.03 | 1.77 |
| Provision for MTM | | |
| Loss | -5.18 | 4.58 |
| Total | -28.50 | 129.15 |

Note 22: Employee Benefits Expenses

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31, 2024 (Audited) |
|--|-------------------------------|--------------------------------|
| Salaries and Wages | 767.92 | 562.43 |
| Provision for Gratuity | 22.22 | 14.94 |
| Staff Incentive | 213.00 | 180.21 |
| Contributions to Provident and Other Funds | 47.78 | 37.46 |
| Staff Welfare Expenses | 3.90 | .66 |
| Total | 1054.81 | 795.69 |

Note 23: Depreciation, amortization and impairment

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31, 2024 (Audited) |
|-----------------------------------|----------------------------------|-----------------------------------|
| Depreciation of tangible assets | 58.72 | 45.59 |
| Amortization of intangible assets | 5.03 | 6.09 |
| Impairment loss on fixed assets | 1.12 | - |
| Total | 64.88 | 51.68 |

Note 24: Other Expenses

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31, 2024 (Audited) |
|--|----------------------------------|-----------------------------------|
| Rent, taxes and energy costs | 109.44 | 105.98 |
| Repairs and maintenance | 38.02 | 48.86 |
| Communication Costs | 6.76 | 6.98 |
| Corporate Social Responsibility | 9.63 | - |
| Printing and stationery | 10.31 | 13.33 |
| Advertisement and publicity | 137.66 | 44.01 |
| Director's fees, allowances and expenses | 51.82 | 44.64 |
| Auditor's fees and expenses | 7.09 | 7.09 |
| Legal and Professional charges | 119.96 | 127.94 |
| Insurance | 1.93 | .85 |
| General Office Expenses | 56.01 | 55.43 |
| Travelling Expenses to Staff | 89.83 | 110.22 |
| Vehicle Running & Maintenance Expenses | 2.73 | 2.98 |
| Subscription Charges | 63.07 | 43.86 |
| Donation | 6.63 | 8.50 |
| Fees | 28.33 | 27.13 |
| Commission | 253.48 | 258.23 |
| Consultancy fee | 28.97 | 41.60 |
| Bad debts Write off | 421.13 | 142.10 |
| Other expenditure | 23.91 | 21.43 |
| Total | 1466.69 | 1111.15 |

Note 24.1 Auditor's fees and expenses:

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31, 2024 (Audited) |
|-------------------------------|-------------------------------------|--------------------------------------|
| For Statutory audit | 5.00 | 5.00 |
| For Other Services | 1.50 | 1.50 |
| For Reimbursement of Expenses | - | - |
| Total | 6.50 | 6.50 |

Note 25: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of the company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(₹ in Lakhs)

| Particulars | As at March 31,2025 (Audited) | As at March 31,2024 (Audited) |
|--|-------------------------------------|-------------------------------------|
| Net profit attributable to ordinary equity holders in lakhs | 240.61 | 531.85 |
| Weighted average number of equity shares for basic earnings per share | 34016482 | 34016482 |
| Effect of dilution: | | |
| Weighted average number of equity shares for diluted earnings per share | 34016482 | 34016482 |
| Earnings per share: | | |
| Basic earnings per share (₹) | 0.71 | 1.56 |
| Diluted earnings per share (₹) | 0.71 | 1.56 |

HEDGE FINANCE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

(All amounts are in Indian Rupees, unless otherwise stated)

I. Corporate Information

The Company incorporated on **15th February 2011** vide Certificate of Incorporation No. **U65923KL2011PLC027672** issued by the Registrar of Companies, Kerala to carry on the business of lending money either with or without security, carry on the business of hire purchase finance, leasing, gold loan, carry on the business of financiers, but the company shall not do the business of banking within the meaning of Banking Regulation Act, 1949 and subject to the Rules and Regulations issued by the Reserve Bank of India from time to time. The company has obtained Certificate of Commencement of Business on 18th June 2012.

II. Basis of preparation, Critical accounting estimates and judgments**A. Basis for preparation of financial statements**

The Financial Statements of the company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the companies (Indian accounting standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended 31 March 2020, the company has prepared these financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or Previous GAAP). The financial statements for the year ended 31 March 2021 are the first financial statement of the company prepared in accordance with Ind AS.

The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurement required or allowed by relevant Indian Accounting standards.

Accounting policies have been consistently applied to all periods presented unless otherwise stated. The preparation of financial statements requires the use of, certain critical accounting estimates and assumptions that affect the reported amounts of assets, the liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the company are discussed in note IV – Significant accounting judgments, estimates and provisions.

B. Presentation of financial statements

The financial statements of the company are presented as per schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the ministry of corporate affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis excepts where the Company has a legally enforceable right to offset the recognized amounts and the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

C. Statement of compliance

These standalone or separate financial statements of the company have been prepared in accordance with Indian Accounting Standards as per the companies (Indian Accounting standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013, and other relevant provisions of the Act.

D. New Accounting standards issued but not effective

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2024, which introduce amendments to certain existing standards, effective for annual reporting periods beginning on or after April 1, 2025.

Key changes include:

- Ind AS 117 – Insurance Contracts: This new standard replaces Ind AS 104 and establishes principles for recognition, measurement, presentation, and disclosure of insurance contracts. While primarily applicable to insurance companies, entities involved in insurance-related activities — such as insurance agency services — should evaluate the relevance and impact of the new standard on their operations and reporting.
- Amendments to Ind AS 116 – Leases: These amendments clarify the accounting treatment of lease liabilities arising from sale and leaseback transactions, requiring that any gain or loss related to the retained right-of-use is not recognized immediately. This change enhances consistency in lease accounting and could be relevant where such transactions exist.

The Company is in the process of evaluating the potential impact of these amendments on its financial statements and will implement them as applicable in the subsequent reporting periods.

E. Functional and presentation currency

The financial statements are presented in Indian rupees, which are the functional currency of the company and the currency of the primary economic environment in which the company operates. All values are rounded to the nearest lakhs, except when otherwise indicated.

III. Significant accounting policies

A. Revenue Recognition

Revenue is recognized to the extent that is probable that the economic benefits will flow to the company, and the revenue can be reliably measured.

a. Interest income

Interest income from financial assets is recognized on an accrual basis using Effective Interest Rate method (EIR). The effective interest rate method is the rate that exactly discounts estimated future cash receipts (Including all fees, transaction costs and other premiums or discounts paid or received) through the expected life of the financial instrument to the carrying amount on initial recognition. While estimating future cash receipts, factors like expected behaviour and life cycle of the financial assets, probable fluctuations in collateral value etc. are considered which has an impact on the EIR. In a situation where management believes that the recovery of interest is uncertain due change in the price

of the gold or otherwise, the company recognizes income on such loans only to the extent it is confident of recovering interest from its customers through sale of underlying security or otherwise.

Such interests, where instalments are overdue in respect of nonperforming assets are recognized on realization basis. Any such income recognized and remaining unrealized after the instalments become overdue with respect to Non-Performing Assets is reversed.

b. Dividend

Dividend income on equity shares is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

c. Income from sale of services

Revenue is recognized upon transfer of control of promised services to customer in an amount that reflects the consideration we expect to receive as per the agreement with customer.

When the performance obligation is satisfied over time and when there is no uncertainty as to measurement or collectability of consideration, revenue is recognized as per the percentage of completion method.

The company has applied revenue recognition criteria for each distinct performance obligation in relation to service income. The transaction price is allocated to each performance obligation based on the standalone selling price.

Any other revenue from operations is recognized based on a five-step model framework under IND AS 115 elucidated below:

Step 1 Identify the contract with the customer - a contract is considered within the scope when the contract is approved by both the parties, payment terms and parties' rights are identified, and it is probable that the consideration will be collected.

Step 2 Identify the performance obligations in the contract.

Step 3 Determine the transaction price.

Step 4 Allocate the transaction price to the performance obligation in the contracts.

Step 5 Recognize revenue when the company satisfies performance obligations.

B. Financial Instruments

(a) Classification of Financial Instruments

Financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial assets and financial liabilities are recognized on its balance sheet when the company becomes a party to the contractual provisions of the instrument.

(b) Business Model Assessment

Classification and measurement of financial assets depend on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Financial Assets**Initial Recognition & measurement**

Financial asset is initially recognized in the Balance sheet at fair value. Transaction costs directly attributable to the acquisition of the financial asset measured at fair value through profit or loss are recognized immediately in profit or loss. Transaction costs directly attributable to the acquisition or issue of financial asset that are measured at amortized cost are added or deducted from the fair value of the financial asset as appropriate, on initial recognition.

Subsequent measurement

Subsequent to initial recognition, financial assets may be classified as under:

- **Financial assets to be measured at amortized cost**

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

- **Financial assets to be measured at fair value through other comprehensive income (FVOCI)**

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting the contractual cash flows & selling financial assets and the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets to be measured at fair value through profit or loss account**

Where the criteria for the above two methods of classification are not met then the financial assets shall be measured at fair value through profit or loss account.

Financial Liabilities**Initial Recognition & measurement**

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, non-convertible debentures, loans and borrowings including bank overdrafts.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

Derecognition of Financial Asset/Liability

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

(c) Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss. Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

- At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.
- At an amount equal to 12-month expected credit losses, if the credit risk on a financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses means expected credit losses that result from all possible default events over the expected life of a financial asset.

12-month expected credit losses means the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date. The Company performs an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses".

Based on the above process, the Company categorizes its loans into three stages as described below:

For non-impaired financial assets

- **Stage 1** is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial assets. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.
- **Stage 2** is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognizes lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL provision.

For impaired financial assets: Financial assets are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognizes lifetime ECL for impaired financial assets.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- **Probability of Default (PD)** - The Probability of Default is an estimate of the likelihood of default over a given time horizon. PD is derived from historical default data. For each loan segment and disbursement month, defaults are tracked over the subsequent 12-month period.

- **Example:**

If 100 MSME loans were disbursed in April 2023, and 5 of them defaulted by April 2024, then:

$$12\text{-month PD} = (5 / 100) \times 100 = 5\%$$

- The 12-month PD is used for Stage 1 assets, based on historical trends.
- For Stage 2 assets, a lifetime PD is applied, reflecting the increased credit risk.
- For Stage 3 assets, the PD is assumed to be 100%, indicating confirmed credit impairment.

