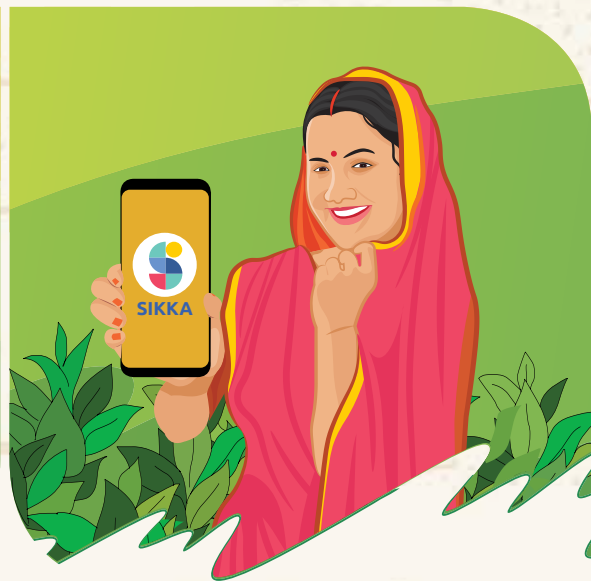
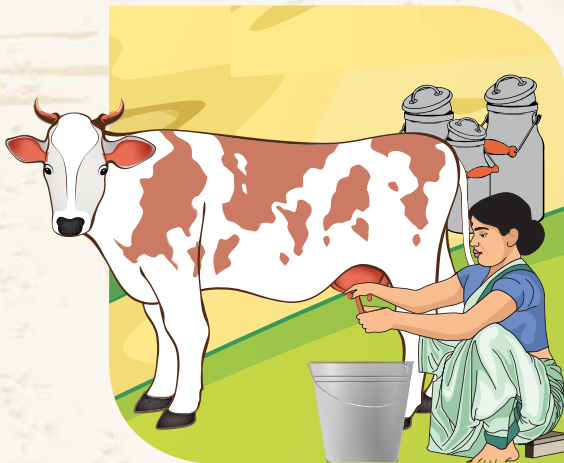


Guided by Vision.  
Driven by  
**DIGITAL.**



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### Cautionary Statement

The statements made in this report describe the Company's objectives and projections that may be forward-looking statements within the meaning of applicable laws and regulations. The actual result might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors which are beyond the control of the Company. The Company is not under any obligation to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events.



To download this report online, please visit:  
[moneyboxfinance.com](https://moneyboxfinance.com)

₹ 730 crore

Assets Under Management

⬆ 112% y-o-y

₹ 128 crore

Total Income in FY24

⬆ 154% y-o-y

₹ 1,207 crore

Cumulative Disbursements

₹ 178.61 crore

Cumulative Equity Raised

1,50,000+

Livelihoods impacted

# Guided by Vision. Driven by DIGITAL.



Our vision is

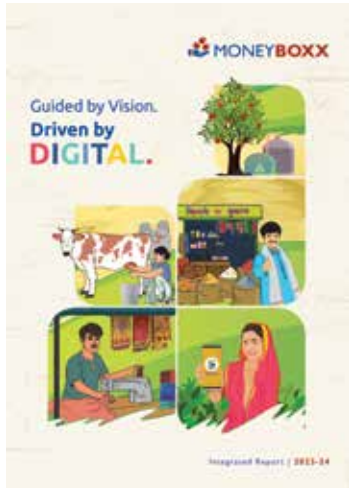
To be “The Lender of Choice”  
for deserving micro-enterprises in India.

Our journey has been guided by a clear vision, driving our strategic direction, and shaping our path forward. From our modest beginnings to our current position, our vision has served as our North Star, inspiring us to break free from conventional norms and embrace the opportunities presented by the digital age.

Fuelled by our vision, we have been on a mission of financial inclusion, empowering the underserved missing middle population to achieve their aspirations of a dignified livelihood. Our credit solutions extend beyond mere transactions, aiming to create meaningful impact in the lives of our customers and society at large. While our operations are rooted in the rural landscapes of our nation, the ripple effects of our efforts resonate far beyond, contributing to the socio-economic development of the country.

As we chart our course forward, digital innovation stands as a cornerstone of our strategy. With the launch of Sikka App in FY24, digital becomes a powerful ally in our pursuit of financial inclusion. Leveraging technology as a key enabler, we are poised to expand our reach, deepen our impact, and realise our vision of a more inclusive financial landscape.

Thus, **‘Guided by Vision. Driven by Digital.’**  
embodies our relentless pursuit to excellence, fuelled by our vision and commitment to generate a positive impact.



# About the report

## BASIS OF REPORTING

Moneyboxx Finance Limited (hereinafter referred to as “we”, “our”, or “us”, or “the Company”) prepares and publishes its Integrated Report <IR> as a comprehensive disclosure tool for the stakeholders. This is our second <IR> which encapsulates performance of FY24 and our strategies and prospects. This includes the prudent utilisation of six capitals, risk management methods, and stakeholders’ engagement philosophy which together drives our strategic success and exemplifies our value creation and preservation approach. Additionally, our report highlights our commitment to fostering innovative solutions, maintaining sustainable practices, and adhering to robust governance frameworks to ensure long-term success and responsible growth.

## REPORTING PRINCIPLE

This Integrated Report <IR> has adopted the capital accounting methodology as prescribed by the International Integrated Reporting Council’s (IIRC) Integrated Reporting <IR> framework. The statutory reports, including the Board’s Report, Management Discussion and Analysis (MDA), Corporate Governance Report, comply with the Companies Act of 2013, the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations of 2015, and the prescribed Secretarial Standards.

## BOUNDARY AND SCOPE OF REPORTING

The IR encapsulates Company’s financial and non-financial disclosure of FY24 with a comparative overview from FY20. The reporting period marks from April 1, 2023, to March 31, 2024. The financial information has been audited by Gaur & Associates, Chartered Accountants.

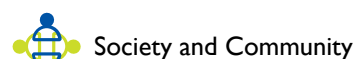
## RESPONSIBILITY STATEMENT

The Board of Moneyboxx Finance has applied its collective knowledge and expertise to affirm the integrity of the IR and any supplementary information referenced. To ensure robust governance oversight, risk management, and control, the contents of the IR 2023-24 have been thoroughly reviewed by senior management and subsequently approved by the Board of Directors. This rigorous process guarantees the integrity, accuracy, completeness, and relevance of the information presented.

## OUR SIX CAPITALS



## OUR STAKEHOLDERS GROUP



## OUR STRATEGIES

- S1** Product diversification
- S2** Enhancing physical presence
- S3** Strengthening digital infrastructure
- S4** Robust credit underwriting



## CONTRIBUTION TO UN SDGs

UN SDGs	Our approach	Progress so far
 <p><b>1</b> NO POVERTY</p>	<ul style="list-style-type: none"> <li>» Enable underserved individuals to access appropriate financial services, new technology, basic services, products and goods</li> </ul>	<ul style="list-style-type: none"> <li>» 1,50,000+ borrowers (including co-borrowers) and ₹ 12,000+ million disbursed</li> <li>» 100% customers possess savings account</li> </ul>
 <p><b>2</b> ZERO HUNGER</p>	<ul style="list-style-type: none"> <li>» Serve livestock customers to promote food security, including regular cattle health screenings</li> <li>» Offer additional services and plant fruit-bearing trees to enhance customer well-being and food security</li> </ul>	<ul style="list-style-type: none"> <li>» 39,000+ unique livestock customers &amp; ₹ 7,934+ million disbursed</li> <li>» Median 8 cattle per farmer</li> <li>» Veterinary services to 36,000+ customers (health screening of 3,40,000+ cattle)</li> <li>» 12,000+ fruit-bearing trees planted</li> </ul>
 <p><b>5</b> GENDER EQUALITY</p>	<ul style="list-style-type: none"> <li>» Achieve gender equality by extending micro-loans to women and providing financial literacy and credit counselling (FLCC) training</li> <li>» Empower women entrepreneurs</li> <li>» Ensure a diverse and inclusive workforce</li> </ul>	<ul style="list-style-type: none"> <li>» 35,600 unique customers &amp; ₹ 6,864 million disbursed</li> <li>» 100+ beneficiary of Financial Literacy &amp; Credit Counselling (FLCC) training</li> <li>» 59% borrowers are women</li> </ul>
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> <li>» Positively impact MSMEs by promoting job creation and economic growth, and creating employment opportunities</li> <li>» Offering non-financial services to the customers</li> <li>» Focus on strategic talent development, career opportunities, and employee learning, development, and well-being</li> </ul>	<ul style="list-style-type: none"> <li>» 21,300+ unique MSME customers &amp; ₹ 4,135+ million disbursed</li> <li>» 1,50,000+ jobs created in smaller towns</li> <li>» Veterinary services to 36,000+ customers (health screening of 3,40,000+ cattle)</li> <li>» ₹ 42,00,000+ total training investment</li> <li>» 13.50 hours average annual training hours per employee</li> </ul>
 <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> <li>» Funding manufacturing segment customers to contribute in building sustainable industrialisation</li> <li>» Technology-driven approach and digital processes</li> </ul>	<ul style="list-style-type: none"> <li>» 3,700+ unique manufacturing customers funded</li> <li>» ₹ 762+ million disbursed to manufacturing sector customers</li> </ul>
 <p><b>10</b> REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> <li>» Promoting financial independence of the women to reduce social inequalities</li> </ul>	<ul style="list-style-type: none"> <li>» 35,600 unique customers &amp; ₹ 6,864+ million disbursed</li> <li>» 1,200+ widowed funded</li> <li>» 21,300+ NTC borrowers funded &amp; ₹ 3,091+ million disbursed</li> <li>» 13,900+ women NTC borrowers and ₹ 2,062+ million disbursed</li> </ul>
 <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	<ul style="list-style-type: none"> <li>» We contribute to making cities and human settlements inclusive and safe by providing financial assistance and promoting financial inclusion</li> </ul>	<ul style="list-style-type: none"> <li>» 100 Tier 3 or below cities supported across 8 states</li> <li>» ₹ 12,000+ million disbursed</li> </ul>
 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> <li>» Ensuring responsible consumption and production of our Agri-borrowers while optimising their assets</li> </ul>	<ul style="list-style-type: none"> <li>» 39,000+ unique customers &amp; ₹ 7,934 million disbursed</li> <li>» Veterinary services to 36,000+ customers</li> <li>» 53 livestock awareness camps organised</li> </ul>
 <p><b>13</b> CLIMATE ACTION</p>	<ul style="list-style-type: none"> <li>» Reducing carbon footprint by planting fruit-bearing trees</li> <li>» Adhered to digitalised operations for credit activities</li> </ul>	<ul style="list-style-type: none"> <li>» 12,000+ fruit-bearing trees planted</li> <li>» 3,40,000+ cattle screened</li> </ul>
 <p><b>17</b> PARTNERSHIPS FOR THE GOALS</p>	<ul style="list-style-type: none"> <li>» Strategic partnerships in place to achieve/impact UN SDGs</li> </ul>	<ul style="list-style-type: none"> <li>» Partnered with MSDf for a three-year longitudinal impact study</li> <li>» Multi-stakeholder partnership for impact initiatives</li> </ul>

## Company overview

# New-age, fast-growing NBFC driving financial inclusion

Moneyboxx Finance is an NBFC focussed on impact financing. Our primary focus is on driving financial inclusion for the underserved population categorised as the missing middle. We bridge the credit gap among these customer group through our innovative financial solutions and drive economic growth of the country. Headquartered in Mumbai and Gurugram, our service spans across eight states with special focus on rural India. We have significantly boosted our branch presence within a very short time span. Recently, we inaugurated the Firozabad branch which marked our 100<sup>th</sup> branch in the list.

Our business model focusses on serving underserved micro-entrepreneurs. We enable economic empowerment and job creation in the country through quick and flexible unsecured and secured business loan offering to deserving micro-enterprises.

Beyond-lending, we pursue various initiatives to create lasting impact on the society and promoting ESG initiatives. This includes promoting agroforestry, vet consultancy, and funding bio-gas digesters. Together, our activities help us in realising our vision; To be **“The Lender of Choice”** for deserving micro-enterprises in India.

## OUR ORGANISATIONAL FUNDAMENTALS

### Our Vision

To be **“The Lender of Choice”** for deserving micro-enterprises in India

### Our Mission

To deliver easy, cost-efficient and technology-driven financing solutions to aspiring micro-enterprises



## Our Values



### CREATING IMPACT ON OUR CUSTOMER'S LIVES THROUGH...

**Enabling our customers** to realise their livelihood ambitions and entrepreneurial goals

**150k+**  
Borrowers funded

**59%**  
Women borrowers

**35%**  
New-to-credit customers

**₹1,207 crore**  
Cumulative disbursements

**Expanding our geographic footprint** with 100 branches  
disbursing our services to the customers

**100**  
Branches in eight states

**Focussing on  
rural India**

**Stronghold in  
northern and  
central India**

**Financing solutions** for the missing middle segment

**Unsecured Business Loans**  
(up to ₹ 3 lakh)

**Secured Business Loans**  
(up to ₹ 10 lakh)

**Enhancing our digital infrastructure** to serve the  
customers with better efficiency

**Digitalised** credit  
assessment  
and customer  
onboarding

**Integrated  
Sikka app** for  
lead generation  
pertaining to  
loans

**Robust credit  
underwriting** to  
strengthen credit  
risk management

Period-end  
Branches  
**61** - FY23  
**100** - FY24

## A TEAM THAT DELIVERS

Deep domain expertise powered by ground level knowledge and strong collection efficiency makes us a compelling team that delivers performance while catering to the organisational and customer's growth. Our team's competency has gained us the reputation that we cherish today as an impact player in the micro-enterprises lending segment.

**1,300**  
Employees



## PARTNERSHIPS THAT FORGED OUR PROSPERITY

Our lenders



Our lending partnerships





## RECOGNITION TO OUR PRUDENCE



### Financial Inclusion Fintech Company of the Year

Best Fintech Companies in India at the 4<sup>th</sup> Edition of Festival of Fintech Conclave Awards 2024



### Rising Star - Micro Finance Company of the Year

At 2nd Annual NBFC and FinTech Excellence Awards 2023



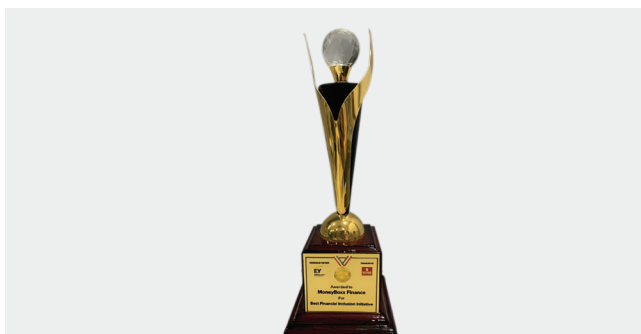
### BFSI Tech Innovation Awards 2023

In the category of 'Outstanding Customer Engagement Initiative'



### Fintech Startup Leader of the Year

Best Fintech Companies in India at the 4<sup>th</sup> Edition of Festival of Fintech Conclave Awards 2024



### Distinguished NBFC Awards

Best Financial Inclusion Initiative category



# Message from Co-Founders



As we move forward, our vision to be “The Lender of Choice” for deserving micro-enterprises in India continues to guide us beyond the conventional boundaries of possibility while we embrace the endless opportunities of digital environment.