Defaults and write-off loans are considered while computing PD. Monthly cohorts are evaluated, and average PD is computed for each segment. Forward-looking overlays based on macroeconomic conditions may be applied.

- **Exposure at Default (EAD)** - The Exposure at Default is an estimate of the exposure at a future default date, considering 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, and accrued interest from missed payments. The company uses historical information where available to estimate its EAD.
- **Loss Given Default (LGD)** - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macroeconomic trends reasonably.

To mitigate its credit risks on financial assets, the Company uses collateral, where possible. Collateral comes in various forms such as Gold Jewellery in respect of Gold loans, Shares in case of loan against shares, vehicle in respect of vehicle loans, stock in respect of business Loan/MSME loan/Micro loans. However, the fair value of collateral affects the calculation of ECL. The collateral is majorly the property for which the loan is given. The fair value of the same is based on data provided by third party or management judgments.

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the Statement of Profit and Loss. Where the expected credit loss assessed by the company based on the above metrics are lower than the provision required under the RBI norms, an overlay is added to the provision methodology to ensure that the expected credit loss ascertained by the company is always not lower than the minimum regulatory provision required under RBI norms.

Determination of Fair Value of Financial instruments

The company measures certain financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the perception that the transaction to sell the asset or transfer the liability takes place either –

- a. In the principal market for the asset or liability.
- or
- b. In the absence of principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interest. The fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The financial instruments are classified based on hierarchy of valuation techniques, as summarized below.

Level 1 - This level includes financial assets that are measured by reference to quoted prices in active markets for identical assets or liabilities.

Level 2 - This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. price) or indirectly (i.e. derived from prices).

Level 3 - This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs).

Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

C. Retirement and other employee benefits

1. Short term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognized in the period in which the employee renders the related service.

2. Long term Employee Benefits

All employees who served a minimum of 5 years eligible for the gratuity as per the provisions of gratuity Act. The company doesn't have any group gratuity scheme. And gratuity provision determined by actuary.

D. Leases

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset.

The Company as a lessee

The Company has elected not to recognize right-of use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months and leases with low value assets. The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company recognizes the lease payments associated with these leases as an expense in Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit. The related cash flows are classified as operating activities.

Wherever the above exception permitted under Ind AS 116 is not applicable, the Company at the time of initial recognition:

- Measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.
- Measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing and any initial direct costs. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation (depreciated on straight line basis over the lease period) and any accumulated impairment losses adjusted for any re measurement of the lease liability specified in Ind AS 116 'Leases'.

The Company as a lessor

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases. Lease payments from operating leases are recognized as an income in the Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

E. Taxes

• **Current Tax**

Current tax is the amount of income taxes payable in respect of taxable profit for a period. 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 in accordance with applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss i.e., either in other comprehensive income or in equity. Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

• **Deferred Tax**

Deferred tax assets and liabilities are recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are only recognized for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilize those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no

longer probable that the related tax benefit will be realized. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities are realized simultaneously. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss i.e., either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

• Minimum Alternate Tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. As at the reporting date the company opted taxation under section 115BAA, hence MAT applicability not arisen.

F. Foreign currency transaction

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss. As at the reporting period the company has no foreign currency transactions.

G. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank, cash in hand, cheque to be realized, bank deposits having a maturity of less than three months from the date of end of the financial year.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if any, as they are considered an integral part of the Company’s cash management.

H. Property Plant and Equipment

The Company has elected to choose the cost model as its accounting policy and continue with the carrying value of assets as deemed cost of all its property, plant and equipment on transition date to Ind AS.

The property plant and equipment are the assets held for the use in the supply of services. Property, plant and equipment's are stated in the balance sheet at cost (net of duty/tax credit availed) less accumulated depreciation and accumulated impairment losses, where applicable.

The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

I. Depreciation

Depreciation is provided using written down value method as per the Useful life provided in the Schedule II of The Companies Act, 2013. Mobile, office equipment, printer, ups.

| Particulars | Useful life as per Companies Act (in years) | Useful life estimated by the Company (in years) |
|------------------------------|--|--|
| Computers and accessories | 3 | 3 |
| Plant and machinery | 15 | 15 |
| Building | 60 | 60 |
| Car | 8 | 8 |
| Furniture and fittings | 10 | 10 |
| Electrical fittings | 10 | 10 |
| Electronic equipment | 15 | 15 |
| Software and licenses | 5 | 5 |
| Video surveillance equipment | 15 | 15 |
| Air conditioner | 10 | 5 |

J. Intangible Assets

An intangible asset is recognized only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life. The amortization period and the amortization method for an

intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortization period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortization on assets acquired/sold during the year is recognized on a pro-rata basis to the Statement of Profit and Loss from/up to the date of acquisition/sale. Amortization is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortized on a straight-line basis over a period of 5 years unless it has a shorter useful life.

The Company's intangible assets consist of computer software with definite life. Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

K. Related Party

All related party transactions which were entered into during the year were on an arm's length basis and generally in the ordinary course of business under the Act. The Company has a policy on related party transactions which has been approved by the Board in their meeting held on 19 March 2025. All the transactions which are identified as related party transactions are approved by the Audit Committee/ Board of Directors/ members at the General Meeting as may be deemed necessary and as stipulated in the policy.

Details of transactions entered with the related party is disclosed in Note VI (3) Accompanying notes to the financial statements.

L. Provisions

Provisions are recognized when the enterprise has a present obligation (legal or constructive) as a result of past events, 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. When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material."

M. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company does not have any contingent assets in the financial statements.

N. Earnings per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference dividend and 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 for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

O. Cash Flow

The company is reporting cash flow statement in indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, tax, any deferrals, or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

P. Expenditure on Corporate Social Responsibility (CSR)

The company accounts for expenditure incurred on Corporate Social Responsibility (CSR) in accordance to the provisions of the Companies act 2013, as a charge to the Statement of Profit and Loss.

Q. Impairment of Non-Financial Assets

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

IV. Significant accounting judgments, estimates and provisions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Information about

significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

(a) Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

(b) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan is determined using the reliable estimate by the company. The assumptions used for the determination of the plan reviewed annually by the company.

(c) Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the Assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

(e) Contingent liabilities and provisions other than impairment on loan portfolio

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

(f) Effective Interest Rate (EIR) method

The Company's EIR methodology recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty, interest, and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the Instrument.

(g) Determination of lease term

Ind AS 116 "Leases" requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(h) Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

V. ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

1. Income Tax

a. Major components of tax expense/(income)

(₹ in Lakhs)

| Particulars | 2024-2025 | 2023-2024 |
|--|-----------|-----------|
| Profit or Loss section: | | |
| (i) Current income tax: | | |
| Current income tax expense | 94.16 | 193.78 |
| Tax expense of prior periods | | |
| (ii) Deferred tax: | | |
| Tax expense on origination and reversal of temporary differences | 7.41 | -22.96 |
| Income tax expense reported in Profit or Loss [(i) + (ii)] | 101.57 | 170.82 |
| Other Comprehensive Income (OCI) section: | | |
| (i) Items that will not be reclassified to profit or loss | - | - |
| - Remeasurement of defined benefit plans | - | - |
| (ii) Items to be reclassified to profit or loss in subsequent periods: | - | - |
| Income tax expense reported in Other Comprehensive Income[(i)+(ii)] | - | - |
| Retained earnings: | | |
| Current income tax | 94.16 | 193.78 |
| Previous year tax | - | - |
| Deferred tax | 7.41 | -22.96 |
| Income tax expense reported in retained earnings | 101.57 | 170.82 |

b. Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate

(₹ in Lakhs)

| Particulars | 2024-2025 | 2023-2024 |
|---|---------------|---------------|
| Accounting profit before tax as per Ind AS | 348.28 | 717.11 |
| At India's Statutory Income Tax rate of 25.168% | 94.16 | 193.78 |
| Add/(Less): Ind AS adjustments on PBT | - | - |
| Add/(Less): Allowances / disallowances (Net) for which deferred | - | - |
| Tax not taken | - | - |
| Add: Tax paid as per MAT and interest thereof | - | - |
| Add: Adjustment of prior year tax | - | - |
| Tax paid as per MAT and interest thereof | - | - |
| Adjustment of prior year tax and MAT Credit | - | - |
| Deferred tax | 7.41 | -22.96 |
| Total tax expenses in books | 101.57 | 170.82 |

The effective Income Tax rate for FY 2023-24 & 2024-25 : 25.168%

c. Components of deferred tax (assets) and liabilities recognized in Balance Sheet and statement of profit and loss.

(₹ in Lakhs)

| Sl. No. | Particulars | Balance Sheet | |
|---------|---|------------------|------------------|
| | | As at 31-03-2025 | As at 31-03-2024 |
| (a) | Re measurement gain / (loss) on defined benefit plan | - | - |
| (b) | Impact of carry forward losses | - | - |
| (c) | Difference between book depreciation and tax Depreciation | 2.57 | -8.97 |
| (d) | Financial assets measured at Fair value | - | - |
| (e) | Net impact of gain on de recognition of financial Instruments under amortized cost category | - | - |
| (f) | Other temporary differences | -9.97 | 31.93 |
| | Net deferred tax assets/(liabilities) | -7.41 | 22.96 |

d. Reconciliation of deferred tax (assets)/liabilities 2024-2025

(₹ in Lakhs)

| Sl. No | Particulars | 2024-2025 | 2023-2024 |
|--------|--|---------------|---------------|
| (a) | Opening balance as at April 1 | 127.67 | 104.72 |
| (b) | Deferred Tax income / (expense) during the period recognized in: | | |
| | (i) Statement of Profit and Loss in Profit or Loss section | -7.41 | 22.96 |
| | (ii) Statement of Profit and Loss under OCI section | | |
| | Closing balance as at 31st March | 120.27 | 127.67 |

VI. NOTES TO THE FINANCIAL STATEMENTS NOTES TO THE FINANCIAL STATEMENTS

1. EMPLOYEE BENEFITS

The company has provided the provision for gratuity according to the actuarial valuation. The total gratuity liability determined during the FY 2024-2025 ₹80.23 lakhs (Previous Year ₹ 52.76 lakhs). The gratuity calculated on a combined basis hence no individual liability ascertained for the Key Managerial persons

2. FOREIGN EXCHANGE TRANSACTIONS

There are no foreign currency transactions during the financial year.

3. RELATED PARTY TRANSACTIONS

A. List of related parties and relationships

| Name of related party as on 31/03/2025 | Relationship |
|---|---------------------|
| ALEX KALLUVILA BABU (MANAGING DIRECTOR) | Managing Director |
| K.P. PADMAKUMAR (WHOLE TIME DIRECTOR) | Whole Time Director |
| RAPHEAL THOMAS (DIRECTOR) | Director |
| SURAJ RAMACHANDRAN (CFO) | CFO |
| VINAY SASIDHARAN (CEO) | CEO |
| GIRISH KUMAR.G (CS) | CS |
| K C BABU | Relative Of MD |
| NITHYA ALEX | Relative Of MD |
| JACOB KALLUVILA BABU | Relative Of MD |
| NANCY BABU | Relative Of MD |
| HEDGE EQUITIES LIMITED | Common Directorship |
| HEDGE SCHOOL OF APPLIED ECONOMICS LIMITED | Common Directorship |
| HEDGE COMMODITIES LIMITED | Common Directorship |
| ANUJA PROPERTY DEVELOPERS PRIVATE LIMITED | Common Directorship |
| HEDGE INFO SYSTEMS PRIVATE LIMITED | Common Directorship |
| HEDGE PROPERTIES PRIVATE LIMITED | Common Directorship |
| CORDATE PROPERTY DEVELOPERS PRIVATE LIMITED | Common Directorship |
| TRIGGER LOGISTICS PRIVATE LIMITED | Common Directorship |
| OMNICORE SOLUTIONS PRIVATE LIMITED | Common Directorship |
| CARLTON LOGISTICS PRIVATE LIMITED | Common Directorship |
| BABYMARINE SEAFOOD RETAIL PRIVATE LIMITED | Common Directorship |
| CHEF GARDEN LLP | Common Directorship |
| JOYALUKKAS INDIA LIMITED | Common Directorship |
| MODUS LOGISTICS PRIVATE LIMITED | Common Directorship |
| WEST HILL REALTORS AND DEVELOPERS LLP | Common Directorship |
| SUNSET LANDS LLP | Common Directorship |
| SIRINGA PLANTATIONS LLP | Common Directorship |
| HEDGE CAFE AND CLUB PRIVATE LIMITED | Common Directorship |
| RAPHEAL ACADEMY OF CRICKET EXCELLENCE PRIVATE LIMITED | Common Directorship |
| RAPHEAL FILM PRODUCTION PRIVATE LIMITED | Common Directorship |
| TMT GRANITES PRIVATE LIMITED | Common Directorship |
| RAPHEAL PRODUCTION HOUSE PRIVATE LIMITED | Common Directorship |
| ALLEPPEY RIPPLES SPORTS AND ENTERTAINMENT LLP | Common Directorship |
| KIZHAKKEPARAMBIL NATURAL ROCK CONSTRUCTIONS LLP | Common Directorship |
| ALSTON BUILDERS AND DEVELOPERS PRIVATE LIMITED | Relative Of KMP |

| | |
|--|-----------------|
| CALEB SECURITIES PRIVATE LIMITED | Relative Of KMP |
| FREO RENTALS AND LEASING PRIVATE LIMITED | Relative Of KMP |
| FEDEX SECURITIES LIMITED | Relative Of KMP |
| KADAKKETH FARM PRODUCTS PRIVATE LIMITED | Relative Of KMP |
| ANUBA PROPERTY DEVELOPERS PRIVATE LIMITED | Relative Of KMP |
| UNIROYAL MARINE EXPORTS LTD | Relative Of KMP |
| CASPER SECURITIES PRIVATE LIMITED | Relative Of KMP |
| HIMAX BUILDERS INDIA PRIVATE LIMITED | Relative Of KMP |
| ENSO FINANCIAL CONSULTANCY PRIVATE LIMITED | Relative Of KMP |
| NIYOG CONSULTANCY SERVICES PRIVATE LIMITED | Relative Of KMP |
| WHITEFIELD DAIRY PRIVATE LIMITED | Relative Of KMP |
| BABYMARINE EXPORTS PRIVATE LIMITED | Relative Of KMP |
| BABY BUILDERS PRIVATE LIMITED | Relative Of KMP |
| JAS CULINARY SPECIALITIES PRIVATE LIMITED | Relative Of KMP |
| ALTHOM PROPERTY DEVELOPERS PRIVATE LIMITED | Relative Of KMP |
| NITHYAJA PROPERTY DEVELOPERS PRIVATE LIMITED | Relative Of KMP |
| ANAS PROPERTY DEVELOPERS PRIVATE LIMITED | Relative Of KMP |
| EO CHAPTER 180 FOUNDATION | Relative Of KMP |
| KALLUVILA AGRO PRODUCTS PRIVATE LIMITED | Relative Of KMP |
| SHREWSBERRY FARM PRODUCTS PRIVATE LIMITED | Relative Of KMP |
| ECO MALABAR TOURISM PRIVATE LIMITED | Relative Of KMP |
| LAAB M SCREENS PRIVATE LIMITED | Relative Of KMP |
| MAX LAB CINEMAS AND ENTERTAINMENT LLP | Relative Of KMP |
| JEMS FOOD FACTORY PRIVATE LIMITED | Relative Of KMP |
| EPIC STACK LLP | Relative Of KMP |
| BABYMARINE EXPORTS PRIVATE LIMITED | Relative Of KMP |
| SANDLINE LANDS PRIVATE LIMITED | Relative Of MD |
| FABJELLS FOOD PRIVATE LIMITED | Relative Of MD |
| GOLDICE LANDS PRIVATE LIMITED | Relative Of MD |
| COASTALGEM SEAFOOD EXPORTS PRIVATE LIMITED | Relative Of MD |
| OMAH BUILDERS AND DEVELOPERS LLP | Relative Of MD |
| FLORINTREE NEXTECH LLP | Relative Of MD |
| TOP SPOT REALTY AND DEVELOPERS LLP | Relative Of MD |
| FUNSTREAM MOVIES AND ENTERTAINMENTS LLP | Relative Of MD |
| CENTURY MAX JOHN MARY PRODUCTIONS LLP | Relative Of MD |
| NORTH-WEST MARINE EXPORTS LLP | Relative Of MD |
| MALABAR FLAVOURS LLP | Relative Of MD |
| DREAMSTREAMS LLP | Relative Of MD |
| KALLUVILA CORP LLP | Relative Of MD |
| SHREWSBERRY ENVIRONMENTAL SERVICES LLP | Relative Of MD |
| BLACKICE VENTURES LLP | Relative Of MD |
| MAUVE AND BURGUNDY LLP | Relative Of MD |

A. Transactions with Related Parties as on 31.03.2025

(₹ in Lakhs)

| Particulars | Key Managerial Person | | | | | Relative of Key Managerial Person | Entity in which KMP have significant influence | | |
|---------------------------------|-----------------------|---------------------|--------------------------|------------------------|----------------------|-----------------------------------|--|-------------------------------------|-------------------------------------|
| | Alex K Babu (MD) | Girish Kumar G (CS) | Suraj Ramachandran (CFO) | Vinay Sasidharan (CEO) | K P Padmakumar (WTD) | Babu Chandy | Hedge Equities Ltd | Baby Marine Seafood Retails Pvt Ltd | Omnicores Solutions Private Limited |
| Salary and allowance | - | 13.84 | 20.77 | 31.68 | | - | - | - | - |
| Rent / maintenance charges paid | - | - | - | - | - | - | 2.64 | - | - |
| Remuneration to directors | 24.38 | - | - | - | 15.60 | - | - | - | - |
| Travelling expenses | - | - | - | - | - | - | - | - | - |
| Investments | - | - | - | - | - | - | 121.95 | | - |
| Debenture interest | - | - | - | - | 42.06 | 0.65 | 1.93 | 2.37 | - |
| Debenture holdings | - | - | - | - | 330.00 | - | 12.00 | - | - |
| Sub debt interest | - | - | 0.09 | - | 0.55 | - | - | - | - |
| Sub debt holdings | - | - | 0.50 | - | 5.00 | - | - | - | - |
| Subscription Charges | - | - | - | - | - | - | - | - | 2.91 |

Dividend to Key Managerial persons (KMP) & relatives of KMP

i. Alex K Babu : Nil

ii. K C Babu : Nil

iii. Nithya Alex : Nil

Transactions with related parties as on 31.03.2024

(₹ in Lakhs)

| Particulars | Key Managerial Person | | | | Directors | | | Entity in which KMP have significant influence | | | |
|---------------------------------|-----------------------|---------------------|--------------------------|------------------------|----------------------|-------------|----------|--|-------------------------------------|-------------------------------------|---|
| | Alex K Babu (MD) | Girish Kumar G (CS) | Suraj Ramachandran (CFO) | Vinay Sasidharan (CEO) | K P Padmakumar (WTD) | Ajith Kumar | John P C | Hedge Equities Ltd | Baby Marine Seafood Retails Pvt Ltd | Omnicores Solutions Private Limited | Jas Culinary Specialities Private Limited |
| Salary and allowance | - | 12.13 | 15.45 | 34.03 | - | - | - | - | - | - | - |
| Rent / Maintenance charges paid | - | - | - | - | - | - | - | 2.64 | - | - | - |
| Travelling expenses | 2.02 | - | - | - | - | - | - | - | - | - | - |
| Remuneration to directors | 22.17 | | | | 15.60 | | | | | | |
| Investments | - | - | - | - | - | - | - | 121.95 | - | - | - |
| Debenture interest | - | - | - | - | 54.12 | - | - | - | 15.85 | - | - |
| Debenture holdings | - | - | - | - | 450.00 | - | - | - | 100.00 | - | - |
| Sub debt interest | - | - | 0.08 | - | 0.55 | - | - | - | - | - | - |
| Sub debt holdings | - | - | 0.50 | - | 5.00 | - | - | - | - | - | - |
| Subscription Charges | - | - | - | - | - | - | - | - | - | 2.89 | 0.80 |

Dividend to Key Managerial persons (KMP) & relatives of KMP

iv. Alex K Babu : ₹ 19.75 Lakhs

v. K C Babu : ₹ 28.78 Lakhs

vi. Nithya Alex : ₹ 6.40 Lakhs

4. MANAGERIAL REMUNERATION

(₹ in Lakhs)

| Sl. No | Name of the Director | Current Year | Previous Year |
|--------|----------------------|--------------|---------------|
| i | Alex K Babu | 24.38 | 22.17 |
| ii | Padmakumar K P | 15.60 | 15.6 |

5. CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company. The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies, and processes from the previous years except those incorporated-on account of regulatory amendments. However, they are under constant review by the Board.