**Mayur Modi**

Co-Founder

## *Dear Shareholders,*

FY24 marks our half-decade journey with you. The short yet momentous journey has been shaped by your tremendous support and trust in us. This has instilled in us the responsibility to create and deliver value for you, a commitment we upheld since our inception with a humble yet virtuous approach. We see our purposeful engagement with the customers as responsibility to those in need and a contribution to the nation's development on a larger scale.

The contemporary digital landscape has further enhanced our credibility, enabling us to serve you better. Leveraging these advancements, we have made significant progress, impacting 1.5 lakh customers across the country. As we move forward, our vision to be “The Lender of Choice” for deserving micro-enterprises in India continues to guide us beyond the conventional boundaries of

possibility while we embrace the endless opportunities of digital environment. Thus, our ethos of “Guided by Vision, Driven by Digital” mirrors our approach and exemplifies our agenda.

## **Macro-economic overview**

The macro-economic momentum of the country has been tremendous since quite some time now. Despite the slowdown in the global economy which has led to implement restrictive monetary policy by most of the central banks in the world, Indian economy has shown remarkable resilience and put up a gracious show in the charts. Continuing with the momentum, India has solidified its position as the fifth-largest economy in the world. According to NSO data, GDP growth is estimated to reach 8.2% in FY24, up from 7.0% the previous year, driven by strong domestic demand, increased investment, moderate inflation, and a stable interest rate environment. Despite

concerns over volatile food prices, the Reserve Bank of India maintained the repo rate at 6.50%. With an optimistic forecast of 7.2% GDP growth for FY25, strong public investment, private capex, and rising private consumption are set to drive India's economic ascent. With inflation being at the moderate levels and prudent Government strategies in place, the momentum is much likely to impact us positively in the longer run and sustain our growth.

## **Industrial overview**

Assessing our operating environment which majorly includes the NBFC and MSME sector of the country, both are driving tremendous potential in the current times while driving the country's socio-economic development. The NBFCs are widely accepted financial solution providers for MSMEs and underserved population of the country. Whereas the MSME is contributing to almost 30% of



Our efforts are directed towards creating value for the borrowers who are majorly underserved by the conventional financial institutions.



**Deepak Aggarwal**

Co-Founder

India's GDP and responsible for 45.73% of domestic exports, the NBFC sector is backing up this sector with its inclusive lending strategies, versatile portfolio, diversified services, and last-mile service delivery. This makes the NBFC sector a major contributor to nation building and developing an empowered society to ensure overall prosperity.

### Our credibility

We are driven by the idea of inclusive growth where our lending is directed towards impacting the borrowers positively. Our efforts are directed towards creating value for the borrowers who are majorly underserved by the conventional financial institutions. We refer them as the missing middle and our efforts are directed towards mitigating the credit gap while empowering them leading their lives with dignity. Our core competency includes a robust underwriting process which helps

us to averse registering NPAs, and a prudent digital infrastructure that adds in enhancing the overall operational efficiency. These combinedly have enabled us to maintain a record low NPA of 1.54% against NBFC sector's 4.0% in FY24 and exemplifies our efficient and robust operations.

Looking at our customer portfolio, we constitute 35% new-to-credit customer while maintaining a healthy relation with the existing base. So far, we have served 1.5 lakh customers across 8 states with 100 physical branches. Our primary focus is the micro-enterprises in important and essential segments: livestock (dairy farming), kirana (grocery stores), retail traders, and micro-manufacturers. Our unsecured business loans, with ticket size of up to ₹ 3 lakh with up to 36 months loan tenure, serves our customers in Tier-3 cities and below. On the other hand, our secured loans are offered up to ₹ 10 lakh

ticket size with tenure of up to 84 months and are primarily borrowed against residential mortgage.

Further, to cater the customers' credit needs, we have forged partnerships with 32 esteemed lending entities in the industry. Collaborating with them, we have disbursed ₹ 1,207 crore during FY24. This inclusion to the customers has resulted in 2X growth in their disposable income. Notably, our branch productivity has witnessed a significant increase, with the AUM per branch (over 24 months vintage) growing from ₹ 9.2 crore in March 2023 to ₹ 13.7 crore in March 2024. Currently, we have ₹ 730 crore of assets under management which is projected to grow by 3.5X to ₹ 2,575 crore. This exemplifies our strategic foresight balancing with the opportunities that are there in the market.



We have also achieved significant profitability improvements through enhanced productivity, operational efficiencies, and reduced borrowing costs. Our income for FY24 reached ₹ 128 crore, with a profit after tax of ₹ 9.14 crore and an ROE of 8.1%

### Our digital footprint

The most remarkable transformation, in the finance industry happens to be the large-scale digitalisation to boost efficiency in service delivery. The same transpired in our operations as well, with the multi-scale technology integration at various stages. Integration of MIS and Sikka app is one of them. MIS integration has enhanced our loan management system, HR management whereas the Sikka app has enabled us to efficient lead generation. Further, the app catalyses the progress of small ventures, contributing to economic development and prosperity in rural communities. In addition to our technological integration, we have employed a 'phygital' approach where we combine on-ground presence with advanced technology for streamlined processes and improved decision-making. From onboarding to reporting, our digital processes have significantly reduced paper usage and carbon footprint as well.

### The innate lending philosophy

Our innate lending philosophy is based on creating socio-economic impact on the society. This includes empowering the woman borrowers and provide them with

the opportunity to earn their livelihood. The increasing presence of women as entrepreneurs has led to significant business and economic growth in the country. Women-led business enterprises are playing a prominent role in society by generating employment, bringing in demographic shifts, and inspiring the future generation to participate in social development and nation building. Recognising the immense potential of women entrepreneurship in India, we have curated our services to empower the last-mile women borrowers. During the reporting period, our 59% unique borrowers being women. The stats are signifying our focus delved towards women empowerment.

Our beyond business initiatives are directed towards adding value to the borrowers' lives. This encompasses arranging veterinary consultations with our full-time vets for them to manage a healthy cattle life and milk yield improvement. Further, we have launched agroforestry drive, recognising its potential to enhance our borrower's income and positively impact the environment. Our interventions include planting 12,000+ fruit-bearing trees, free

veterinary consultations to more than 36,000 livestock owners, and diagnosed over 3,40,000 cattle. This initiative allows us to deliver value beyond numbers, contributing meaningfully to the society.

### Performance so far

Our performance in FY24 underscores our commitment to financial inclusion and prudent financial capital management. By targeting the underserved 'missing middle' – micro-entrepreneurs and agri-preneurs in rural regions – we have tailored financing solutions to support critical sectors like agriculture. This focus has driven a 112% year-on-year growth in assets under management (AUM) to ₹ 730 crore, strengthening our asset progress and profitability.

We have also achieved significant profitability improvements through enhanced productivity, operational efficiencies, and reduced borrowing costs. Our income for FY24 reached ₹ 128 crore, with a profit after tax of ₹ 9.14 crore and an ROE of 8.1%. Strengthening our capital base by raising ₹ 85.1 crore in equity has nearly doubled our existing capital, supporting further expansion.





We aim to grow our AUM by 3.5X and branch concentration by 2.7X by 2026, ensuring a robust expansion. Maintaining an optimal capital structure with balanced debt equity mix and strong unit economics will be crucial for this growth.

Additionally, diversifying our funding sources, including listing Non-Convertible Debentures on the BSE, has helped reduce borrowing costs and position us for continued growth.

### Strategies for the future

Looking ahead, our strategy is focussed on fortifying our presence in the ₹ 1-10 lakh loan segment while maintaining a low NPA to improve asset quality. We aim to grow our AUM by 3.5X and branch concentration by 2.7X by 2026, ensuring a robust expansion. Maintaining an optimal capital structure with balanced debt-equity mix and strong unit economics will be crucial for this growth. We are committed to improving the profitability by increasing operating leverage and lowering borrowing cost, which will further enhance our ROE. To support these ambitions, we plan to raise ₹ 150 crore in equity in FY25, bolstering our operations and positioning us for continued success.

### Closing statement

We are committed to building upon our moral foundations and continuing to set new benchmarks in the industry. Our journey reflects our dedication to making a positive impact on the society and its people. To this end, we have curated our lending strategies to add value and empower borrowers to uplift their quality of life.

We extend our deepest gratitude to all the stakeholders for their support throughout our endeavour. The success we cherish today would not have been possible without the tireless effort and dedication of our employees. Additionally, the board of directors has been a guiding beacon, central to our growth mindset. Together, we have achieved so much, and we will continue this momentum into the future.

Thank you for your support. Let's achieve even greater things together.

With warm regards,

**Mayur Modi and Deepak Aggarwal**  
Co-Founders

## Business Model

# Our approach to value creation

### INPUTS ▶▶

### VALUE CREATION PROCESS ▶▶



#### Financial Capital

- Pool of monetary resources.
- Total equity raised till date: ₹ 178.61 crore
  - Debt capital: ₹ 760+ crore



#### Manufactured Capital

- Physical presence & diversified AUM across geographies.
- 8 states
  - 100 branches



#### Intellectual Capital

- Product innovation, service excellence, tech-driven approach and digital processes.



#### Human Capital

- The collective knowledge base acting as key differentiator.
- Employee benefit expense in FY24: ₹ 47+ crore
  - Total training hours dedicated: 23,664 hours
  - Average training hours per employee: 13.50 hours



#### Social and Relationship Capital

- Our beyond-lending impact creation measures.
- Customer engagement
  - Community investment
  - Beyond-lending initiatives
  - Investors/lenders/rating agencies engagement



#### Natural Capital

- Responsibilities towards conserving natural resources.
- Total investment in tree plantation: ₹ 15,75,000+
  - ESG Policy

#### Our foundational philosophy

To be “The Lender of Choice” for deserving micro-enterprises in India

#### Credit extension

Bridging the credit gap among the missing middle customers

#### Impact creation

Helping the customers to realise their entrepreneurial dream and financial freedom, and enabling seamless customer onboarding and experience through extensive use of digitalisation

#### Our value creation approach

#### Beyond-lending

Prioritising holistic growth of the society through focussing on well-being of the stakeholders

#### Value creation

**35+** NTC borrowers  
**59%** Women borrowers  
**150k+** Borrowers funded

#### Stakeholders Impacted



#### Promoting financial inclusion through tailored services

- Moneyboxx Vyapaar Loans (Secured)
- Moneyboxx Vyapaar Loans (Unsecured)
- Sikka app (powered by Moneyboxx Finance)

Read more on pages 16-17

#### Building a sustainable future...

#### Together

#### Environment

Focussed on resource efficiency, carbon footprint reduction, and tree plantation

#### Social

Empowering communities through inclusivity

#### Governance

Adhering to ethical standards to reinforce our commitment to sound governance principles

#### UN SDGs impacted



## OUTPUT



## INTERLINKAGES



## OUTCOME



## Financial Capital

- AUM: ₹ **730 crore**
- Total Income: ₹ **128 crore**
- GNPA: **1.54% of AUM**
- NNPA: **1.04% of AUM**
- PAT: ₹ **9.1 crore**

## Strategies

S1 S2  
S3 S4

## Risks

- Credit risk
- Liquidity risk
- Interest rate risk
- Operational risk
- IT risk
- Compliance risk

Improved branch productivity to scale growth

Nurturing an inclusive team that delivers



## Manufactured Capital

- Customers served across locations: **100 Branches**
- AUM growth per branch (Branch vintage 2+ years): **49%**

S1 S2  
S3

- Operational risk
- IT risk

Ensuring women empowerment through accelerating financial inclusion



## Intellectual Capital

- Asset-light, digital and scalable business model
- Our digital tools:
  - o Integrated LMS
  - o Sikka app
  - o Learning portal

S1 S3  
S4

- Operational risk
- IT risk

Access to finance for agri-preneurs and micro-entrepreneurs

Ensuring holistic cattle health management, feedstock advisory, cattle breed and improvement in milk yield



## Human Capital

- Total employees: **1,300**
- Low attrition rate: **10%**
- 84% of employee =<**35 Years**
- Employee hired native to branch: **43%**

S2 S3  
S4

- Operational risk



## Social and Relationship Capital

- Total customers served: **1.5 lakh**
- Women borrowers: **59%**
- New-to-credit customers: **35%**
- Cattle diagnosed: **340k+**
- Lives benefited from beyond-lending impact initiatives: **14,400+**

S1 S2  
S3

- Credit risk
- Liquidity risk
- Interest rate risk
- Operational risk
- IT risk



## Natural Capital

- Energy consumption: **2,41,965 units**
- Biodiversity protection and carbon sequestration through **12,000+** trees planted

S2 S3

- Compliance risk

## Strategy

# Our roadmap to prosperity

At Moneyboxx Finance, we are dedicated to fostering financial inclusion and driving economic growth through a well-defined strategic approach. Our roadmap to prosperity encompasses the strategies which are directed towards empowering underserved communities, streamlining operations, and ensuring sustainable growth. Our commitment to innovation, customer focus, and financial prudence underpins our efforts to create lasting positive impact and prosperity for all stakeholders.

## S1

### PRODUCT DIVERSIFICATION

Moneyboxx Finance is committed to empowering customers to achieve their livelihood ambitions through tailored financial solutions. Our product diversification strategy includes offering small business loans ranging from ₹1-10 lakh, with a focus on rural India, through both unsecured and secured options under the Moneyboxx Vyapaar Loans segment.

#### Impact generated

Empowering **micro entrepreneurs**

Enabling **2x growth in disposable income** of borrowers in 3 years

#### Our target

**3.5X**

AUM growth by FY26 to ₹ 2,575+ crore

#### Capitals linked

Financial Capital

Manufactured Capital

Intellectual Capital

Social and Relationship Capital

## S2

### ENHANCING PHYSICAL PRESENCE

We are strategically enhancing our presence through further expansion in existing states of the northern, western and central parts of India and plan to enter into four states in southern India in FY25. This proactive approach aims to increase accessibility to financial services for underserved communities, fostering economic growth and financial inclusion. Increased accessibility of our services is also empowering individuals and businesses to achieve their financial goals.