(₹ in Lakhs)

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|------------------------------|------------------|------------------|
| 1. CRAR- Tier I Capital | 4696.30 | 4418.23 |
| 2. CRAR- Tier II Capital | 2397.37 | 1855.14 |
| 3. Total Capital | 7093.67 | 6273.37 |
| 4. Risk Weighted Assets | 28629.05 | 26804.19 |
| 5. CRAR- Tier I Capital (%) | 16.40% | 16.48% |
| 6. CRAR- Tier II Capital (%) | 8.37% | 6.92% |
| 7. Total CRAR (%) | 24.78% | 23.40% |
| 8. Liquidity Coverage Ratio | 304.17% | 554.15% |

6. FAIR VALUE MANAGEMENT

a. Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, explained in the note - "Determination of fair value of Financial Instruments" (Note No: III)

b. Valuation Hierarchy: Investments

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

(₹ in Lakhs)

| Particulars | 31-03-2025 | | | | 31-03-2024 | | | | 31-03-2023 | | | |
|---|------------|---------|---------|---------|------------|---------|---------|---------|------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value on a recurring basis | - | - | - | - | - | - | - | - | - | - | - | - |
| Financial investment held for trading | 1207.72 | | 690.03 | 1897.75 | 625.51 | - | 374.05 | 999.56 | 1013.70 | - | - | 1013.70 |
| Equity Shares | 630.34 | | 315.69 | 946.03 | 126.32 | - | 305.11 | 431.42 | 26.31 | - | 281.61 | 307.92 |
| Total Assets measured at fair value on a recurring Basis | 1838.06 | | 1005.72 | 2843.78 | 751.83 | - | 679.16 | 1430.98 | 1040.01 | - | 281.61 | 1321.62 |
| Assets measured at fair value on a non-recurring Basis | - | - | - | - | - | - | - | - | - | - | - | - |
| Liabilities measured at fair value on a recurring Basis | - | - | - | - | - | - | - | - | - | - | - | - |
| Derivative financial Instruments | - | - | - | - | - | - | - | - | - | - | - | - |
| -Forward contracts | - | - | - | - | - | - | - | - | - | - | - | - |
| -Cross Currency Swaps | - | - | - | - | - | - | - | - | - | - | - | - |
| Total derivative financial Instruments | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Liabilities measured at fair value on recurring Basis | - | - | - | - | - | - | - | - | - | - | - | - |
| Liabilities measured at fair value on anon-recurring Basis | - | - | - | - | - | - | - | - | - | - | - | - |

c. Valuation Techniques

Equity Instruments: Equity instruments in listed entities are measured at the latest available listed market price as at the end of the reporting date.

Mutual funds: these were measured at the latest available market price as at the end of the reporting date.

Debt Instruments: Debt instruments in listed entities are measured at the latest available market price as at the end of the reporting date

d. Transfer between Level 1, Level2 and Level 3 during the reporting period

During the year there have been no transfers between level 1 and level 2. Similarly, there were no transfers from or to level 3.

e. Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial Assets and non-financial liabilities. (₹ in Lakhs)

| Particulars | Level | Carrying Value | | Fair Value | |
|---|-------|----------------|------------|------------|------------|
| | | 31-03-2025 | 31-03-2024 | 31-03-2025 | 31-03-2024 |
| Financial Assets | | | | | |
| Cash and cash equivalents | 1 | 2280.35 | 1881.50 | 2280.35 | 1881.50 |
| Bank Balance other than (a) above | 1 | 301.83 | 16.66 | 301.83 | 16.66 |
| Loans | 3 | 23868.23 | 23716.19 | 23868.23 | 23716.19 |
| Investments | 1 | 1838.06 | 751.83 | 1838.06 | 751.83 |
| Investments | 3 | 1005.72 | 679.16 | 1005.72 | 679.16 |
| Other financial assets | 3 | 455.04 | 405.88 | 455.04 | 405.88 |
| Total Financial assets | | 29749.23 | 27451.22 | 29749.23 | 27451.22 |
| Financial liabilities | | | | | |
| Debt Securities | 2 | 20684.46 | 20179.13 | 20684.46 | 20179.13 |
| Borrowings (other than debt securities) | 2 | 888.70 | 468.74 | 888.70 | 468.74 |
| Subordinated liabilities | 2 | 3915.58 | 2534.63 | 3915.58 | 2534.63 |
| Other financial Liabilities | 2 | 94.02 | 161.56 | 94.02 | 161.56 |
| Total Financial liabilities | | 25582.76 | 23344.06 | 25582.76 | 23344.06 |
| Off Balance sheet Commitments | | - | - | - | - |

f. Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include cash and bank balances, balances other than cash and cash equivalents, trade

payables, other financial liabilities, and other financial assets without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, Credit risk is derived using, historical experience, management view and other information used in its collective impairment models.”

Borrowings

The floating rate loans are fair valued on the basis of MCLR+ spread. For fixed rate loans, the carrying values are a reasonable approximation of their fair value.”

7. Fair value measurement

Introduction and Risk Profile

As a lending institution, the Company is exposed to various risks that are related to gold lending business, micro finance business and operating environment. Risk management forms an integral element of the business. The objective in the risk management process is to appraise, measure and monitor the various risks that are subject to and to follow policies and procedures to address these risks. The Company manages it through the risk management architecture. The Company continues to improve the policies and procedures and to implement these rigorously, for the efficient functioning of the business. This also helps in managing the risks, associated with the business

Risk management structure

The Company has constituted Executive Risk Management Committee to assist the Board of Directors in the execution of its risk management accountabilities. The Committee provides the Risk Committee of the Board of Directors an independent and objective oversight view of the information to review Company’s financial risk activities and provide an assurance to the Board of Directors that the Company has implemented an effective ongoing process to identify the risk, to measure the potential impact and proactively manage these risks and to decide the tolerance for the risk.

Risk mitigation and risk culture

The following risk mitigation measure has been suggested at each stage of loan life cycle:

- **Loan Origination** - site screening, independent visit by manager, adequate training to officers.
- **Loan underwriting** - Risk rating, independent assessment, etc.
- **Loan Pre and Post Disbursement** - disbursement at the branch premises and in the bank account only, tracking to avoid misuse of funds,
- **Loan monitoring** - credit officers to attend Company meeting, reminder of payment of EMI on time, etc.

- **Loan collection and recovery** - monitor repayments, confirmation of balances, overdue and non-performing assets

Risk measurement and reporting systems

In order to address the risks that are inherent to the business, the Company has developed a risk management architecture that includes a Risk Management Committee, of the Board of Directors, internal audit department, and an Executive Risk Management Committee comprising senior management. The Risk Management Committee oversees the risk management policies, which helps to identify, measure, monitor and mitigate the various risks in the businesses. The terms of reference of Risk Management Committee are as follows:

- To assist the Board in setting risk strategy policies in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting.
- To review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work; and
- To review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed

Internal Audit Department & Risk Audit

Our internal audit department assists in the management of operational risk.

Assets-Liabilities Management Policy

Our Board adopted the asset-liability management policy (“ALM Policy”) on 10 June 2019 which is periodically reviewed.

Analysis of risk concentration

1. Credit Risk

Credit risk is the possibility of loss due to the failure of any counterparty to abide by the terms and conditions of any financial contract with us.

We believe that the credit risk in our Gold Loan business is relatively low because all our loans are generally over collateralized by pledged gold ornaments. We aim to reduce credit risk through a rigorous loan approval and gold appraisal process, KYC compliance procedures, and a strong non-performing asset (“NPA”) monitoring and recovery mechanism. The credit risk is diminished because the gold jewelry used as security for our loans can be readily liquidated, and the possibility of recovering less than the amount due to us is relatively low. We mitigate credit risk by not disbursing loans in excess of specified limits, as fixed by our Company from time to time, to the same customer, and for high value loans, we undertake a credit check or profiling of the borrower before a loan is approved. We have developed methods to peg the value of the loan amount to the moving average price of gold. We also decrease credit risk by focusing on the quality of the pledged gold. Our internal control system ensures independent verification of the gold by at least two officials at the branch level. The level of verification at the branch level increases as the loan value increases. In addition, the quality of gold is checked by the inspecting officers of the Company through random checks and by gold auditors through a detailed check

Credit risk other than gold loan business is generally higher than our Gold Loan business. However, our product is designed in such a way that minimizes the risk. We have a detailed internal rating system with credit score card helps us to categorize customers based on credit risk and it will help us to take risk mitigation measures accordingly. Most of the lending is in secured nature. We introduced multi-level credit scrutiny measures like Field verification on customer residence, business location, collateral location, etc. from branch level, verification officer level, and random verification from internal audit officer. We have a strong collection process for delinquent accounts by categorizing customers in different buckets based on the frequency of delinquency. The entire collection process is coordinated by our internal collection team.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty.

The table below discloses the maximum exposure to credit risk by class of financial asset. They also disclose the quantitative information of collateral held including surplus collateral (the extent to which the value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk based on Loan to Value at the point of origination of loans.