#### Branch productivity-led growth

##### Branch Productivity

	FY23	FY24
Period-end Branches	61	100
Branches (over 24 months vintage)	22	30
AUM (over 24 months vintage)	₹ 9.2 crore	₹ 13.7 crore

**49%**

Growth registered in AUM/Branch (Over 24 months vintage)



## Impact generated

~2X

Growth registered in total credit disbursement

## Our target

2.7X

Branch growth by FY26 to 270+

## Capitals linked

Financial Capital

Manufactured Capital

Social and Relationship Capital

Natural Capital

S3

STRENGTHENING  
DIGITAL  
INFRASTRUCTURE

Strengthening the digital infrastructure is one of the key growth strategies of Moneyboxx Finance. Greater adoption of technology has given us an edge in providing credit efficiently. This propelled us to adopting a fully digital approach for all operational activities, from sourcing to disbursement and collection. With the implementation of a next-generation, cloud-based Loan Management System featuring AI-enabled decision-making algorithms, alongside the Sikka app designed to support and empower small and medium businesses, we ensure rapid deployment, scalability, and cost efficiency while fostering financial growth and wealth creation for our customers.

## Impact generated

24,599

New customers onboarded in FY24

## Our target

3x

Lives impacted by FY26

## Capitals linked

Financial Capital

Manufactured Capital

Human Capital

Social and Relationship Capital

Intellectual Capital

Natural Capital

S4

ROBUST CREDIT  
UNDERWRITING

We follow robust credit underwriting practices to mitigate risks and ensure portfolio quality. Leveraging technology and our on-ground presence, we assess borrower creditworthiness meticulously, enhancing financial stability and fostering sustainable growth. This rigorous approach supports our mission to provide reliable financial services to underserved communities while maintaining fiscal prudence.

## Impact generated

35%

Customers are new-to-credit

## Our target

To maintain **low credit** cost

## Capitals linked

Financial Capital


Human Capital


Intellectual Capital

# Stakeholder engagement

Ensuring robust engagement with our diverse stakeholder base is paramount to our organisational ethos. We are committed to establishing and maintaining meaningful connections with stakeholders, responding effectively to their needs and concerns.

Our goal is to cultivate enduring and mutually beneficial relationships, thereby generating sustainable value for all stakeholders involved. Consistent and proactive engagement underscores our dedication to fostering collective prosperity. To facilitate this engagement, we have implemented dedicated mechanisms designed to ensure inclusivity, transparency, and accountability in our interactions. We actively seek and incorporate stakeholder feedback into our strategic decision-making processes, enabling us to effectively gauge the impact of our initiatives.

	<b>Our value addition</b> <b>₹ 73+ Lakh</b> Beyond-lending impact investment in FY24			<b>47</b> Livestock awareness & Financial literacy camps organised in FY24			<b>59%</b> Women borrowers in FY24		
	<b>SOCIETY AND COMMUNITY</b>								
	<b>Key concerns</b>			<b>Our engagement model</b>			<b>Frequency</b>		
	» Better livelihood opportunities » Service access to underserved areas » Livestock capital and productivity » Gender inclusion			» Interacting with key communities with beyond-lending impact initiatives » Organising livestock awareness programmes & upholding financial literacy programmes » Beyond-lending engagements such as tree plantation » Funding women-led enterprises			» Daily » Quarterly » Bi-annually		

	<b>Our value addition</b> ₹ 665 crore Credit disbursed in FY24		
	<b>CUSTOMERS</b>		
	<b>Key concerns</b>	<b>Our engagement model</b>	<b>Frequency</b>
	<ul style="list-style-type: none"><li>» Better access to credit services</li><li>» Income enhancement</li><li>» Transparent dealings</li><li>» Enhanced customer service</li><li>» Service excellence</li></ul>	<ul style="list-style-type: none"><li>» Loan Relationship Officer</li><li>» Branch Credit Officer</li><li>» Customer lifecycle management team</li><li>» SMS and calls</li><li>» Feedback surveys</li><li>» Connect through free doorstep veterinary services</li></ul>	<ul style="list-style-type: none"><li>» Daily</li></ul>



## EMPLOYEES

### Our value addition

**₹ 47+ crore**  
Invested towards employee benefit in FY24

**48 hours**  
Time to resolve any employee grievances

Key concerns	Our engagement model	Frequency
<ul style="list-style-type: none"> <li>» Career upliftment opportunities</li> <li>» Continuous learning and training</li> <li>» Robust grievance redressal mechanism</li> <li>» Inclusive work culture</li> <li>» Fair remuneration</li> <li>» Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>» Equal employment opportunity</li> <li>» Fair and objective appraisals</li> <li>» Open communication channels</li> <li>» L&amp;D initiatives</li> <li>» Internal publications and circulars</li> <li>» Feedback and surveys</li> <li>» Engagement initiatives and overall wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>» Monthly</li> <li>» Quarterly</li> <li>» Bi-annually</li> <li>» Annually</li> </ul>



## INVESTORS

### Our value addition

**₹ 85.1 crore**  
Equity fund raised in FY24

**8.1%**  
Return on equity in FY24 (-12.6% in FY23)

Key concerns	Our engagement model	Frequency
<ul style="list-style-type: none"> <li>» Return on investment</li> <li>» Ethical business practices and corporate governance</li> <li>» Sustainable performance and value creation</li> <li>» Transparent disclosure</li> <li>» Timely disclosure</li> </ul>	<ul style="list-style-type: none"> <li>» Annual and quarterly investor meets/calls</li> <li>» Investor presentations</li> <li>» Annual General Meeting</li> <li>» Investor grievance channels</li> <li>» Annual report</li> </ul>	<ul style="list-style-type: none"> <li>» Quarterly</li> <li>» Annually</li> </ul>



## REGULATORS

Key concerns	Our engagement model	Frequency
<ul style="list-style-type: none"> <li>» Statutory and legal compliance</li> <li>» Timely reporting</li> </ul>	<ul style="list-style-type: none"> <li>» Mandatory regulatory filings</li> <li>» Periodical submission of business performance</li> <li>» Written communications</li> </ul>	<ul style="list-style-type: none"> <li>» Quarterly</li> <li>» Bi-annually</li> <li>» Annually</li> </ul>

## Risk management

# Strength in Preparedness

Operating in a dynamic and changing environment, we sharpen our agility and resilience to remain steadfast in challenging times. We adhere to a structured and systematic approach to identify and manage risks in our business. As our business volumes grow, and we introduce innovative products and services, it is imperative to build robust risk management practices.

## OUR RISK MANAGEMENT APPROACH

We have a strong risk management framework through which we identify the risks associated with our business and also deploy mitigation measures.

We recognise that risk is an integral part of business and are committed to managing the risks in a proactive and efficient manner. Accordingly, we adhere to a Risk Management Policy which includes identification, assessment and control of elements of risk, which the Board may view as threats to the existence or performance of the Company. The Company has also constituted a Risk Management Committee in line with the new scale-based regulations to frame, implement, and monitor the risk management plan for the Company from time to time.

## IDENTIFIED RISKS

### Credit Risk

Borrower defaults leading to credit losses and erosion of capital.

#### Mitigation approach

- » Continuous monitoring of the accounts by regular customer visits and identifying early warning signals for any potential repayment stress. Thus, taking a proactive approach for further actions to minimise the adverse impact on the portfolio
- » Following strong underwriting practices and diversification across sectors and geographies

#### Capitals linked

Financial Capital

Social and Relationship Capital

### Liquidity Risk

Insufficient cash flow to meet financial obligations and operational needs might impact the overall operational flow of the Company.

#### Mitigation approach

- » Adhering to tolerance and prudential limits for structural liquidity
- » Complying with the Board-approved ALM policy

#### Capitals linked

Financial Capital

Social and Relationship Capital



## Interest Rate Risk

Interest rates fluctuations potentially affecting profitability.

### Mitigation approach

- » Asset liability matching (interest rate)
- » Risk-based pricing

### Capitals linked

Financial Capital

Social and Relationship Capital

## Operational Risk

Loss due to failures in internal processes, systems, or external events can have severe impact on the Company's operations.

### Mitigation approach

- » Ensures operational risk control efficacy through internal controls, training, insurance, fraud monitoring, IT systems and security, and business continuity planning. Additionally, the audit team conducts investigations, assesses control gaps, and recommends improvements

### Capitals linked

Financial Capital

Social and Relationship Capital

## IT Risk

Reliance on technology-intensive platform exposes us to serious threats that can compromise the confidentiality, integrity of customer data and availability of our services.

### Mitigation approach

- » Conducting regular training and awareness sessions on information security and cybersecurity
- » Installed endpoint security on employee workstations and data centre IT setups
- » Periodic access reviews are in place for both end users and IT users

### Capitals linked

Financial Capital

Social and Relationship Capital

## Compliance Risk

Failure to adhere to applicable laws, regulations, policies, and standards might incur financial loss, reputational damage, and legal liability towards the Company.

### Mitigation approach

- » Our compliance department, staffed by experienced professionals, guides businesses on regulatory compliance and monitors implementation for governance and reporting
- » Independent secretarial auditors verify compliance with the necessary guidelines and regulations as applicable, with their reports and recommendations reviewed by the Board

### Capitals linked

Financial Capital

Social and Relationship Capital

Financial Capital

## Performance exemplified by figures



UN SDGs impacted



## OUR APPROACH TO FINANCIAL MANAGEMENT

Our approach to the prudent management of financial capital is centred on maximising impact financing by promoting financial inclusion among the underserved 'missing middle' customer group, which includes micro-entrepreneurs and agripreneurs. With a strategic focus on the rural regions of the country, where agriculture and cattle farming are predominant livelihood activities, our financing solutions are tailored to support these critical sectors.

We aim to achieve sustainable growth and profitability through efficient deployment of capital and operating efficiency. Through rigorous financial oversight and strategic investment, we ensure that our capital deployment supports immediate business needs and fosters long-term economic development and sustainability.

## REVIEWING FY24

### Asset growth

Our branch expansion and productivity improvement have resulted in robust AUM growth in FY24, with a 112% year-on-year increase to ₹ 730 crore. This strategic momentum also supported growth in overall disbursements, accentuating our asset progress and propelling profitability.

**95%**

Disbursement growth registered to ₹ **665 crore**

### Robust profitability

Our strategic focus on enhancing productivity, and leveraging operational efficiencies coupled with declining borrowing costs has driven significant profitability improvements. In FY24, we registered income of ₹ 128 crore and demonstrated strong turnaround in profitability by reporting profit after taxes of ₹ 9.14 crore compared to a net loss of ₹ 6.8 crore last year. Additionally, we achieved an ROE of 8.1% in FY24, with further improvements expected as we continue to scale our operations.

**154%**

Income growth (y-o-y)

**₹ 9.14 cr** FY24 PAT

₹ -6.80 cr FY23 PAT

**8.1%** ROE FY24

-12.6% in FY23 ROE

## Strong balance sheet

We strengthened our capital base by raising ₹ 85.13 crore of equity during FY24. This includes ₹ 75+ crore equity raised by way of preferential allotment which is double the existing capital base and provide a strong boost to the expansion plan and business growth. Net worth more than doubled to ₹ 168.85 crore as compared to ₹ 76.40 crore as of FY23.

## Diversified funding


With the addition of leading banks and NBFCs, and the issue of debt via securitisation and NCD issuance, we have diversified our funding sources and reduced the borrowing costs. The Company listed its Non-Convertible Debentures on BSE for the first time in FY24 which therefore assisted in tapping resources through retail debt participation.

**32** lenders  
**10** lending banks

Significant decline in incremental cost of funding.

**₹ 85.13** crore

Equity raised in FY24

 **76%** y-o-y (₹ 48.39 cr raised in FY23)

**1.54%**

GNPA

**1.04%**

NNPA

## THE COMPARATIVE ANALYSIS

### AUM\*

(₹ crore)

FY21		63
FY22		121
FY23		344
FY24		730

\*AUM before Ind-AS effects

### Total Income

(₹ crore)

FY21		11.00
FY22		23.31
FY23		50.44
FY24		128.00

### Equity

(₹ crore)

FY21		24.15
FY22		34.51
FY23		76.40
FY24		168.85

### GNPA

(%)

FY21		0.21
FY22		0.62
FY23		0.59
FY24		1.54

### NNPA

(%)

FY21		0.11
FY22		0.31
FY23		0.30
FY24		1.04

## Manufactured Capital

# Strengthening network expansion and operational excellence



## UN SDGs impacted



## OUR APPROACH

Our manufactured capital is referred to the physical assets that renders our services to the customers. Our presence predominantly marks northern, western and central India's rural belt, focussing on expanding the reach to other adjacent states. We have grown our presence by penetrating existing states and entering newer geographies, ensuring geographic diversification while achieving growth. During the reporting period, we crossed an important landmark by closing year with 100 branches compared to 61 branches in FY23.

### STRATEGICALLY ENHANCING OUR FOOTPRINT THROUGH

Underserved market of 1-10 lakh business loans offers great opportunity which traditional lenders are not able to tap into given limited business information of the customers and inadequate collateral. Moneyboxx Finance has established a proven business model in catering to this segment by leveraging technology and feet-on-street model. Our expansion strategy played a crucial role in improving branch productivity. With the opening of 39 new branches and the entry into two new states, Bihar and Gujarat, we are expanding our market reach while diversifying our customer base, providing ample opportunities for increased loan disbursements.

The significant improvements in branch productivity have had a profound impact on both our business operations and the experience of our customers. On the

business front, the remarkable 2X increase in disbursement growth, accompanied by 49% increase in branch productivity (AUM per branch) for branches over 24 month vintage underscores the effectiveness of our efforts. This accelerated growth trajectory strengthens our position in the finance sector and the enhanced branch productivity has supported profitability. Improved accessibility to financial services, and enhanced customer support have contributed to higher satisfaction levels among our clientele.

### Future focus to improve productivity

- » Emphasis on secured products
- » Steady-state operations and increasing branch vintage
- » Stable sources of funding
- » Rising share of repeat loans with higher loan ticket size
- » Providing loans through our digital app to enhance scalability and accessibility

### OUR OPERATIONAL STRENGTHS

#### Direct-to-customer approach

We engage directly without intermediaries, fostering deep local understanding and lasting relationships.

#### Robust underwriting and IT integration

Our IT-driven underwriting ensures top-tier asset quality and overall 97.05% collection efficiency.

#### Effective collection mechanism and market intelligence

Our on-ground presence facilitates strong collections and local insights.

#### Experienced management

Led by seasoned professionals with esteemed Board members, ensuring strategic guidance and industry expertise.

## OUR PRODUCT PERFORMANCE

Product	No. of loans
Moneyboxx Vyapaar Loan (Unsecured)	46,561
Moneyboxx Vyapaar Loan (Secured)	5,617
<b>Total no. of active loans (as of FY24)</b>	<b>52,178</b>

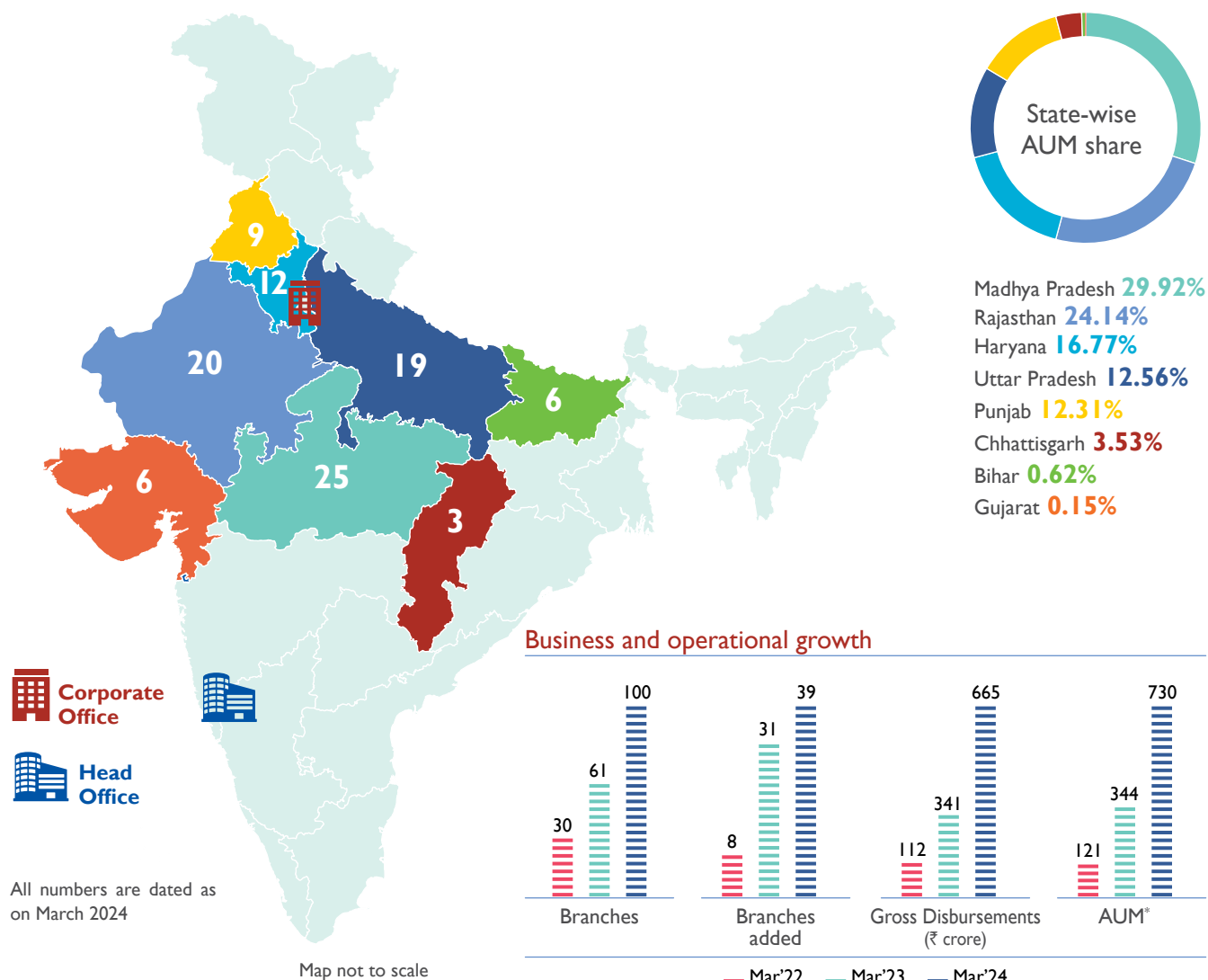
## STATE-WISE LOAN PORTFOLIO

States	No. of loans
Rajasthan	13,588
Madhya Pradesh	12,451
Haryana	9,983
Punjab	7,710
Uttar Pradesh	6,467
Chhattisgarh	1,835
Bihar	104
Gujarat	40
<b>Total no. of active loans (as of FY24)</b>	<b>52,178</b>





## OUR PRESENCE ACROSS THE COUNTRY



\*AUM before Ind-AS effects

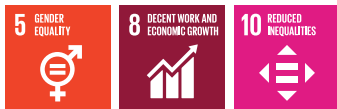
Branches	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24
Rajasthan	5	8	10	16	20
Madhya Pradesh	3	5	7	14	25
Haryana	2	5	7	12	12
Punjab	1	4	5	8	9
Uttar Pradesh	-	-	1	8	19
Chhattisgarh	-	-	-	3	3
Bihar	-	-	-	-	6
Gujarat	-	-	-	-	6
<b>Total</b>	<b>11</b>	<b>22</b>	<b>30</b>	<b>61</b>	<b>100</b>

## Human Capital

## Ensuring the development of our employees



## UN SDGs impacted



## OUR APPROACH

Recognising the workforce as the backbone of organisational success, it's crucial to ensure the holistic growth of our employees, encompassing their professional and personal well-being. Our engagement initiatives are focussed on unlocking the optimal potential of our employees to drive greater value addition towards a universal goal. Our organisational framework emphasises cultivating and enhancing the core skills and competencies of our dedicated team members. We make deliberate investments in their professional growth and development, thereby fostering continuous enhancement in their skills.

OUR GUIDING ETHOS:  
ONE TEAM, ONE DREAM

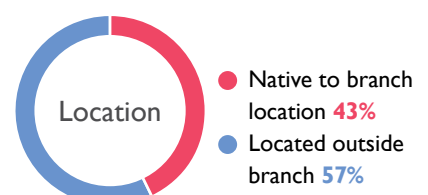
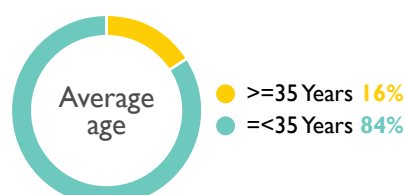
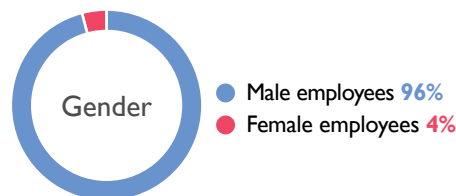
'One team, one dream' is more than just a phrase at Moneyboxx Finance, it's our guiding ethos. Unified in purpose, we work together towards a singular goal - financial empowerment. Through collective efforts, we drive success, delivering robust financial solutions that empower lives.

## FOSTERING WORKPLACE INCLUSIVITY

Our workplace prioritises diversity, equity, and inclusion. By fostering a culture of shared knowledge and mutual respect, we create an environment where every voice is heard and valued. This inclusive culture not only promotes collaboration and innovation but also ensures a healthy work atmosphere where individuals can thrive. Embracing diversity across all levels enriches our team's perspectives, leading to more informed decision-making and enhanced problem-solving capabilities. Together, these efforts contribute to the seamless functioning of our operations, fostering productivity and driving success across all levels of the organisation.

## KEY FOCUS AREAS

- » Offering employment in Tier 3 cities and below, embracing diverse socio-economic backgrounds
- » Realising aspirations of skilled individuals
- » Fostering an inclusive workplace, promoting diversity, and providing multifaceted avenues for talent advancement



## STRATEGIC TALENT ACQUISITION AND RETENTION

Our talent acquisition focusses on skilled professionals who align with our values and mission, fostering a diverse and inclusive workplace. This strategy attracts top-tier talent, enriching our organisation with fresh perspectives and innovative ideas. Rigorous selection processes ensure the quality of hires, while low attrition rates reflect our commitment to fulfilling employee needs and providing growth opportunities. Feedback-driven improvements, work-life balance, employee well-being, and competitive compensation packages further enhance loyalty. In FY24, this approach led to a low attrition rate of 10%, strengthening our operational capabilities and fostering overall success.

**1,300**

Total employees in FY24  
76% (y-o-y) growth

**735**

Total employees in FY23

**10%**

Low attrition rate

## LEARNING & DEVELOPMENT

**₹ 30,00,000+**

Total training investment in FY24

### Constant learning to achieve growth

Learning and development are vital for both individual and organisational success. At Moneyboxx Finance, we prioritise this through our internal Moneyboxx Finance Learning Centre, which offers a diverse range of online courses, allowing employees to learn at their own pace. Additionally, our employees benefit from daily online insights that cover soft and technical skills, along with updates on company policies and compliances. This consistent access to new knowledge and skills ensures our team remains well informed and capable, promoting a culture of continuous learning and growth.

### Building a culture of innovation

Learning and development are essential for nurturing a dynamic and innovative workplace. At Moneyboxx Finance, we cultivate a culture of innovation through our Learning & OD framework, which actively encourages fresh ideas, collaboration, and experimentation. By making innovation a fundamental aspect of our daily operations, we empower

**13.50 hours**

Average annual training hours per employee

employees to think creatively and work collaboratively, driving continuous improvement and success.

We have developed a competency framework that is based on four core values and divided into nine competencies with five proficiency levels, along with Knowledge-Skill-Attitude components for targeted development. This customised competency framework is unique to the Company and strengthens its talent-based competitive advantage.

### Leadership development

Our learning and development initiatives empower individuals to take the helm, spearhead innovation, and lead with clarity and integrity. These programmes are designed to refine leadership skills, encourage strategic thinking, and build a robust ethical foundation. By nurturing our leaders, we ensure they are prepared to motivate their teams, overcome obstacles, and drive the company towards continuous success and advancement.

### Career growth

We prioritise our employees' career development by offering reskilling and upskilling opportunities on a ceaseless basis. Through internal job postings, we facilitate career progression and cross-functional growth. We ensure that the right talent is acquired, and we are able to provide each employee with the opportunity to grow at their own pace, fostering an environment where everyone can advance and excel. This commitment to career development supports both individual aspirations and our organisational success.



## EMPLOYEE ENGAGEMENT & BENEFITS

### Commitment to well-being

Our 'Wellbeing Program' enhances employee health, fitness, and overall well-being. We reward goal achievements and encourage a holistic wellness approach. We prioritise health with comprehensive medical and personal accident coverage, and support financial stability through staff loan options, ensuring our employees' well-being in every aspect. We ensure that the health of our employees should be treated as foremost priority by organising various health-oriented events on fun Fridays.

Fun Days, and Secret Santa exchanges. Additionally, our employee recognition programmes, such as 'Contest Lakshya and DJFM', acknowledge and reward exceptional contributions, encouraging consistent excellence and motivation.

### Rewards and recognition

We honour and acknowledge deserving employees through structured reward and recognition mechanisms. Our

commitment includes employee stock options, periodic certifications, and award programmes to nurture loyalty and enhance productivity. By fostering an environment where employees feel valued and supported, we effectively boost motivation and encourage continuous excellence.

### Engaging with meaningful events

Our employee engagement strategy fosters a positive and productive work environment by celebrating major festivals, national holidays, and personal milestones like birthdays. We promote unity and camaraderie through Get-togethers,



## EMPLOYEE SURVEY RESULTS

### Questions related to satisfaction insights from employees on each question

SUB METRICS	QUESTIONS	RESULTS (%)
Happiness at Work	My work is fulfilling	35.7 64.3
Happiness at Work	I enjoy the work	4.8 19.0 76.2
Happiness at Work	Most days I feel a sense of accomplishment from what I do	25.0 31.3 43.8
Work-Life Balance	I have the flexibility to take time off when I need to	6.3 43.8 50.0
Work-Life Balance	My work doesn't take a toll on my personal life	30.8 30.8 15.4 23.1
Work-Life Balance	My organisation supports me if I need to make use of flexible working arrangements	5.6 11.1 38.9 44.4
Work-Life Balance	I feel supported in my workplace when I am dealing with personal or family issues	25.0 25.0 50.0
Work-Life Balance	I feel that I can maintain a healthy balance between work and my personal life	7.1 14.3 14.3 64.3

Disagree Neutral Agree Strongly agree

SUB METRICS	QUESTIONS	RESULTS (%)
Communication with manager	My manager communicates honestly with me	7.7 15.4 76.9
Communication with manager	My manager facilitates open interactions within our team	15.4 23.1 61.5
Communication with manager	My manager communicates effectively and sets clear expectations	20.0 80.0
Trust with manager	My manager does a good job in managing people	7.1 50.0 42.9
Trust with manager	My manager understands my day-to-day reality	
Trust with manager	My manager cares about my well-being	5.6 5.6 38.9 50.0
Trust with manager	I'm being treated respectfully by my manager	14.3 23.8 61.9
Collaboration with manager	My manager cares about my opinion	29.4 70.6
Collaboration with manager	My manager provides me with the support I need for my work	5.0 25.0 25.0 45.0
Fairness	I trust that I'm being paid fairly compared to similar roles in my organisation	12.5 37.5 50.0
Fairness	I feel that as per my responsibilities, skills, and experience, I'm being paid fairly	16.7 25.0 58.3
Fairness	I feel that I'm being paid fairly compared to people with similar roles in other organisations	5.9 17.6 29.4 47.1
Fairness	I feel that my performance is evaluated fairly	6.3 31.3 62.5
Fairness	Poor performance is addressed effectively in the organisation	5.6 5.6 44.4 44.4
Work Environment	I feel safe in my work environment	50.0 50.0
Work Environment	I feel comfortable in my work environment	7.1 21.4 28.6 42.9
Work Environment	I have everything that I need to work properly	6.7 46.7 46.7
Work Environment	My work environment is very enjoyable	5.3 26.3 21.1 47.4
Work Environment	My organisation enables people to collaborate easily, even if remote	15.0 35.0 50.0
Role within Organisation	My responsibilities are clear	6.7 46.7 46.7
Role within Organisation	At work, I know what I am expected to deliver	53.8 46.2
Role within Organisation	I feel secure in my role and position here	7.7 30.8 15.4 46.2
Role within Organisation	My responsibilities are in line with my role	12.5 12.5 75.0
Role within Organisation	I feel that my individual goals are strongly aligned with our team goals	35.7 64.3

● Disagree 
 ● Neutral 
 ● Agree 
 ● Strongly agree

## EMPLOYEE TESTIMONIALS

### #Empowering growth through innovation



Working at Moneyboxx Finance has been an exciting journey. The fast-paced environment constantly pushes me to enhance my technical skills. I have had the chance to work on impactful projects that drives the Company's rapid growth, and it's rewarding to see the results of my contributions. With a focus on scaling and innovation, Moneyboxx Finance offers abundant resources and opportunities for growth every year."

Vaibhav Bhartia  
Software Engineer



### #Thriving in a collaborative atmosphere



Joining Moneyboxx Finance has been incredibly rewarding. With 12 years of HR experience, I have been able to make a meaningful impact on strategic projects. The collaborative atmosphere and visionary leadership have allowed me to excel in talent acquisition and employee development. I am excited about the personal and professional growth opportunities that lie ahead."

Gunavanth  
Senior Manager - HR



### #Empowering excellence



Moneyboxx has provided endless opportunities for growth across various verticals in my role with the Legal & Compliance team. As my first job, the matrix-driven system here promotes collaboration, innovation, and inclusion. With incredible support from colleagues and superiors, I have experienced remarkable personal and professional development. With two years of continuous learning and development, I am honoured to be part of an organisation that values its people."