As on 31/03/2025

(₹ in Lakhs)

| Particulars | Maximum exposure to credit risk | Cash | Securities | Bank and government guarantees | Household used gold ornaments | Book debts, Inventory, and others | Surplus collateral | Total Collateral | Net Exposure |
|-------------------------------|---------------------------------|----------------|-----------------|--------------------------------|-------------------------------|-----------------------------------|--------------------|------------------|----------------|
| ASSETS | | | | | | | | | |
| Financial assets | | | | | | | | | |
| (a) Cash and Cash Equivalents | 2280.35 | 2280.35 | - | - | - | - | - | 2280.35 | - |
| Bank Balance Other than Above | 301.83 | 301.83 | - | - | - | - | - | 301.83 | - |
| Loans | - | - | - | - | - | - | - | - | - |
| a) Gold Loan | 11.25 | - | - | - | 21.19 | - | - | 21.19 | - |
| b) Business Loan | - | - | - | - | - | - | - | - | - |
| Secured | 285.75 | - | - | - | - | 511.51 | - | 511.51 | - |
| Unsecured | 867.52 | - | - | - | - | - | - | - | 867.52 |
| c) Vehicle Loan | 10709.45 | - | - | - | - | 16,028.37 | - | 16,028.37 | - |
| d) Equipment Loan | 1212.69 | - | - | - | - | 7190.48 | - | 7190.48 | - |
| e) Loan Against Shares | 151.17 | - | 431.90 | - | - | - | - | - | - |
| d) Mortgage Loan | 5065.86 | - | - | - | - | 11001.13 | - | 11001.13 | - |
| f) MSME Loan | 5033.25 | - | - | - | - | 9797.23 | - | 9797.23 | - |
| g) Consumer Loan | - | - | - | - | - | - | - | - | - |
| i) Micro Lending | - | - | - | - | - | - | - | - | - |
| j) Personal Loan | 498.63 | - | - | - | - | - | - | - | 498.63 |
| k) Staff Loan | 32.67 | - | - | - | - | - | - | - | 32.67 |
| Investments | 2843.78 | - | 2843.78 | - | - | - | - | - | - |
| Other Financial Assets | 455.04 | - | - | - | - | - | - | - | 455.04 |
| Total | 29749.24 | 2582.18 | 3,275.68 | - | 21.19 | 44,528.72 | - | 47,132.09 | 1853.86 |

As on 31/03/2024

(₹ in Lakhs)

| Particulars | Maximum exposure to credit risk | Cash | Securities | Bank and government guarantees | Household used gold ornaments | Book debts, Inventory, and others | Surplus collateral | Total Collateral | Net Exposure |
|-------------------------------|---------------------------------|--------|------------|--------------------------------|-------------------------------|-----------------------------------|--------------------|------------------|--------------|
| ASSETS | | | | | | | | | |
| Financial assets | | | | | | | | | |
| (a) Cash and Cash Equivalents | 1881.50 | 1881.5 | - | - | - | - | - | 1881.50 | - |
| Bank Balance Other than Above | 16.66 | 16.66 | - | - | - | - | - | 16.66 | - |
| Loans | - | - | - | - | - | - | - | - | - |
| a) Gold Loan | 344.92 | - | - | - | 518.60 | - | - | 518.60 | - |
| b) Business Loan | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|------------------------|-----------------|----------------|----------------|----------|---------------|-----------------|----------|-----------------|----------------|
| Secured | 285.77 | | | | - | 511.51 | | 511.51 | - |
| Unsecured | 1985.81 | | | | - | - | | - | 1985.81 |
| c) Vehicle Loan | 9218.58 | - | - | - | - | 17752.87 | - | 17752.87 | - |
| d) Equipment Loan | 1021.83 | - | - | - | - | 7144.00 | - | 7144.00 | - |
| e) Loan Against Shares | 43.45 | - | 77.75 | - | - | - | - | 77.75 | - |
| d) Mortgage Loan | 5019.78 | - | - | - | - | 7078.73 | - | 7078.73 | - |
| f) MSME Loan | 5170.14 | - | - | - | - | 12443.36 | - | 12443.36 | - |
| g) Consumer Loan | .25 | - | - | - | - | - | - | - | .25 |
| i) Micro Lending | - | - | - | - | - | - | - | - | - |
| j) Personal Loan | 596.76 | - | - | - | - | - | - | - | 596.76 |
| k) Staff Loan | 28.91 | - | - | - | - | - | - | - | 28.91 |
| Investments | 1430.98 | - | 1430.98 | - | - | - | - | 1430.98 | - |
| Other Financial Assets | 21.07 | - | - | - | - | - | - | - | 21.07 |
| Total | 27451.21 | 1898.16 | 1508.73 | - | 518.60 | 44930.47 | - | 48855.95 | 3017.61 |

2. Liquidity Risk

Our business is cash intensive and requires substantial funds, on an ongoing basis, to finance the loan portfolio and to grow it. Any disruption in the funding sources would have a material adverse effect on our liquidity and financial condition. The Company is proactively pursuing a system of identifying and accessing newer and cheaper sources of funds, to finance the AUM and to grow the business. There is a regular meeting of our asset liability management committee which reviews the liquidity position of the Company and arranges for sufficient funding in advance, for growth.

3. Market Risk

Market risk arises in gold loan and Loan Against Shares. In gold loan, this is due to the probable decline in the value of the pledged gold and in Loan against share, the cause would be fluctuation in share price. The risk in gold loan part mitigated by linking the LTV to the 30-day average price of gold. This risk is further reduced because we appraise the gold jewelry and fund loans based solely on the weight of gold content without considering design cost, production cost or value of gemstones. In addition, we believe that the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the pledged gold even if the value of the pledged gold falls below the value of the repayment amount. We believe that a prompt and effective recovery mechanism also helps us deal with this risk.

The risk in loan against shares is mitigated by classifying shares based on their valuation like A, B & C and a hair-cut applicable on them. In addition, the MTM risk on these loan portfolios are tracked daily.

4. Operational Risk

Operational risk broadly covers the risk of direct or indirect loss due to the failure of systems, people or processes, or due to external events. We have instituted a series of checks and balances and audit reviews to address the various operational risks. We have clearly defined appraisal methods to mitigate appraisal risk. Inaccurate appraisal of the pledged gold may lead to funds being advanced against low value or spurious gold. This risk is mitigated by our policies on internal control, generation of alert reports and additional requirements for high value loans. We also have detailed guidelines on movement of cash or gold to address custodial risk, which is the risk associated with the safety and security of our gold inventory. In addition, we have installed surveillance cameras across of all our branches, and security guards are present at night at certain sensitive branches. We undertake significant employee profiling and background verification checks before hiring and continuously monitor their lifestyle changes. We are also maintaining insurance cover for our gold stock and cash with our branches, and cash in transit, against theft, loss or damage by fire as well as against natural calamities including earthquake and floods.

Rating Loans Days past due (DPD) Stages with regard to quality of assets

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit- impaired) for Expected credit Loss (ECL) calculations in all cases when the borrower becomes 181 days past due on its contractual payments.

| Rating | Days Past Due (DPD) | Stages |
|--------------|---------------------|---------|
| High grade | Not yet due | Stage 1 |
| High grade | 1-30 DPD | Stage 1 |
| High grade | 31-60 DPD | Stage 2 |
| Medium grade | 61-120 DPD | Stage 2 |
| Low grade | 121 DPD or More | Stage 3 |

Liquidity risk and funding management

The table below summarizes the maturity profile of the undiscounted cash flows of the company's financial assets and liabilities as at March 31.

Maturity pattern of assets and liabilities as on March 31, 2025

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | Up to 1 month | Over 1 month & up to 2 months | Over 2 months & up to 3 months | Over 3 months & up to 6 months | Over 6 months & up to 1 year | Over 1 year & up to 3 years | Over 3 year & up to 5 years | Over 5 years |
|---|----------------------|----------------|-------------------------------|--------------------------------|--------------------------------|------------------------------|-----------------------------|-----------------------------|----------------|
| Financial assets | | | | | | | | | |
| Cash and cash equivalents | 2582.18 | 2582.18 | - | - | - | - | - | - | - |
| Trade Receivable | - | - | - | - | - | - | - | - | - |
| Other Receivable | 16.61 | 16.61 | - | - | - | - | - | - | - |
| Loans | 23868.23 | 1220.30 | 705.46 | 1084.51 | 2202.94 | 6868.76 | 8288.97 | 1928.59 | 1568.70 |
| Investments | 2843.78 | 84.58 | - | - | - | 1312.04 | 1325.21 | 121.95 | - |
| Other financial Assets | 455.04 | 395.27 | 25.99 | 8.81 | 2.95 | - | - | - | 22.02 |
| Total financial Assets | 29765.84 | 4298.94 | 731.45 | 1093.32 | 2205.89 | 8180.80 | 9614.18 | 2050.54 | 1590.72 |
| Financial Liabilities | | | | | | | | | |
| Debt Securities | 20684.46 | 560.00 | 190.41 | 91.16 | 898.07 | 2665.38 | 10219.85 | 5059.59 | 1000.00 |
| Borrowings (other than debt securities) | 888.70 | 16.34 | 13.45 | 13.45 | 40.40 | 549.76 | 203.87 | 51.43 | |
| Subordinated liabilities | 3915.58 | 0.34 | 0.56 | - | 5.48 | 319.76 | 1170.02 | 1862.43 | 556.99 |
| Other financial liabilities | 94.02 | 38.85 | 14.90 | - | 36.47 | 3.80 | - | - | - |
| Total Financial Liabilities | 25582.77 | 615.53 | 219.32 | 104.61 | 980.42 | 3538.70 | 11593.74 | 6973.45 | 1556.99 |
| Net Undiscounted Asset/(Liabilities) | 4183.07 | 3683.41 | 512.13 | 988.71 | 1225.47 | 4642.1 | -1979.56 | -4922.91 | 33.73 |

Maturity pattern of assets and liabilities as on March 31, 2024

(₹ in Lakhs)

| Particulars | As at March 31, 2024 | Up to 1 month | Over 1 month & up to 2 months | Over 2 months & up to 3 months | Over 3 months & up to 6 months | Over 6 months & up to 1 year | Over 1 year & up to 3 years | Over 3 year & up to 5 years | Over 5 years |
|---------------------------|----------------------|---------------|-------------------------------|--------------------------------|--------------------------------|------------------------------|-----------------------------|-----------------------------|--------------|
| Financial assets | | | | | | | | | |
| Cash and cash equivalents | 1898.16 | 1870.53 | - | 10.97 | 16.66 | - | - | - | - |
| Trade Receivable | - | - | - | - | - | - | - | - | - |
| Other Receivable | 5.16 | - | - | 5.16 | - | - | - | - | - |
| Loans | 23716.19 | 1494.25 | 847.23 | 650.28 | 2347.03 | 8676.89 | 7630.44 | 1008.35 | 1061.74 |
| Investments | 1430.98 | 46.95 | - | - | - | 760.28 | 501.80 | - | 121.95 |
| Other financial Assets | 405.88 | 352.94 | 23.05 | 8.81 | - | - | - | - | 21.07 |

| | | | | | | | | | |
|---|----------|---------|--------|--------|---------|---------|---------|----------|---------|
| Total financial Assets | 27456.37 | 3764.67 | 870.28 | 675.23 | 2363.69 | 9437.17 | 8132.24 | 1008.35 | 1204.76 |
| Financial Liabilities | | | | | | | | | |
| Debt Securities | 20179.13 | 210.62 | 438.86 | 604.43 | 1539.01 | 2955.32 | 7255.39 | 7125.24 | 50.27 |
| Borrowings (other than debt securities) | 468.74 | 17.01 | 12.79 | 12.79 | 38.38 | 46.14 | 185.05 | 156.59 | - |
| Subordinated liabilities | 2534.63 | 10.11 | - | - | 4.73 | 7.13 | 722.27 | 1402.17 | 388.21 |
| Other financial liabilities | 161.56 | 12.54 | 46.16 | - | 82.92 | 19.94 | - | - | - |
| Total Financial Liabilities | 23344.06 | 250.28 | 497.80 | 617.22 | 1665.04 | 3028.53 | 8162.71 | 8684.00 | 438.48 |
| Net Undiscounted Asset/(Liabilities) | 4112.30 | 3526.88 | 384.97 | 70.51 | 736.14 | 6408.64 | -30.47 | -7705.65 | 721.28 |

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments

(₹ in Lakhs)

| Particulars | Up to 1 month | Over 1 month & up to 2 months | Over 2 months & up to 3 months | Over 3 months & up to 6 months | Over 6 months & up to 1 year | Over 1 year & up to 3 years | Over 2 years & up to 5 years | Over 5 years |
|----------------------|---------------|-------------------------------|--------------------------------|--------------------------------|------------------------------|-----------------------------|------------------------------|--------------|
| As at March 31, 2025 | | | | | | | | |
| Income tax demands | - | - | - | - | - | - | - | - |
| As at March 31, 2024 | | | | | | | | |
| Income tax demands | - | - | - | - | - | - | - | - |

Interest Rate Risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Most of the Company's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Company are linked to rate benchmarks hence subject to interest rate risk.

5. CRAR (Capital to Risk Asset Ratio)

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The company reports CRAR (Capital to Risk Asset Ratio) as per RBI guidelines. CRAR have been computed by dividing total of Tier-1 and Tier-2 capital by total of risk weighted asset.

| Particulars | As on 31/03/2025 | As on 31/03/2024 |
|----------------------------|------------------|------------------|
| CRAR – Tier I Capital (%) | 16.40% | 16.48% |
| CRAR – Tier II Capital (%) | 8.37% | 6.92% |
| CRAR (%) | 24.78% | 23.40% |

6. Maturity pattern of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled:

(₹ in Lakhs)

| Particulars | As at March 31, 2025 | Within 12 months | After 12 months |
|-----------------------------------|----------------------|------------------|-----------------|
| ASSETS | | | |
| Financial assets | | | |
| Cash and cash equivalents | 2280.35 | 2280.35 | - |
| Bank Balance other than (a) above | 301.83 | 301.83 | - |
| Loans* | 23868.23 | 12081.97 | 11786.26 |
| Receivables | 16.61 | 16.61 | |
| Investments | 2843.78 | 1396.62 | 1447.16 |
| Other financial assets | 455.04 | 433.02 | 22.02 |
| Non-financial Assets | | | |
| Current tax assets (Net) | - | - | - |
| Deferred tax assets (Net) | 120.27 | 120.27 | - |
| Property, Plant and Equipment | 1069.20 | - | 1069.20 |
| Other intangible assets | 8.35 | - | 8.35 |
| Other non-financial assets | 392.68 | 203.38 | 189.30 |
| Total Assets | 31356.33 | 16834.05 | 14522.29 |

(₹ in Lakhs)

| LIABILITIES | | | |
|---|---------------------|------------------|-----------------|
| Financial Liabilities | As at March 31,2025 | Within 12 months | After 12 months |
| Debt Securities | 20684.46 | 4405.02 | 16279.44 |
| Borrowings (other than debt securities) | 888.70 | 633.40 | 255.30 |
| Subordinated liabilities | 3915.58 | 326.14 | 3589.44 |
| Other financial liabilities | 94.02 | 94.02 | - |
| Non-financial Liabilities | | | |
| Provisions other than loans | 80.23 | 80.23 | - |
| Impairment loss allowance* | 572.52 | 572.52 | - |
| Other non-financial liabilities | 295.90 | 150.51 | 145.39 |
| Total Liabilities | 26531.41 | 6261.84 | 20269.57 |
| Net Undiscounted Asset/(Liabilities) | 4824.91 | 10572.21 | -5747.28 |

*Loans represent the gross loan outstanding and impairment allowances provided on gross loans are separately shown under the head non-financial liability.

7. Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement.

(₹ in Lakhs)

| Particulars | As at 31-03-2024 | Cash flows | Change in Fair Value | Others | As at 31-03-2025 |
|---|---------------------|----------------|----------------------|--------|---------------------|
| Borrowings (other than debt securities) | 468.74 | 419.97 | - | - | 888.70 |
| Subordinated liabilities | 2534.93 | 1380.95 | - | - | 3915.58 |
| Debt Securities | 20179.13 | 505.33 | - | - | 20684.46 |
| Total | 23182.50 | 2306.24 | - | - | 25488.75 |

(₹ in Lakhs)

| Particulars | As at 31-03-2023 | Cash flows | Change in Fair Value | Others | As at 31-03-2024 |
|---|---------------------|----------------|----------------------|--------|---------------------|
| Borrowings (other than debt securities) | 19.65 | 449.09 | - | - | 468.74 |
| Subordinated liabilities | 1609.42 | 925.21 | - | - | 2534.63 |
| Debt Securities | 17632.6 | 2546.54 | - | - | 20179.13 |
| Total | 19261.67 | 3515.84 | - | - | 23182.50 |

8. List of statutory dues outstanding for a period of more than 6 months from the due date

| Nature of dues | Amount (₹) | Period to which the amount relates | Forum where dispute is pending |
|----------------|------------|------------------------------------|--------------------------------|
| - | - | - | - |

9. Contingent Liability

| Particulars | 31.03.2025 | 31.03.2024 |
|--|------------|------------|
| Claims against the company not acknowledged as debts | Nil | Nil |
| - Income tax demands | Nil | Nil |
| - Service tax demands | Nil | Nil |
| - Others | Nil | Nil |

a. Claims against the company not acknowledged as debts

(₹ in Lakhs)

| Sl. No | A.Y | Section | Tax Demand | Total Tax Paid | Bank Guarantee given | Forum where dispute is pending |
|--------|-----------|---------|------------|----------------|----------------------|--------------------------------|
| 1 | 2018 - 19 | 143 (3) | 28.39 | 28.39 | Nil | CIT (Appeal) |

10. The Code on Social Security, 2020

The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

11. Guarantee For Loans Taken by Others

The Company has not given any guarantee for loans taken by others from banks or financial institutions.

12. Disclosure under the MSME Act 2006 (as preintimation received from vendor)

Based on the information available with the Company and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under “The Micro, Small and Medium Enterprises Development (‘MSMED’) Act, 2006”. Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2024, together with interest paid /payable are required to be furnished.

13. Segment Reporting

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

14. Title Deeds of Immovable properties not held in the name of company

The company does not possess any immovable property (other than properties where the company is the lessee and the lease agreement are duly executed in favour of lessee) whose title deeds are not held in the name of company during the FY ended 31/03/2025 and 31/03/2024.

15. Details of Crypto currency or Virtual Currency

The company has not traded or invested in crypto currency or virtual currency during FY 31/03/2025 and 31/03/2024.

16. Details of Benami property held

No proceeding has been initiated or pending against the company for holding any Benami property under the Benami Transaction (Prohibition) Act 1988 (45 of 1988) and rules made thereunder in the FY ended 31/03/2025 and 31/03/2024.

17. Quarterly returns or statements of current assets

The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

18. Wilful defaulter

The company has not been declared as a wilful defaulter by any bank or financial institutions or other lender in the financial year ended 31/03/2025 and 31/03/2024.

19. Relationship with Struck off Companies

The Company does not have any relation with struck off companies as on 31/03/2025 and 31/03/2024.

20. Compliance with approved scheme of Arrangements

The Company does not have active approved scheme of arrangements as on 31/03/2025 and 31/03/2024.

21. Utilisation of Borrowed fund and share premium

As part of normal course of business, the Company grants loans to various persons and borrow funds in adherence to all regulatory compliances.

Other than the above, the Company has not advanced or loaned or invested fund (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entities, including foreign entities (“intermediaries”) with the understanding, whether recorded in writing or otherwise, that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Ultimate Beneficiaries or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. The Company has also not received any fund from any person or entities, including foreign entities (funding party) with the understanding (whether recorded or 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.

22. Compliance with number of layers of Companies

The Company does not have any subsidiary Company. Also, being an NBFC, the clause is not applicable.

23. Items of income and expenditure of exceptional nature

There are no items of income and expenditure of exceptional nature for the financial years ended March 31, 2025, and March 31, 2024

24. Investment in Subsidiaries

The Company does not have any subsidiary Company and hence this clause is not applicable.

25. Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications.

The auditors have expressed an unmodified opinion on the standalone financial statements of the Company for the financial years ended March 31, 2025 and March 31, 2024.

26. Corporate Governance report containing composition and category of directors, shareholding of non-executive directors, etc.

The corporate governance report containing composition and category of directors, shareholding of non-executive directors is part of the annual report for the financial year ended March 31, 2025.

27. Auction Details: Nil**28. Loans to Directors, Senior Officers and relatives of Directors**

Disclosure pursuant to RBI notification RBI/2022-23/29 DOR.CRE.REC.No.25/ 03.10.001 /2022-23 dated April 19, 2022.