Kunal Sharma  
Legal & Compliance



### #Nurturing a feeling of belongingness



Moneyboxx as an organisation aims to maximise Stakeholder Value. Working directly with the Top Management, I have been able to take a leap in my career. I always see that employees have a feeling of belongingness and job satisfaction, which ensures that they give their best to the organisation."

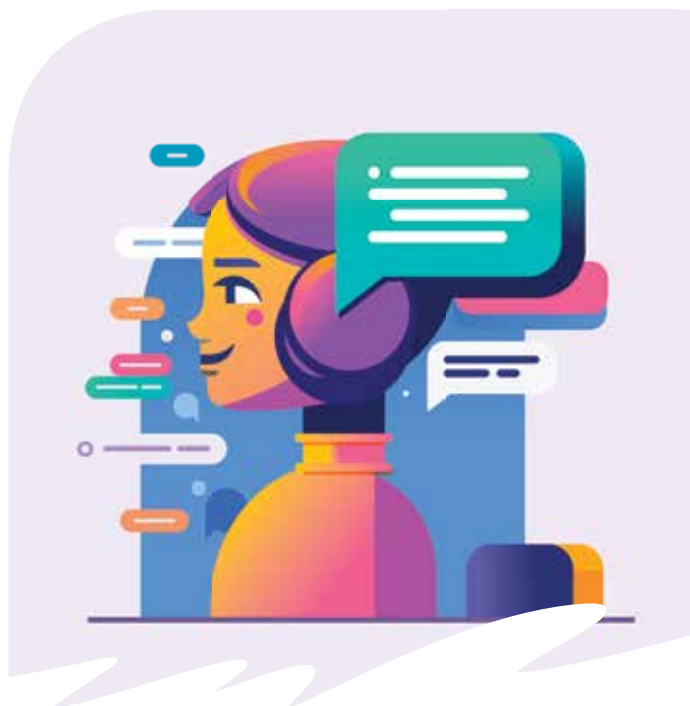
Shubham Jethlia  
Senior Manager - Finance





## Intellectual Capital

# Fortifying our excellence



## OUR APPROACH

Our intangible process encompasses our technological enhancements that boosts the overall operational efficiency. In tandem with digitalisation wave, we have accelerated our digital journey through adopting modern edge technologies and platforms. This further streamlined the customer life cycle while enhancing their experience with us.

Our approach to intellectual capital involves leveraging technology to democratise access to credit, alongside significant investments in IT infrastructure. We combine human expertise with technology to understand underserved micro-enterprises, delivering quick and viable financing solutions. Additionally, our credit assessment process enables us to extend loans to customers with limited or no recorded credit/income history, ensuring inclusive access to financial services.

## KEY HIGHLIGHT FY24

### Sikka app

Enable customers to track loan application status and manage EMIs and help them invest in digital gold, apply for loans and buy health insurance.



## Growing with Bharat

### We are ensuring financial inclusion by

- » Leveraging technology (in the absence of availability of GST/ITR/Banking records of customers, delivering credit through customer connect and data-driven underwriting)
- » Levelling up by going 100% digital (quicker customer onboarding and loan approvals, paperless process)
- » Transforming lives (serving the underserved)

## Technology and MIS integration

### Loan Management System

Cloud-based system integrating banks, credit bureau, insurance, and lending partners

### HRMS

Implements employee lifecycle management from onboarding to payroll, and HR compliance to separation

### SD-WAN

Utilises SD-WAN technology for branch networking over broadband connections, with centralised network management via Mobile and Web applications

### Analytics

Business Intelligence tool for interactive dashboards and analytics, integrated with HRMS, ILMS, and accounting software for periodic performance review

## ADHERING TO AN ASSET-LIGHT BUSINESS MODEL

Our asset-light business model is a key enabler to seamless integration of physical and digital channels for customer acquisition and management. With a focus on innovation, our underwriting methodologies, AI-enabled decision-making algorithms, and API integrations, we ensure efficiency and scalability while optimising the cost.

### Key highlights

- » Hybrid physical and digital approach for customer acquisition and operations
- » Custom underwriting methodologies tailored to different customer segments
- » Next-gen cloud-based Loan Management System
- » Integration of customer data through Mobile & Web applications for streamlined processes
- » API integrations with credit bureaus and banks for efficient CMS activities

## OVERVIEW TO OUR DIGITAL LANDSCAPE

### Moneyboxx Finance learning centre

Our Learning Centre enhances employee engagement and skills development, fostering a culture of continuous learning and growth. It provides comprehensive job-related training, accelerating learning and positively impacting employee attitudes towards colleagues, supervisors, and the organisation.

### Sikka app

The Sikka app stands as a digital financial ecosystem crafted to uplift small and medium businesses, fostering growth and wealth creation. Tailored to the distinct requirements of rural India, it seamlessly integrates financial assistance with literacy, nurturing savings habits to empower aspiring entrepreneurs. By blending financial support and education, Sikka app catalyses the progress of small ventures, contributing to economic development and prosperity in rural communities.

## Lending partnerships

Strategic lending partnerships with Vivriti Capital Limited, MAS Financial Services Limited, and Utkarsh Small Finance Bank optimise resource utilisation and increase customer reach. Expanding our partner network offers a wider array of loan products, catering to a diverse customer base.

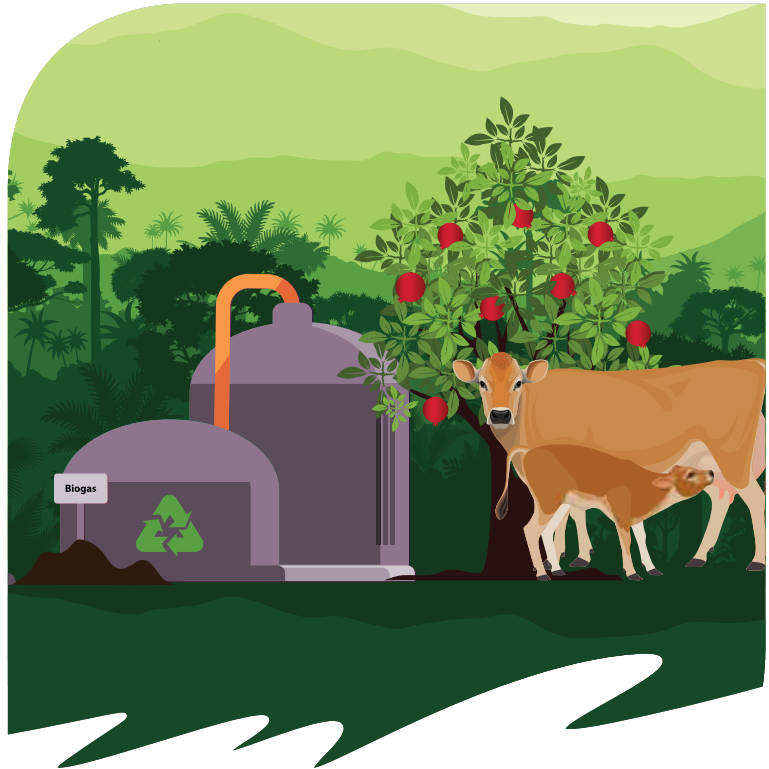


Natural Capital

# Contributing to a low-carbon planet



UN SDGs impacted



## OUR APPROACH

We recognise environment as the prime and utmost pivotal stakeholder. Being reliant on the natural resources that are limited, brings greater responsibilities upon us to conserve those and safeguard the future for the coming generation. Currently, environmental sustainability is the prime concern around the globe, and, we, as responsible corporate citizen, adhere to resource-conscious practices and add value to the environment.

## KEY FOCUS AREAS

- » Monitoring energy consumption and ensuring efficient utilisation
- » Significantly reducing carbon footprints
- » Adopted a fully digital approach for all loan-related activities

## KEY INITIATIVES UNDERTAKEN IN FY24

### Agroforestry for climate action

Initiating agroforestry to support agri-entrepreneurs and dairy farmers, we've planted over 12,000 fruit-bearing trees. In collaboration with Green Ananda, this initiative aims to boost incomes and combat climate change, enhancing soil quality, air, and water while ensuring food security and sustainability.

## Phyigital business model

Employing a 'phyigital' approach, we combine on-ground presence with advanced technology for streamlined processes and improved decision-making. From onboarding to reporting, our digital processes have significantly reduced paper usage and carbon footprint. Committed to environmental stewardship, we strive for meaningful contributions in this realm.



Social and  
Relationship Capital

## Committed to sustainable development



### UN SDGs impacted



### OUR APPROACH

We recognise our customers and communities as the key stakeholders. Customers are the key business enablers whereas the communities provide us the social recognition to operate amongst them. Comprehensively these two-stakeholder group impact our operations with the greatest possibility. In cognisance of this reality, we have delved deeper into our business and penetrated beyond-lending opportunities to add value to the customers and communities' lives. Within our organisational realm, we strive to bridge the credit gap among the 'missing middle' customer segment, while our beyond-lending activities are focussed towards supporting livestock borrowers, free cattle diagnosis, and also, we are on the verge of financing bio-gas digesters.

### CUSTOMERS FOCUS

#### Understanding customer needs

We analyse customers' businesses and cash flows to tailor financing solutions based on their income capacity. Employing end-to-end digital operations ensures transparency and efficient credit delivery. Our on-ground and digital presence provides valuable insights for better underwriting and collection, enabling rapid scalability. Leveraging technology, we have developed assessment models for customers with minimal documentation, alongside impactful initiatives like free vet consultancy and agroforestry drives which assists in elevating their income.

#### Extending reach

Expanding our branch network, especially in rural India, complements our digital outreach efforts, ensuring broader

accessibility to our services. Moneyboxx Finance's goal with this expansion is to satisfy the expanding and unmet credit demands of the state's micro and small enterprises.

#### Tailored product offerings

Conducting comprehensive studies of our customers' enterprises, we tailor credit evaluation tools to create bespoke products, meeting specific business needs and evolving market dynamics.

#### Empowering the women entrepreneurs

Addressing the networking gap faced by female entrepreneurs, we advocate for innovative credit evaluation methods, product adaptations, and policy reforms, leveraging technology to enhance access to credit for women in Tier 2 and Tier 3

cities. Currently, our 59% borrowers are women, and our focus is to boost the figure while strengthening each of them through financial inclusion.

#### Nominated for impact study

Recognition for a three-year longitudinal impact study by the Michael & Susan Dell Foundation underscores our commitment to serving nano enterprises. Previous studies, like the one conducted by LEAD Krea University and MSDF, enhance our understanding of local markets, strengthening our segmentation strategies and service offerings. Moneyboxx Finance's two customers' success stories have been featured in the baseline report published by MSDF.

## Our credit methods

### Approach

Targeting micro-enterprises in rural India directly, leveraging referrals from existing customers

### Prioritise

Focussing on individuals outside the formal financial system, transitioning from group to individual borrowing

### Evaluate

Assessing applicants based on repayment ability and business cash flow stability, considering history, referrals, and intent

### Disburse

Providing business loans based on enterprise need and eligibility, ranging from ₹ 1 to ₹ 10 lakh, secured and unsecured

### Monitor

Continuously monitoring trades and updating credit assessment tools, promptly addressing early warning signs through regular appraisal

## Key highlights

**80**

(C-SAT) Customer satisfaction survey/  
(NPS) Net promoter score

**₹ 73+ lakh**

Spent on social/impact initiatives

**24,599**

New customers onboarded

**22%**

Repeat customers

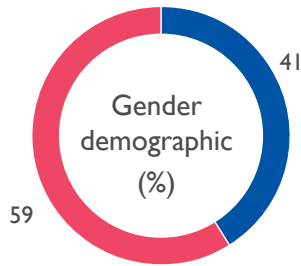
**35%**

New-to-credit customers

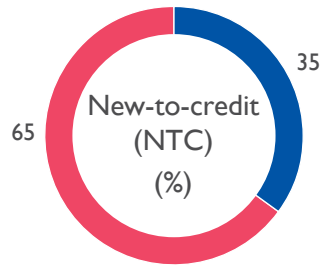




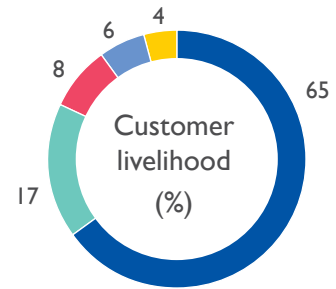
## Customer demographics



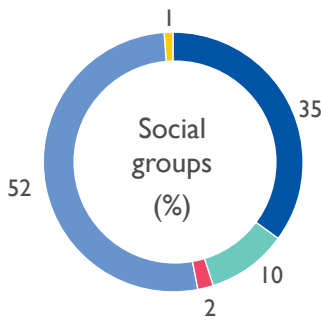
● Male ● Female



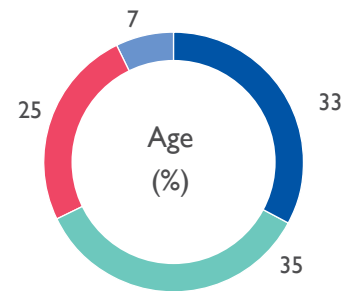
● NTC ● Non-NTC



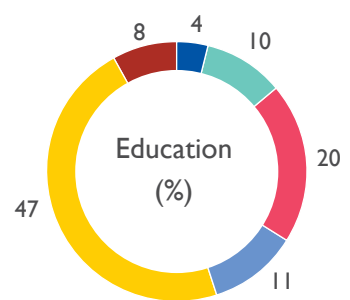
● Livestock ● Trading ● Kirana  
● Manufacturing ● Services



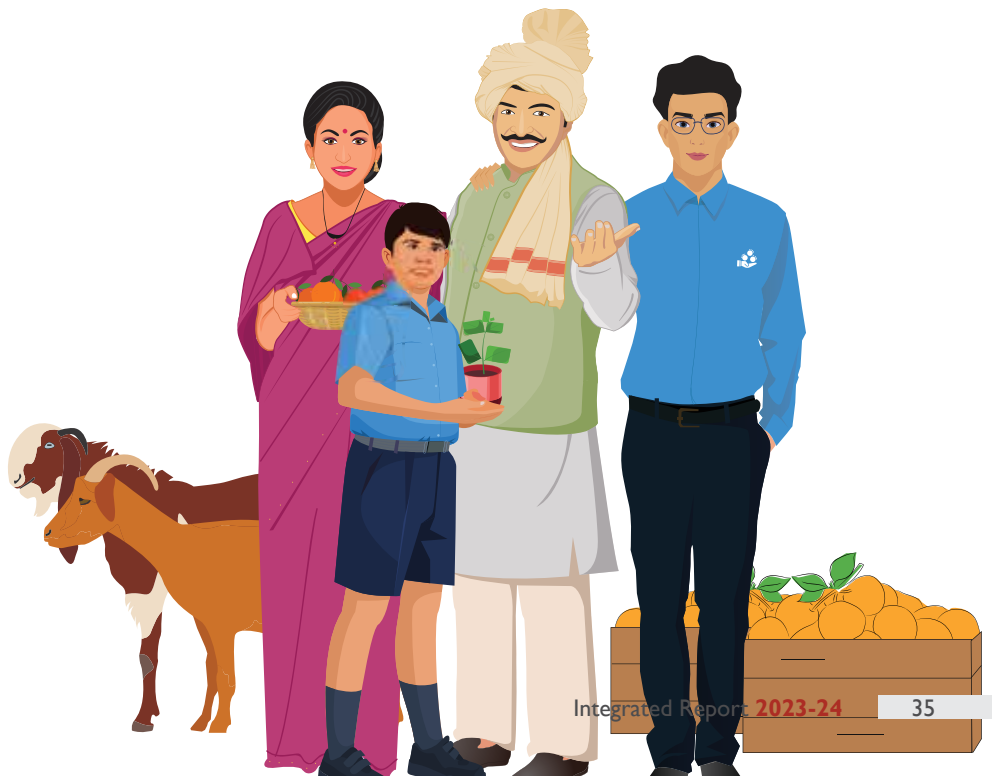
● General ● Scheduled caste  
● Scheduled tribe  
● Other backward classes ● Others



● 21-30 years ● 31-40 years  
● 41-50 years ● 51-60 years



● Graduation and above ● Up to 12<sup>th</sup>  
● Up to 10<sup>th</sup> ● Up to 8<sup>th</sup> ● Up to 5<sup>th</sup>  
● Never attended





## Customer testimonials

Throughout our business timeline, we have focussed on generating a positive impact on our customers' lives, whether by providing easy access to capital or inspiring their entrepreneurial dreams. Our financial inclusion efforts go from just lending, to lending a helping hand to realise lifelong aspirations. We aim to enable our customers to earn a respectful livelihood and contribute to social development. Here are some of their inspiring stories.