29. Overseas assets (for those with joint ventures and subsidiaries abroad)

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

| Particulars | Aggregate amount of such sanctioned loans and advances | |
|--|--|--------------------------|
| | Year Ended March 31, 2025 | Year Ended March 31,2024 |
| Directors and their relatives | - | - |
| Entities associated with directors and their relatives | - | - |
| Senior Officers and their relatives | - | - |

30. Whistle- blower Complaints

There were no whistle blower complaints received by the Company during the financial year ended March 31, 2025 and all were resolved during the year itself.

31. Discontinued Operations

The Company had no discontinued operations during the financial year ended March 31, 2025, and March 31, 2024.

32. Breach of covenant

There were no instances of default or breaches of covenant in respect of loan availed or debt securities issued during the financial years ended March 31, 2025, and March 31, 2024.

33. Unhedged foreign currency exposure

The Company does not have any unhedged foreign currency exposures for the financial years ended March 31, 2025, and March 31, 2024.

34. Undisclosed income

There are no transactions not recorded in the books of accounts for the financial years ended March 31, 2025, and March 31, 2024

35. Events after reporting date

There are no events after reporting date for the FY 2024-25.

36. Previous Year Figures

Previous year figures have been regrouped, reclassified, and rearranged, where necessary, to conform to the current year's classification.

HEDGE FINANCE LIMITED

Hedge House, Mamangalam, Palarivattom P.O, Kochi, Kerala – 682025

Additional disclosures required as per Reserve Bank of India guidelines

**1. Disclosure required as per annex VIII of Master Direction – Reserve Bank of India
(Non-Banking Financial Company– Scale Based Regulation) Directions, 2023.**

SCHEDULE TO THE BALANCE SHEET OF A NON-DEPOSIT TAKING NBFC

| Particulars | | | (₹ in Lakhs) | |
|------------------|---|---|--------------------|------------------|
| Liabilities side | | | Amount outstanding | Amount Overdue** |
| 1 | Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: | | | |
| | (a) | Debentures: Secured | 14,011.73 | - |
| | | Unsecured (other than falling within the meaning of public deposits*) | 6,672.73 | - |
| | (b) | Deferred Credits | - | - |
| | (c) | Term Loans | 888.70 | - |
| | (d) | Inter-corporate loans and borrowing | - | - |
| | (e) | Commercial Paper | - | - |
| | (f) | Public Deposits* | - | - |
| | (g) | Other Loans (specify nature) | - | - |
| | | Subordinated debt | 3,915.58 | - |
| | | Borrowings from banks | - | - |
| | * Please see Note 1 below ** Debenture Matured but Not Claimed | | | |
| 2 | Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid): | | | |
| | (a) | In the form of Unsecured debentures | - | - |
| | (b) | In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security. | - | - |
| | (c) | Other public deposits | - | - |
| | * Please see Note 1 below | | | |
| | Assets side | | Amount outstanding | |
| 3 | Break-up of Loans and Advances including bills receivables [other than those included in (4) below]: | | | |
| | (a) | Secured | 22,714.30 | |
| | (b) | Unsecured | 1,586.95 | |

| | | | |
|---|--|---|--------|
| 4 | Break up of Leased Assets and stock onhire and other assets counting towards AFC activities | | |
| | (i) | Lease assets including lease rentals under sundry debtors : | |
| | | (a) Financial lease | |
| | | (b) Operating lease | |
| | (ii) | Stock on hire including hire charges under sundry debtors: | |
| | | (a) Assets on hire | |
| | | (b) Repossessed Assets | |
| | (iii) | Other loans counting towards AFC activities | |
| | | (a) Loans where assets have been Repossessed | |
| | | (b) Loans other than (a) above | |
| 5 | Break-up of Investments | | |
| | Current Investments | | |
| | 1 | Quoted | |
| | | (i) Shares | 522.40 |
| | | (a) Equity | 522.40 |
| | | (b) Preference | - |
| | | (ii) Debentures and Bonds | 612.88 |
| | | (iii) Units of mutual funds | 84.58 |
| | | (iv) Government Securities | - |
| | | (v) Others (ETF) | 105.01 |
| | 2 | Unquoted | |
| | | (i) Shares | - |
| | | (a) Equity | - |
| | | (b) Preference | - |
| | | (ii) Debentures and Bonds | - |
| | | (iii) Units of mutual funds | - |
| | | (iv) Government Securities | - |
| | | (v) Others (please specify) | - |
| | Long Term investments | | |
| | 1 | Quoted | |
| | | (i) Share | |
| | | (a) Equity | 3.05 |
| | | (b) Preference | - |
| | | (ii) Debentures and Bonds | - |
| | | (iii) Units of mutual funds | - |
| | | (iv) Government Securities | 209.66 |
| | | (v) Others (please specify) | - |

| | | | | | |
|---|--|---|--|-----------|--------------------------------|
| | 2 | Unquoted | | | |
| | | (i) Shares | 315.57 | | |
| | | (a) Equity | 295.57 | | |
| | | (b) Preference | 20 | | |
| | | (ii) Debentures and Bonds | 990.63 | | |
| | | (iii) Units of mutual funds | - | | |
| | | (iv) Government Securities | - | | |
| | | (v) Others (please specify) | - | | |
| 6 | Borrower group-wise classification of assets financed as in (3) and (4) above: | | | | |
| | | | Amount net of provisions | | |
| | Category | | Secured | Unsecured | Total |
| | 1 | Related Parties | | | |
| | | (a) Subsidiaries | - | - | - |
| | | (b) Companies in the same group | - | - | - |
| | | (c) Other related parties | - | - | - |
| | 2 | Other than related parties | 22,714.30 | 1,586.95 | 24,301.25 |
| | | Less: provisions | 562.63 | 9.89 | 572.52 |
| | | Total | 22,151.67 | 1,577.06 | 23,728.73 |
| 7 | Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): | | | | |
| | Please see note 3 below | | | | |
| | Category | | Market Value / Break up or fair value or NAV | | Book Value (Net of Provisions) |
| | 1 | Related Parties | | | |
| | | (a) Subsidiaries | - | | - |
| | | (b) Companies in the same group | 121.95 | | 121.95 |
| | | (c) Other related parties | - | | - |
| | 2 | Other than related parties | 2721.95 | | 2721.83 |
| | | Total | 2,843.90 | | 2,843.78 |
| 8 | Other information | | | | |
| | | Particulars | | | Amount |
| | (i) | Gross Non-Performing Assets | | | |
| | | (a) Related parties | | | - |
| | | (b) Other than related parties | | | 1,423.30 |
| | (ii) | Net Non-Performing Assets | | | |
| | | (a) Related parties | | | - |
| | | (b) Other than related parties | | | 956.71 |
| | (iii) | Assets acquired in satisfaction of debt | | | - |

Notes:

1. As defined in paragraph 5.1.26 of the Directions.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. 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.

2. Gold and other loan portfolio classification and provisioning of assets:

(₹ in Lakhs)

| Particulars | Gross loan outstanding | Provision for assets | Net loan outstanding |
|------------------------|------------------------|----------------------|----------------------|
| (i) Secured Loans | | | |
| A) Gold loans | | | |
| a) Standard Assets* | 13.37 | 0.03 | 13.34 |
| b) Sub-Standard Assets | - | - | - |
| c) Doubtful Assets | - | - | - |
| d) Loss Assets | - | - | - |
| Total-A | 13.37 | 0.03 | 13.34 |
| B) Other loans | | | |
| a) Standard Assets* | 21,283.72 | 98.99 | 21,184.73 |
| b) Sub-standard Assets | 702.86 | 193.25 | 509.61 |
| c) Doubtful Assets | 714.35 | 270.29 | 444.06 |
| d) Loss Assets | | | |
| Total-B | 22,700.93 | 562.53 | 22,138.40 |
| Total-(A + B) | 22,714.30 | 562.56 | 22,151.74 |
| (ii)Unsecured loans | | | |
| A) Other loans | | | |
| a) Standard Assets* | 1,580.85 | 6.92 | 1,573.92 |
| b) Sub-standard Assets | 5.33 | 2.66 | 2.67 |
| c) Doubtful Assets | 0.76 | 0.38 | 0.38 |
| d) Loss Assets | | | |
| Total-A | 1,586.95 | 9.96 | 1,576.99 |
| Total (i + ii) | 24,301.25 | 572.52 | 23,728.73 |

*Includes interest receivable.

Provision for diminution in value of investment

(₹ in Lakhs)

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|---|------------------|------------------|
| Provision for diminution in value of investment | - | - |

3. Loan to Value Ratio

(₹ in Lakhs)

| Particulars | As at 31.03.2025 | | | As at 31.03.2024 | | |
|-------------|-------------------------|-----------------------|--------|-------------------------|-----------------------|--------|
| | Outstanding loan amount | Value of the security | % | Outstanding loan amount | Value of the security | % |
| Gold loan* | 11.25 | 19.78 | 57.82% | 344.92 | 569.9 | 60.52% |

*includes interest receivable.

LTV disclosed above is calculated applying the market rate of Gold as on 31.03.2025. The maximum Loan to Value does not exceed the limit stipulated by the Reserve Bank of India under any circumstances at the time of disbursement.

4. Disclosure with regards to Auction

(₹ in Lakhs)

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|---|------------------|------------------|
| 1. No. of gold loan accounts auctioned | - | - |
| 2. Principal amount outstanding as on the date of auction | - | - |
| 3. Interest amount outstanding as on the date of auction | - | - |
| Total (2+3) | - | - |
| 4. Actual value fetched (in Lakhs) | - | - |

5. Disclosure of Fraud:

During the year, no frauds have been reported to the Reserve Bank of India through submission of the Fraud Monitoring Return (FMR).