### #Fostering women empowerment



Thanks to Moneyboxx Finance, my small shop in Dhabadeh has flourished. With their ₹ 1 lakh credit support, I boosted my inventory and enhanced the shop sales by ₹ 25,000 to 30,000. I am truly grateful to their timely support for which I grew my business and support my family better."

Santosh Bai  
Kota, Rajasthan



### #Bolstering farmer's prosperity



Moneyboxx Finance's cattle pregnancy testing service has been a game-changer for me. I had called Moneyboxx Vet during my buffalo's pregnancy. Their vet confirmed the pregnancy and helped me to start with right feeding and care. This service has ensured my buffalo's health and saved me from potential economic loss. I am thankful to their support and guidance."

Farmer of Shekhpur  
Ujjain, Madhya Pradesh



### #Ensuring entrepreneurial success



The financial inclusion of Moneyboxx Finance has helped me to grow my daily business when I was making my living selling small quantities of jaggery. Post taking the credit, I have started working with wholesalers and give my earnings the necessary boost. With my increased income support, I have opened a saree store which my wife manages. She is proud to contribute alongside me, and together we have transformed our family's future."

TikamChand Soni  
Mandsaur, Madhya Pradesh



### #Supporting the financial growth



Starting with just a dream in 2016, I travelled from village to village to sell clothes and eventually opened a small shop. Thanks to Moneyboxx Finance for their ₹ 2 lakh loan support and easy repayments, my business grew rapidly. Now, with the backing of my sustained income, I am planning to open more shops. Thank you Moneyboxx Finance for helping me and truly transform my entrepreneurial journey."

Harman Sharma  
Bhatinda, Punjab



## COMMUNITY UPLIFTMENT

### UN SDGs impacted



### Key focus areas

#### Beyond-lending Impact Initiatives

In addition to directly offering loans for income generation opportunities to underserved micro-entrepreneurs, Moneyboxx Finance offers job opportunities to local talent, contributing to the inclusive growth of the local economy. Moneyboxx Finance is committed to promoting gender equality and women's economic empowerment. We recognise the immense potential of women entrepreneurs in driving economic development. Therefore, a significant portion of our financing is allocated to women-led businesses or enterprises that prioritise gender equality in their operations. Moreover, as part of its impact initiatives, the Company is taking multiple initiatives to create a positive impact on its relevant stakeholders.

#### Hiring of full-time Vets in Branches

Moneyboxx Finance currently has 30 full-time Vets or Impact Officers in its branches who guide livestock borrowers on overall cattle health management and milk yield improvement, vaccination, feedstock, cattle health and treatment of common diseases, cattle breed improvement through artificial insemination, and creating awareness about various government schemes on availability of semen, cattle insurance, and vaccination.

With the help of its Impact Officers, the Company is helping livestock borrowers in improving milk yield, earn higher income and better cattle health management, and thus, ensuring sustainable development. So far, veterinary doctors have diagnosed

3,40,000+ cattle and provided 36,000+ free doorstep veterinary consultations.

#### Livestock awareness camps

Apart from helping its borrowers, the Company has organised 53 Livestock Awareness Camps at the village level under which veterinary doctors guide a wider community of farmers on vaccination, feedstock, cattle health and treatment of common diseases, cattle breed improvement through artificial insemination, and creating awareness about various government schemes on the availability of semen, cattle insurance, and vaccination. Leaflets were also distributed to customers about guidance on vaccination schedules and ration balancing as per the availability of feedstock variety with farmers.

#### Agro-forestry Initiative through CSR partnerships

Under this initiative, Moneyboxx Finance along with its execution partner and CSR partners, provides free distribution and upkeep of about 50 fruit-bearing trees per acre of land to its livestock borrower with agricultural land. This has the potential to bring a significant improvement in farmers' income as income from fruit-bearing trees over the long term is substantially higher than income from grains and vegetables.





Eligible farmers can avail trees worth ₹ 25,000 without any cost and its upkeep being borne by CSR partners. Moneyboxx Finance has planted more than 12,000 fruit-bearing trees up till Mar'24.

The Agro-forestry initiative has long-term positive outcomes: (a) boosting income of farmer and stability of income as trees are less impacted by erratic rains/ monsoon (b) improving quality of soil and preventing soil erosion (c) improving air quality (d) Less use of fertilisers and pesticides as trees improve soil quality.

## Empowering sustainability

We are committed to fuelling sustainable futures with bio-gas digesters. We will initiate credit funding for the installation of these digesters for our livestock borrowers, enabling the production of cooking gas and organic slurry, serving as natural fertilisers at no extra cost. Our goal is to champion renewable energy while enhancing soil health and agricultural sustainability through the use of organic manure.



## Beyond-lending impact initiatives in FY24

**₹ 98+ lakh**

Invested in beyond-lending impact initiatives

**14,400+**

Direct beneficiaries from impact initiatives

**3.40+ lakh**

Cattle health screened

**36,000+**

Free doorstep VET consultations



## Governance

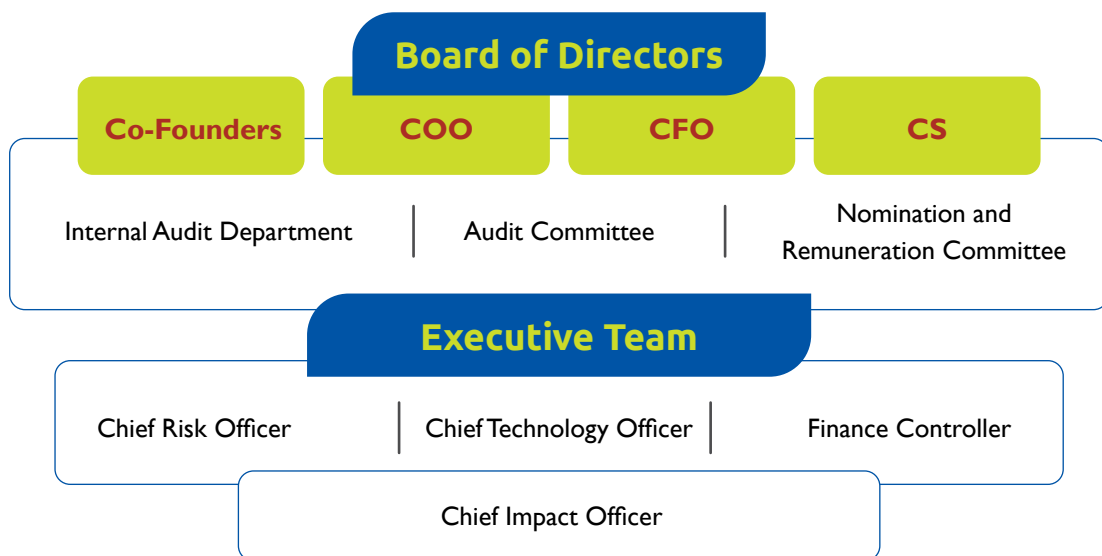
# Leading with fairness, integrity and accountability

Our governance framework is founded on principles of fairness, integrity, and accountability, serving as a key driving force behind our organisation's steady progress. We ensure that these values permeate the entire organisational pyramid.

Our governance practices prioritise prudent risk management to sustain leadership position in the industry. To uphold the same, effective decision-making is facilitated through well-defined processes, practices, and policies. Our comprehensive policies cover areas such as grievance redressal mechanism for customers, KYC & AML, nomination and remuneration, whistleblower protection, ESG and POSH, among others.

Additionally, we maintain a robust code of conduct that reflects the highest standards of professional ethics. This commitment to strong governance fosters trust and transparency and guides us in navigating challenges and seizing opportunities effectively. Through these measures, we ensure that our operations remain aligned with our core values and strategic objectives, driving sustainable growth and long-term success.

## OUR GOVERNANCE STRUCTURE



## OUR BOARD

Our Board of Directors is a rich amalgamation of experience and expertise, encompassing deep market knowledge essential for our industry. The Board comprises six directors: two independent directors (including one woman director), two whole-time directors, and two non-executive directors.

This optimal mix of executive, non-executive, and independent directors ensures the effective execution of the Board's two main functions: governance

and management. The Chairperson of the Board is an Independent Director, bringing an unbiased perspective to our leadership.

The promoters and management team are highly qualified with extensive experience in the banking industry, further enriching our Board's capacity to navigate the complexities of the market. This diverse blend of backgrounds and insights positions us to maintain strong governance practices while driving sustainable growth and innovation across industry.

## BOARD COMMITTEES

### Audit Committee (AC)

### Stakeholders Relationship Committee (SRC)

### Nomination and Remuneration Committee (NRC)

### Risk Management Committee (RMC)

### Asset Liability Management Committee (ALMC)

## BOARD OF DIRECTORS



**Mayur Modi**

Co-Founder Co-CEO and COO



With over 20 years of experience as a Chartered Accountant in the financial services industry, Mr. Mayur Modi is the Co-founder of Moneyboxx Finance. Beginning his career with GE Capital, he contributed his expertise to prominent institutions such as JP Morgan and HSBC. In his most recent role, Mr. Modi served as an Associate Director at HSBC, where he specialised in lending to banks and financial institutions. His extensive experience and profound understanding of the financial sector are invaluable assets to our Board.



**Deepak Aggarwal**

Co-Founder, Co-CEO and CFO



Mr. Deepak Aggarwal, Co-founder of Moneyboxx Finance, is a Chartered Accountant with over 20 years of extensive experience in finance. His distinguished career includes significant roles at Bank of America, KPMG, GE Capital, and Infosys. As the Asia-Pacific Industry Risk Head at Bank of America, Mr. Aggarwal's expertise encompassed capital funding, growth strategies, and consulting. Additionally, he founded Avancer Capital Partners, successfully raising over ₹ 2,000 crore for clients in equity and debt. His profound industry knowledge and strategic acumen are key strengths contributing to the success of Moneyboxx Finance.



**Uma Shankar Paliwal**

Chairman & Independent Non-Executive Director



Mr. Uma Shankar Paliwal brings over 34 years of distinguished experience in central banking with the Reserve Bank of India (RBI). Presently, he holds the esteemed position of CEO at the Currency Cycle Association. Furthermore, Mr. Paliwal serves as the CEO and Secretary of the Association of Small Finance Banks of India (ASFBI), demonstrating his commitment to fostering growth and innovation in the financial sector. His expertise extends further as an independent director at multiple Non-Banking Financial Companies (NBFCs). Mr. Paliwal's extensive experience and leadership in central banking and financial associations make him an asset to our Board, enriching our strategic vision and governance.

### Board Committees

- Audit Committee (AC) ● Stakeholders Relationship Committee (SRC)
- Risk Management Committee (RMC) ● Nomination and Remuneration Committee (NRC)
- Asset Liability Management Committee (ALMC)

- Chairperson
- Member





**Ratna Dharashree Vishwanathan**  
Independent Non-Executive Director



Ms. Ratna Dharashree Vishwanathan, an esteemed ex-IAS officer of the 1987 batch, brings over 21 years of diverse experience from her tenure in departments such as the Indian Audit & Accounts Services and the Comptroller and Auditor General (CAG). Her leadership journey includes a notable four-year term as the Ex-CEO of the Microfinance Institution Network (MFIN). Currently, Ms. Ratna occupies the pivotal role of CEO at a prominent global non-governmental organisation (NGO). Her extensive background in public service coupled with her strategic leadership in the microfinance sector underscores her commitment to driving positive change and fostering sustainable development. Her wealth of experience and dedication to social impact make her an invaluable addition to our Board, enriching our governance and strategic direction.



**Govind Gupta**  
Non-Executive Director



Mr. Govind Gupta is a seasoned Chartered Accountant with more than 18 years of dedicated expertise in statutory and internal audit, tax consultancy, and company law matters. As a practising professional, Mr. Gupta has demonstrated a steadfast commitment to upholding the highest standards of financial integrity and compliance. His wealth of experience and specialised knowledge in financial governance make him an asset to our Board, contributing to the sound decision-making and strategic oversight essential for our organisation's success.



**Atul Garg**  
Non-Executive Director



Mr. Atul Garg brings forth a wealth of experience spanning more than two decades in financial products and Portfolio Management Services (PMS). His expertise encompasses the distribution of equities, mutual funds, and fixed-income products. With a proven track record of navigating the intricacies of financial markets, Mr. Atul's insights and strategic acumen contribute significantly to our Board's decision-making processes. His extensive experience in portfolio management and wealth management further enhances our ability to deliver value to our stakeholders and clients.



## OUR MANAGEMENT TEAM



**Viral Sheth**  
Finance Controller



Mr. Viral Sheth is a distinguished Chartered Financial Analyst with a remarkable career spanning over 20 years in finance. His expertise lies in corporate finance, credit risk assessment, and equity research. Viral has made significant contributions to renowned organisations such as HSBC and Infosys, where he honed his skills and insights. In his most recent role as VP-Commercial Banking & Risk Training, Viral demonstrated exceptional leadership and strategic vision, driving initiatives to enhance commercial banking practices and mitigate risk effectively. His profound knowledge and experience in financial analysis and risk management bring invaluable perspectives, enriching our strategic deliberations and bolstering our capacity for informed decision-making.