6. Disclosure required as per Annex VII of Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023.

SECTION I

1. EXPOSURES

1.1 Exposure to Real Estate Sector

(₹ in Lakhs)

| Category | As at 31.03.2025 | As at 31.03.2024 |
|--|------------------|------------------|
| I) Direct Exposure | | |
| (a) Residential Mortgages - | 5065.86 | 5305.54 |
| Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented | | |
| (b) Commercial Real Estate - | | |

| | | |
|--|----------------|----------------|
| Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, landacquisition, development and construction, etc.). Exposure shall also include non-fund-based limits | | |
| (c) Investments in Mortgage-Backed Securities(MBS) and other securitized exposures - | - | - |
| a. Residential | - | - |
| b. Commercial Real Estate | - | - |
| II) Indirect Exposure | - | - |
| Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies. | - | - |
| Total Exposure to Real Estate Sector | | |
| | 5065.86 | 5305.54 |

1.2 Exposure to Capital Market

(₹ in Lakhs)

| Category | As at 31.03.2025 | As at 31.03.2024 |
|--|---------------------|---------------------|
| (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; | 2843.78 | 1430.98 |
| (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 unitsof equity-oriented mutual funds; | - | - |
| (iii) Advances for any other purposes where shares orconvertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security; | 151.17 | 43.44 |
| (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 andmarket makers; | - | - |
| (vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter'scontribution to the equity of new companies in anticipation of raising resources; | - | - |
| (vii) Bridge loans to companies against expectedequity 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 | - | - |
| (xi) 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 | 2994.95 | 1474.42 |

1.3 Sectoral exposure

(₹ in Lakhs)

| Sector | 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 NPAs to Total Advances in that sector | Total Exposure (includes on balance sheet and off-balance sheet exposure) | Gross NPAs | Percentage of NPAs to Total Advances in that sector |
| Agriculture & allied activities | - | - | - | - | - | - |
| MSME | 5849.60 | 670.84 | 11.47% | 6191.97 | 545.74 | 8.81% |
| Corporate borrowers | 3269.83 | 296.24 | 9.06% | 2866.98 | 279.85 | 9.76% |
| Services | - | - | - | - | - | - |
| (i) Personal Loan: | - | - | - | - | - | - |
| (ii) (i) Gold Loan | 11.25 | - | 0.00% | 344.92 | - | 0.00% |
| (iii) (ii) Microfinance Loans | - | - | - | - | - | 0.00% |
| (iii) Loan against property | 2919.37 | 155.89 | 5.34% | 3479.70 | - | 0.00% |
| Auto loans | 10698.68 | 294.79 | 2.76% | 9218.58 | 227.37 | 2.47% |
| Other loans | 1119.50 | 5.54 | 0.49% | 1614.04 | .76 | 0.05% |

*In the disclosures as above, if within a sector, exposure to a specific sub-sector/industry is more than 10 per cent of Tier I Capital of a NBFC, the same shall be disclosed separately within that sector. Further, within a sector, if exposure to specific sub-sector/industry is less than 10 per cent of Tier I Capital, such exposures shall be clubbed and disclosed as “Others” within that sector.

1.4 Intra group exposures

Top 20 Intra group exposure as on 31.03.2025 are:

(₹ in Lakhs)

| Sl. No | Customer | Exposure o/s as on 31.03.2025 (in lakhs) | % of exposure on total exposure of the NBFC |
|--------|------------------------|--|---|
| 01 | Hedge Equities Limited | 121.95 | 0.51% |
| | Total | 121.95 | 0.51% |

1.5 Unhedged foreign currency exposures

The company does not have unhedged foreign currency exposures for the financial year ended March 31,2025.

2. RELATED PARTY DISCLOSURE

(₹ in Lakhs)

| Related Party Items | Entity in which KMP has significant influence | | Key Management Personnel | | Relatives of Key Management Personnel | |
|--|---|--------|--------------------------|--------|---------------------------------------|----|
| | CY | PY | CY | PY | CY | PY |
| Particulars | | | | | | |
| Maximum outstanding during the year | - | - | - | - | - | - |
| Borrowings | - | - | - | - | - | - |
| Babu Chandy | - | - | - | - | 1450.00 | - |
| K P Padmakumar | - | - | 455.00 | 930.50 | - | - |
| Baby marine Seafood Retail Private Limited | - | 500 | - | - | - | - |
| Hedge Equities Ltd | 12.00 | - | - | - | - | - |
| Placement of deposits | - | - | - | - | - | - |
| Advances | - | - | - | - | - | - |
| Investments | - | - | - | - | - | - |
| Hedge Equities Ltd | 121.95 | 121.95 | - | - | - | - |
| Balance outstanding at the year end | - | - | - | - | - | - |
| Borrowings | - | - | - | - | - | - |
| Babu Chandy | - | - | - | - | - | - |
| K P Padmakumar | - | - | 335.00 | 455.00 | - | - |
| Suraj Ramachandran | - | - | .50 | .50 | - | - |
| Baby marine Seafood Retail Private Limited | - | 100.00 | - | - | - | - |
| Hedge Equities Ltd | 12.00 | - | - | - | - | - |
| Placement of deposits | - | - | - | - | - | - |
| Advances | - | - | - | - | - | - |
| Investments | - | - | - | - | - | - |
| Hedge Equities Ltd | 121.95 | 121.95 | - | - | - | - |
| Interest paid | 4.30 | 15.85 | 42.70 | 54.75 | .65 | - |
| Rent paid | 2.64 | 2.64 | - | - | - | - |
| Subscription charges | 2.91 | 3.69 | - | - | - | - |
| Remuneration To Directors | - | - | 39.98 | 37.77 | - | - |
| Salaries & Allowances | - | - | 66.29 | 63.63 | - | - |

*Specify item if total for the item is more than 5 per cent of total related party transactions. Related parties would include trusts and other bodies in which the NBFC can directly or indirectly (through its related parties) exert control or significant influence.

3. DISCLOSURE OF COMPLAINTS

3.1 Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman.

| Sr. No | Particulars | Current Year | Previous Year |
|--|--|--------------|---------------|
| Complaints received by the NBFC from its customers | | | |
| 1 | Number of complaints pending at beginning of the year | Nil | Nil |
| 2 | Number of complaints received during the year | 459 | 382 |
| 3 | Number of complaints disposed during the year | 459 | 382 |
| 3.1 | Of which, number of complaints rejected by the NBFC | Nil | Nil |
| 4 | Number of complaints pending at the end of the year | Nil | Nil |
| Maintainable complaints received by the NBFC from Office of Ombudsman | | | |
| 5 | Number of maintainable complaints received by the NBFC from Office of Ombudsman | Nil | Nil |
| 5.1 | Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman | Nil | Nil |
| 5.2 | Of 5, number of complaints resolved through conciliation /mediation / advisories issued by Office of Ombudsman | Nil | Nil |
| 5.3 | Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC | Nil | Nil |
| 6 * | Number of Awards unimplemented within the stipulated time (other than those appealed) | NA | NA |

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021(Previously the Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

*It shall only be applicable to NBFCs which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021.

3.2 Top 5 ground of complaints received by the NBFC from Customers:

| Grounds of complaints (ie, complaints relating to) | Number of complaints pending at the beginning of the year | Number of complaints received during the year | % increase / decrease in the number of complaints received over the previous year | Number of complaints pending at the end of the year | Of 5, Number of complaints pending beyond 30 days |
|--|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| Current Year | | | | | |
| Ground - 1 | | | | | |
| Ground - 2 | | | | | |
| Ground - 3 | | | | | |
| Ground - 4 | | 459 | 20.16% | | |
| Ground - 5 | | | | | |
| Previous Year | | | | | |
| Ground - 1 | - | - | - | - | - |
| Ground - 2 | - | - | - | - | - |

| | | | | | |
|------------|---|-----|---------|---|---|
| Ground - 3 | - | - | - | - | - |
| Ground - 4 | - | 382 | -21.99% | - | - |
| Ground - 5 | - | - | - | - | - |

Section II

Pursuant to the Reserve Bank of India's Scale Based Regulation (SBR) framework, Section II of the Master Direction is applicable only to NBFCs classified under the Middle Layer and Upper Layer. The Company is classified as a Base Layer NBFC and accordingly, the provisions contained in Section II are not applicable to the Company.

SECTION III

Pursuant to the Reserve Bank of India's Scale Based Regulation (SBR) framework, Section III of the Master Direction is applicable only to NBFCs classified under the Upper Layer. As the Company is classified as a Base Layer NBFC, the provisions of Section III are not applicable to the Company.

Disclosure as per the circular no RBI/2019-20/170 DOR (NBFC).CC.PD.NO.109/22.10.106/2019-20 dated March 13,2020 issued by Reserve Bank of India on Implementation of Indian Accounting Standards.

(₹ in Lakhs)

| Asset Classification as per RBI Norms | Asset classification as per IndAS 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 |
|---------------------------------------|---------------------------------------|-------------------------------------|---|---------------------|--|--|
| Performing Assets | | | | | | |
| Standard | Stage 1 | 21181.82 | 80.31 | 21101.52 | 52.36 | 27.95 |
| | Stage 2 | 1696.12 | 25.61 | 1670.51 | 5.11 | 20.51 |
| Subtotal | | 22877.95 | 105.92 | 22772.02 | 57.47 | 48.46 |
| Non- Performing Assets (NPA) | | | | | | |
| Substandard | Stage 3 | 708.20 | 195.92 | 512.28 | 70.82 | 125.10 |
| Doubtful - up to 1 year | Stage 3 | 243.20 | 56.29 | 186.91 | 84.96 | -28.67 |
| 1 to 3 years | Stage 3 | 192.05 | 46.47 | 145.58 | 72.77 | -26.3 |
| More than 3 years | Stage 3 | 279.85 | 167.91 | 111.94 | 139.93 | 27.99 |
| Subtotal for doubtful | | 715.11 | 270.67 | 444.43 | 297.66 | -26.99 |
| Loss | Stage 3 | - | - | - | - | - |
| Subtotal for NPA | | 1423.30 | 466.59 | 956.71 | 368.48 | 98.11 |
| Total | Stage 1 | 21181.82 | 80.31 | 21101.52 | 52.36 | 27.95 |
| | Stage 2 | 1696.12 | 25.61 | 1670.51 | 5.11 | 20.51 |
| | Stage 3 | 1423.30 | 466.59 | 956.71 | 368.48 | 98.11 |
| | Total | 24301.25 | 572.52 | 23728.73 | 425.95 | 146.57 |

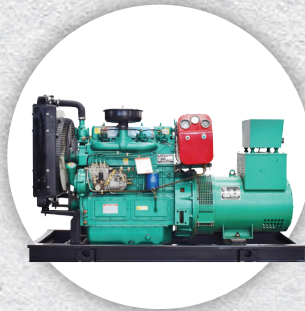
**GOLD
LOANS**



**BUSINESS
LOANS**



**EQUIPMENT
LOANS**



**CAR
LOANS**



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