**Abhijeet Kamble**  
Chief Technology Officer

Mr. Abhijeet Kamble stands as a prominent figure in the technology sector, renowned for his adept leadership and innovation prowess. His exceptional ability to spearhead projects and drive transformative initiatives, such as cross-border payments systems, underscores his strategic vision and commitment to innovation. With a hands-on approach to coding and a steadfast leadership style, Mr. Kamble consistently delivers operational excellence across diverse projects. As an alumnus of Pune University and IIT Bombay, his academic foundation complements his practical expertise, enabling him to navigate complex technological landscapes with agility and foresight. His presence enriches our strategic discussions and positions us to leverage innovative technology for sustained growth and competitive advantage.



**Vikas Bansal**  
Chief Risk Officer



Mr. Vikas Bansal, an alumnus of IIF and IIM-A, embodies over two decades of profound expertise in the realms of retail and corporate lending, with a distinguished tenure exceeding 15 years at TATA Capital. His academic prowess is complemented by hands-on experience in credit underwriting, risk assessment, portfolio management, strategic planning, and digital lending, particularly within the Retail and MSME sectors. His profound expertise and strategic acumen greatly enhance organisation's capacity for informed decision-making and strategic direction.

# Corporate Information

## BOARD OF DIRECTORS

**Mr. Uma Shankar Paliwal**

Chairman/Non-Executive  
Independent Director

**Ms. Ratna Dharashree Vishwanathan**

Non-Executive Independent Director

**Mr. Mayur Modi**

Whole-time Director

**Mr. Deepak Aggarwal**

Whole-time Director

**Mr. Govind Gupta**

Non-Executive-  
Non-Independent Director

**Mr. Atul Garg**

Non-Executive-  
Non-Independent Director

## CO-CHIEF EXECUTIVE OFFICER

**Mr. Deepak Aggarwal**

**Mr. Mayur Modi**

## CHIEF FINANCIAL OFFICER

**Mr. Deepak Aggarwal**

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Mr. Semant Juneja**

## STATUTORY AUDITORS

**Gaur & Associates**

107, Laxmi Deep Building, Laxmi Nagar  
District Centre, Delhi - 110092

## SECRETARIAL AUDITORS

**Shashank Pashine & Associates**

K-10, South Extension, Part-I  
New Delhi-110049

## REGISTRAR & SHARE TRANSFER AGENT

**MAS Services Ltd.**

T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area,  
Phase - II, New Delhi - 110020

## DEBENTURE TRUSTEE

**Catalyst Trusteeship Limited**

Windsor, 6<sup>th</sup> Floor, Office No. 604,  
C.S.T. Road, Kalina, Santacruz (East),  
Mumbai - 400098.

## REGISTERED OFFICE

523-A, Somdutt Chamber-II,  
9, Bhikaji Cama Place, New Delhi - 110066

## CORPORATE OFFICE

DLF Building 8, Block A,  
4th Floor, DLF Cyber City,  
Gurugram – 122002 Haryana

## HEAD OFFICE

Wing A-4 I I, Kanakia Wall Street,  
Chakala Andheri Kurla Road,  
Hanuman Nagar, Andheri East,  
Mumbai – 400093, Maharashtra

## WEBSITE

[www.moneyboxxfinance.com](http://www.moneyboxxfinance.com)

## PHONE NO.

011- 4565 7452

## E-MAIL

[info@moneyboxxfinance.com](mailto:info@moneyboxxfinance.com)

## CORPORATE IDENTIFICATION NUMBER

L30007DLI994PLC26019I

# Board's Report

To the Members,

Your directors take pleasure in presenting the 30<sup>th</sup> Annual Report on the business and operations of your Company along with the Audited Financial Statements for the year ended March 31, 2024.

## Financial and Operational Highlights:

The financial performance of your Company for the year ended March 31, 2024, are summarised as below: -

PARTICULARS	(Figures in ₹ Lakhs)	
	Current Financial Year (2023-24)	Previous Financial Year (2022-23)
Revenue from Operations	12,769.36	5,041.08
Other Income	27.03	2.95
Profit/loss before Depreciation, Finance Costs, Comprehensive items and Tax Expense	5,671.78	1,346.51
Less: Depreciation, amortization and impairment	334.57	173.08
Profit/Loss before Finance Costs, Comprehensive items, and Tax Expense	5,337.21	1,173.43
Less: Finance Cost	4,281.36	2,167.64
Profit/Loss before Comprehensive items and Tax Expense	1,055.85	(994.21)
Less: Tax Expense (Current & Deferred)	141.78	(313.84)
Profit/loss for the year (I)	914.07	(680.37)
Add/(less): Comprehensive items	(17.59)	11.09
Total Comprehensive Income for the year	896.48	(669.28)
Retained earnings as at the beginning of the year	(1,691.95)	(1,022.67)
Retained earnings before appropriations	(795.47)	(1,691.95)
Appropriations		
Less: Transfer to reserve fund u/s 45-IC (I) of the RBI Act, 1934	(182.81)	-
Less: Dividend paid on Equity Shares	-	-
Less: Other Appropriation	-	-
Retained earnings as at the end of the year	(978.28)	(1,691.95)
Earnings per share (Face value of ₹10)		
- Basic (₹)	3.45	(2.94)
- Diluted (₹)	3.40	(2.94)

## Indian Accounting Standards (IND-AS)

Financial Statements of your Company for the financial year ended March 31, 2024, are prepared in accordance with Indian Accounting Standards (IND-AS), as notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

## Company's Performance in Financial Year Under Review

The Total Income for the year under review is ₹12,796.39 Lakhs (Previous Year: ₹5,044.03 lakhs) registering a growth of 153.69% over the previous year.

The Assets under Management (AUM) of the Company stood at ₹730 Crore as on March 31, 2024 as compared to ₹344 Crore in the previous year representing growth of 112% as compared to March 31, 2023. The Company showed a strong turnaround in profitability with PAT of ₹9.14 Crore in FY24 compared to a net

loss of ₹6.80 Crore in FY23 which has been driven by rising scale & improved productivity.

During the year under review, the Company has disbursed loans of ₹665 Crore as against ₹341 Crore during the previous year, which shows a tremendous growth of 95% as compared to FY23. The Company expanded its operations to 100 branches across 8 states as of Mar'24 compared to 61 branches in 6 states in last year. Geographic and product diversification further improved during the financial year with entry into the states of Gujarat and Bihar, and an increased share of secured lending which grew from 5% of AUM at FY23-end to 24% at FY24-end.

With the launch of the Sikka App in FY24, digital has become a powerful ally in our pursuit of financial inclusion. The Sikka app stands as a digital financial ecosystem crafted to uplift small and medium businesses, fostering growth and wealth creation. Leveraging technology as a key enabler, we are poised to expand

our reach, deepen our impact, and realise our vision of a more inclusive financial landscape.

### Fund Raised During 2023-24:

Your Company has diversified its funding sources by adding 8 new lenders in FY24, taking the total lender count to 32 as of March 2024. New lenders in FY24 included reputed names – HDFC Bank Limited, Federal Bank Ltd, Cholamandalam Investment and Finance Company Limited, Protium Finance Limited, Kotak Mahindra Bank, Fincare Small Finance Bank Ltd., SBM Bank (India) Limited, Kisetsu Saison Finance (India) Private Limited. With the addition of leading banks and NBFCs, and issue of debt via securitization and NCD issuance, the Company has diversified its funding sources and reduced its cost of borrowings (cost of incremental borrowing stood at 13.0% during H2 FY24). The Company is supported by 32 lenders as of date, including 10 leading banks.

Total debt raise was ₹376 Crore (including non-Convertible debentures and PTC) in FY24 which is in line with business growth. During the year under review, the Company has raised ₹77 Crore by issue and allotment of Non-convertible Debentures.

Continued support from the existing lenders and the addition of new lenders demonstrates the confidence of the lenders in the Company's credit processes, asset quality, collection efficiency and the management team.

### Dividend

During the year under review, no dividend was recommended by the Board of Directors with a view to conserve the resources of the Company.

### Transfer to Reserves

Your directors have not recommended transfer of any amount to reserves for the year ended March 31, 2024.

The Company maintains sufficient liquidity buffer to fulfil its obligations arising out of issue of debentures. The Company being an NBFC, is exempt from transferring any amount to debenture redemption reserve in respect of privately placed or public issue of debentures, as per the provisions of section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014. In respect of secured listed non-convertible debt securities, the Company maintains 100% security cover or higher security cover as per the terms of Information Memorandum, General Information Document ("GID"), Key Information Document ("KID"), as the case may be and/or Debenture Trust Deed, sufficient to discharge the liability towards principal amount and interest thereon.

### Share Capital

Pursuant to the resolution passed in the Extra Ordinary General Meeting by the members of the Company, the Authorised Equity Share Capital of your Company stood at ₹40,00,00,000 (4,00,00,000 equity shares of ₹10 each) and the Issued, Subscribed and Paid-up Equity Share Capital of the Company stood at ₹30,49,16,360

divided into 3,04,91,636 Equity shares of ₹10 each as on March 31, 2024.

During the period under review, the Company has raised equity share capital through issue of equity shares on Preferential basis, conversion of warrants. The details of change in equity share capital during the year are as follows:

- **Conversion of Warrants on September 28, 2023:**  
The Company has allotted 6,00,000 equity shares at a face value of ₹10 per share as a result of which, the Paid-up equity share capital of the Company increased from ₹24,99,42,600 divided into 2,49,94,260 equity shares of ₹10 each to ₹25,59,42,600 divided into 2,55,94,260 equity shares of ₹10 each.
- **Funds raised through Preferential Issue on December 19, 2023:**  
The Company has allotted 43,12,001 equity shares at a face value of ₹10 per share as a result of which, the Paid-up share capital of the Company increased from ₹25,59,42,600 divided into 2,55,94,260 equity shares of ₹10 each to ₹29,90,62,610 divided into 2,99,06,261 equity shares of ₹10 each.
- **Allotment of Equity Shares under Employee Stock Option Plan of the Company on February 26, 2024:**  
The Company has allotted 15,375 equity shares under Employee Stock Option Plan of the Company at a face value of ₹10 per share as a result of which, the Paid-up share capital of the Company increased from ₹29,90,62,610 divided into 2,99,06,261 equity shares of ₹10 each to ₹29,92,16,360 divided into 2,99,21,636 equity shares of ₹10 each.
- **Conversion of Warrants on March 28, 2024:** The Company has allotted 5,70,000 equity shares at a face value of ₹10 per share as a result of which the Paid-up share capital of the Company increased from ₹29,92,16,360 consisting of 2,99,21,636 equity shares of face value of ₹10 each to ₹30,49,16,360 consisting of 3,04,91,636 equity shares of face value of ₹10 each.

### Listing on Stock Exchange

The Equity Shares of the Company are listed on the Main Platform of BSE Limited. The listing fee for the financial year 2023-24 has been paid by the Company within the due date as prescribed in this regard.

### Change in the Nature Of Business

There has been no such change in the nature of business and operations of the Company during the year under review.

### RBI Compliances

Reserve Bank of India ("RBI") has notified Scale Based regulations ("SBR") on 22<sup>nd</sup> October 2021. Your Company has been categorised as an NBFC-Base Layer. Your Company has always endeavored to maintain the highest standards of compliance within the organisation and shall continue to do so going ahead. The Company continues to comply with all the applicable laws, regulations, guidelines etc. prescribed by the RBI, from time to time.

The Board of Directors have framed various policies as applicable to the Company under the said regulations. Further, the Board periodically reviews the policies and approves amendments as and when necessary.

### State of Company's Affairs

The state of the Company's affairs has been duly presented in the Management and Discussion Analysis Report forming part of the Integrated Annual Report.

### Material Changes and Commitment, If Any Affecting the Financial Position of the Company, Having Occurred Since the End of The Year and till the Date of the Report

No specific material changes and commitments affecting the financial position of your Company have occurred between the

end of the financial year under review, i.e. March 31, 2024 and the date of this Report.

### Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 in relation to Corporate Social Responsibility (CSR) were not applicable to the Company during the year under review. Therefore, such details on expenditure in CSR along with the policy are not required to be provided in this Report.

### Highlights of Performance of Subsidiaries, Associates and Joint Venture Companies and Their Contribution to the Overall Performance of the Company

During the period under review, a wholly owned subsidiary in the name of "Moneyboxx Foundation" was incorporated. Brief details of the subsidiary are as follows:

S.No.	Particulars	Details
1.	Name of the Subsidiary	Moneyboxx Foundation
2.	Date of Incorporation	25.05.2023
3.	Authorized Capital	₹1,00,000
4.	Paid Up Capital	₹1,00,000
5.	Main Object	Moneyboxx Foundation, is a Non-profit organisation and its main object inter-alia is to carry out the CSR activities.

Apart from the one Wholly owned Subsidiary Company mentioned above, there are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

During the year under review, Moneyboxx Capital Private Limited has ceased to be the Holding Company of Moneyboxx Finance Limited with effect from December 19, 2023.

### Credit Rating

The credit rating of the securities/ instruments/ loans, credit facilities and other borrowings of the Company as on March 31, 2024, were as follows:

Name of Credit Agency	Securities/Instruments/Loans, Credit facilities and other Borrowings	Ratings
India Ratings & Research Private Limited	Non- Convertible Debentures	IND BBB-/Positive
	Bank loans	IND BBB-/Positive
	Pass Through Certificates	IND A-(SO)/Stable

### Directors and KMP

#### Changes during the year under review under the Directors and KMP Category:

As on March 31, 2024, the Company has Six Directors with an optimum combination of Executive and Non-Executive Directors including one Woman Independent Director. The details are as follows:

S. No.	Name of Director	Designation
1.	Mr. Uma Shankar Paliwal (DIN-06907963)	Chairman and Independent Director
2.	Ms. Ratna Dharashree Vishwanathan (DIN-07278291)	Independent Director
3.	Mr. Deepak Aggarwal (DIN-03140334)	Whole-time Director Co- Chief Executive Officer & Chief Financial Officer (KMP)
4.	Mr. Mayur Modi (DIN-08021679)	Whole-time Director Co- Chief Executive Officer (KMP)
5.	Mr. Govind Gupta (DIN-00065603)	Non-Executive Director
6.	Mr. Atul Garg (DIN-07093376)	Non-Executive Director

In accordance with the provisions of Section 197, 198 of the Companies Act, 2013 read with schedule V of the Companies Act, 2013 and the Articles of Association of the Company, the term of Mr. Mayur Modi as Co-CEO & Whole-time Director is about to end on December 31, 2024. Hence, based on the recommendation of the Nomination and Remuneration Committee of the Board, the Board of Directors recommends the re-appointment of Mr. Mayur Modi for a term of 5 years in line with the applicable provisions of the Companies Act, 2013.

Brief resume and other details of Mr. Mayur Modi, who is proposed to be re-appointed as a Co-CEO & Whole-time Director of the Company have been furnished, in the explanatory statement to the notice of the ensuing Annual General Meeting. The same is put to vote in ensuing General Meeting.

During the period under review, Ms. Bhanu Priya tendered her resignation from the post of Company Secretary and Compliance Officer of the Company, effective from August 12, 2023, and pursuant to the provision of Section 203 read with applicable rules and Regulation 6 of SEBI Listing Regulations and applicable provisions of Reserve Bank of India, Mr. Semant Juneja, was appointed as Company Secretary and Compliance Officer of the Company effective from November 10, 2023.

#### Declaration by Independent Directors:

The Company has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act along with rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered with the databank maintained by the Indian Institute of Corporate Affairs.

In terms of Rule 8(5) of Companies (Accounts) Rules, 2014, the Board is of the opinion that independent directors are persons of integrity, expertise, and proficiency to serve the Company as Independent Directors strengthening the overall composition of the Board.

#### Fit and Proper and Non-Disqualification Declaration by Directors:

All the Directors of the Company have confirmed that they satisfy the 'fit and proper' criteria as prescribed by RBI, and that they are not disqualified from being appointed /continue as Director in terms of Section 164(1) and (2) of the Act.

#### Director retiring by rotation

In accordance with the requirements of Section 152(6) (c) of the Companies Act, 2013, Mr. Atul Garg (DIN-07093376), Director retires by rotation from the Board of Directors and, being eligible, offers himself for re-appointment. Brief resume and other details of Mr. Atul Garg who is proposed to be re-appointed as a Director of the Company have been furnished, in the explanatory statement to the notice of the ensuing Annual General Meeting.

The Board recommends the re-appointment of Mr. Atul Garg (DIN-07093376), as Director of the Company retiring by rotation.

#### Key Managerial Personnel

The following persons were designated as the Key Managerial Personnel ("KMP") of your Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, as on March 31, 2024:

1. Mr. Mayur Modi as Co-CEO & Whole-time Director of the Company
2. Mr. Deepak Aggarwal as Co-CEO, CFO & Whole-time Director of the Company
3. Mr. Semant Juneja as Company Secretary & Compliance Officer of the Company

#### Meetings of the Board

The Board of Directors are actively involved in formulating the broad business and operational policies and deliberating on the strategies, business performance, financials, investment performance and key risks pertaining to the business of the company. The Board follows a set of appropriate standard procedures in the conduct of Board meetings. All the meetings of the Board and Committees were conducted in compliance with the regulatory requirements prescribed under various statutes and regulations.

In order to address specific urgent needs, meetings are also convened at a shorter notice and in case of business exigencies or urgency of matters, resolutions are also passed by the Board/Committees through circulation. The resolutions passed by circulation are noted at the next meeting of the Board/Committees.

The members of the Board have access to all information of the Company. As and when required, members of Senior Management team are invited to attend the Board and Committee meetings so as to provide additional inputs on the subjects being discussed.

The Board of Directors of the Company met seven times during the financial year 2023-24. The meeting details are provided in the 'Corporate Governance Report' that forms part of this Annual Report.

#### Meetings of Independent Directors

The Independent Directors met once during the year under review, on March 27, 2024. The Meeting was conducted without presence of the Whole-time Director(s), the Non-Executive Non-Independent Directors or Chief Financial Officer to enable the Independent Directors to discuss matters pertaining to, inter-alia, review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company, assess the quality, quantity and timeliness of flow of information between the Company Management & the Board and its Committees and free flow discussion on any matter that is necessary for the Board to effectively and reasonably perform their duties.

#### Committees of the Board

In Compliance with the Statutory requirement(s), the Board has the following Committee(s):

1. Audit Committee
2. Nomination and Remuneration Committee



3. Stakeholder Relationship Committee
4. Asset Liability Management Committee
5. Risk Management Committee

The composition and terms of reference of the committees of the Board of the Company is in line with the provisions of the Companies Act 2013, the SEBI Listing Regulations and the RBI Master Directions. Details of the composition of all the committees of the Board, along with their terms of reference, number of meetings held during financial year 2023-24 and attendance of the members there at, is given at length in the Corporate Governance Report which forms part of this Report.

### Directors Responsibility Statement

Pursuant to the provisions of Section 134(3)(c) and Section 134(5) of the Act the, Directors hereby confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) The directors of the Company have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit & loss of the Company for that period;
- iii) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts are on\* a going concern basis;
- v) Internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

### Policy on Directors' Appointment and Remuneration

In compliance with the provision of Section 178 of the Companies Act, 2013, the Board has, on the recommendation of the Nomination & Remuneration Committee of the Company, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management, and their remuneration.

The policy of the company on director's appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of section 178 of the Companies Act, 2013 is available on our website at [www.moneyboxxfinance.com](http://www.moneyboxxfinance.com).

Your Company also affirms that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

### Audit Committee

The Audit Committee of the Company comprises of following Directors: Mr. Uma Shanker Paliwal (Chairperson), Ms. Ratna Dharashree Vishwanathan and Mr. Govind Gupta.

All the Members of the Committee are Non-Executive Directors and possess strong accounting and financial management knowledge. The Company Secretary of the Company is the Secretary of the Committee.

All the recommendations of the Audit Committee were duly accepted by the Board in the financial year.

The brief terms of reference, number of meetings and attendance record of members for FY24 are given in the Corporate Governance Report

### Annual Evaluation of Board's Performance

Pursuant to the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance, the Board committees and individual directors. The evaluation was based on the criteria and questionnaire framed by the Company. The questionnaires were circulated online and feedback received from the directors was discussed and reviewed by the Independent Directors, members of the Nomination and remuneration Committee ("NRC") at their respective meetings.

The performance evaluation of individual directors including the chairman, inter alia, was done based on the criteria such as professional conduct, roles and functions, discharge of duties, their contribution to Board/committees/senior management, preparedness on the issues to be discussed, contribution to the decision making, etc. The evaluation process endorsed the confidence in the ethical standards of the Company, the cohesiveness that exists amongst them, the two-way candid communication between the Board and the management and the openness of the management in sharing strategic information to enable the Board members to discharge their responsibilities effectively.

The Directors expressed their satisfaction with the evaluation process. Further, the evaluation process confirms that the Board and its Committees continue to operate effectively, and the performance of the Directors is satisfactory.

### Employee Stock Option Plan

Employee Stock Options have been recognized as an effective instrument to attract talent and align the interest of employees with that of the Company, thereby providing an opportunity to the employees to share in the growth of the Company and to create long-term wealth in the hands of employees.

Pursuant to this, the Company has formulated "MFL Employee Stock Option Plan 2021" approved by Shareholders in an Extra Ordinary General Meeting held on December 27, 2021, in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021. The eligibility of employees to receive grants under the Plan has to be decided by the Nomination and Remuneration Committee (NRC) from time to time upon recommendation of Management of the Company. Vesting of the options shall take place in the manner determined by NRC at the

time of grant provided the vesting period in line with the MFL Employee Stock Option Plan 2021.

Vesting of options shall be subject to the condition that the Grantee shall be in continuous employment with the Company and such other conditions as provided under the MFL Employee Stock Option Plan 2021. The Exercise Price of each grant is determined by NRC at the time of grant. Presently, stock options have been granted under the MFL Employee Stock Option Plan 2021.

Pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2013, following are the details of grant under the MFL Employee Stock Option Plan 2021 as on March 31, 2024:

S.no.	1.	2.	3.	4.	5.
Date of grant	March 01, 2022	August 10, 2022	August 10, 2022	February 09, 2024	February 09, 2024
Options granted	3,25,400	90,700	1,40,000	4,49,600	42,000
Options vested	1,40,325	15,875	70,000	Nil	Nil
Options exercised	72,900	15,875	Nil	Nil	Nil
Vesting Period	4 years	4 years	2 years	4 years	2 years
Total number of shares arising as a result of exercise of options	72,900	15,875	Nil	Nil	Nil
Options lapsed as on March 31, 2024	49,025	29,200	Nil	21,800	Nil
Exercise Price	₹95	₹115	₹115	₹172	₹172
Variation of terms of options	N.A.	N.A.	N.A.	N.A.	N.A.
Money realized by exercise of options	₹69,25,500	₹18,25,625	Nil	Nil	Nil
Total no. of options in force	2,03,475	46,125	1,40,000	4,27,800	42,000
Employees wise details of options granted to:	(i) KMP: Mr. Semant Juneja- 10,000 options.				
	(ii) Any other employee who received options amounting to 5% or more (during FY24):				
	S. No.	Name of Employee	Designation	Options Granted during FY24	
	I.	Mr. Praveen Gupta	Chief Impact Officer	42,000	
	(iii) Identified employees who were granted options equal to or exceeding one percent of issued capital: N.A.				

Further, the Disclosures as required under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 has been hosted on the Company's website at the link: [www.moneyboxxfinance.com](http://www.moneyboxxfinance.com).

### Compliance of Secretarial Standards

Your Company has duly devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

### Deposits

The Company being a Base layer non-deposit taking Non-Banking Financial Company has neither invited nor accepted any public deposits during the financial year ended March 31, 2024 and shall not accept any public deposits during the financial year 2024-25 without the prior written approval of the Reserve Bank of India ("RBI").

As per the requisite provisions of the Master Direction – Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 issued by RBI, a resolution in this regard was passed by the Board on April 25, 2024.

### Management Discussion and Analysis Report

The Management Discussion and Analysis ('MDA') Report gives details of the overall industry structure, developments, performance and state of affairs of the Company's business and other material developments during the Financial Year. The MDA report forms an integral part of this Annual Report.

### Particular of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the prescribed format and annexed herewith as **Annexure - A** to this Annual Report.

Details of top ten employees in terms of the remuneration and employees in receipt of remuneration as prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, containing details prescribed under rule 5(3) of the said Rules, which form part of this Report, will be made available to any member on request, as per provisions of section 136(1) of the Act.

## Human Resources

Employees are one of the key foundations of any successful Organization. Human Resources plays a significant role in developing positive business culture and improving employee engagement and productivity. The HR function takes the lead on organization development, employee wellness and personal development.

At Moneyboxx, HR department actively nurtures a culture of integrity, honesty and continuous learning, while upholding principles of equality and preventing harassment. Committed to fostering respectful and secure work environments, the Company strives to provide its employees with careers rather than mere jobs, promoting trust, confidence and transparency.

Company embraces the principle that meaning at work is created when people relate to the purpose of the organization, feel connected to the leaders, and have a sense of belonging. During the year, the Company had conducted familiar interactions between the employees of the Company to sharing information about the Company's long-term perspective, its growth along with the growth of employees.

## Corporate Governance

A separate chapter titled 'Corporate Governance Report' has been included in this Annual Report pursuant to SEBI Listing Regulations, along with it, the certificate from the Secretarial Auditors of the Company confirming the compliance with regulations of corporate governance under the SEBI Listing Regulations is annexed to the Report.

## Vigil Mechanism / Whistle Blower Policy

The Company has in place a Vigil Mechanism (Whistle Blower Policy) for directors and employees to report genuine concerns. The policy provides for adequate safeguards against victimization of directors or employees or any other person who avails the mechanism.

The Whistle Blower Policy provides employees and other stakeholders a platform to communicate instances of frauds/misconducts that they have come across. In terms of the Policy, any person including employees, customers and vendors may report malpractice, actual or suspected fraud, violations of the company's code of conduct or any other act with an intention of unethical personal gain that may cause damage to the company or its employee.

## Internal Financial Control Systems and Their Adequacy

Your Company has in place adequate internal financial controls with reference to the financial statements.

The controls comprise of policies and procedures for ensuring orderly and efficient conduct of the Company's business, including adherence to its 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.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee.

The board is of the opinion that the Company's internal financial controls are adequate and effective during the financial year 2023-24.

## Audit and Auditors

### a) Statutory Auditor

The members of the Company in the 25<sup>th</sup> Annual General Meeting ("AGM"), approved the appointment of M/s. Gaur & Associates, Chartered Accountants (Firm Registration No. 005354C), as the Statutory Auditors, for a period of five (5) years i.e., from the conclusion of the 25<sup>th</sup> AGM till the conclusion of 30<sup>th</sup> AGM of the Company. M/s. Gaur & Associates, Chartered Accountants, Statutory Auditors of the Company, have conducted the statutory audit for the financial year 2023-24 and shall cease to be the auditors of the Company post the conclusion of the ensuing AGM.

The Board of the Directors, on the recommendation made by the Audit Committee, have re-appointed M/s. Gaur & Associates, Chartered Accountants, (Firm registration no. 005354C), as the Statutory Auditors of the Company, for a further period of 5 (Five) consecutive financial years commencing from the conclusion of the ensuing AGM till the conclusion of 35<sup>th</sup> AGM. This re-appointment is subject to the approval of the members at this AGM. The necessary resolution seeking the members' approval for re-appointment of M/s. Gaur & Associates, Chartered Accountants, as the Statutory Auditors is included in the Notice convening the 30<sup>th</sup> AGM of the Company.

The statutory audit report for the year 2023-24 is unmodified, does not contain any qualification, reservation or adverse remark or disclaimer by the statutory auditor.

### b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors based on the recommendation made by the Audit Committee, has appointed M/s Shashank Pashine & Associates, (partner at Juris Consultants Private Limited) having Membership No. FI 1665 and CP.No. 21229, to undertake the Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report for the financial year ended as on March 31, 2024, is annexed as Annexure - B and forms an integral part of this Report.

The Secretarial Audit Report for the year 2023-24 is unmodified, does not contain any qualification, reservation or adverse remark or disclaimer by the Secretarial Auditor.

## Cost Audit

The provisions of Section 148 read with the Cost Audit Rules and Cost Audit are not applicable to the Company.

## Annual Return

In accordance with the requirements under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013 and the applicable rules, the Annual Return as on March 31, 2024 is available on the website of the Company at [www.moneyboxxfinance.com](http://www.moneyboxxfinance.com).

## Particulars of Loans, Guarantees and Investments

The loans made, guarantee given, or security provided in the ordinary course of business by a NBFC registered with the Reserve Bank of India are exempt from the applicability of the provisions of Section 186 of the Companies Act, 2013. As such, the particulars of loans and guarantees have not been disclosed in this Report.

## Related Party Transactions

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 23 of SEBI Listing Regulations, all Related Party Transactions were placed before the Audit Committee for its prior approval during the year under review and these transactions were reviewed by the Committee. Details of transactions with related parties during the year under review are provided in the notes to the financial statements. All related party transactions during the year were conducted at arms' length and were in the ordinary course of business.

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for the financial year 2023-24 and hence does not form part of this Report.

Further, the Directors draw attention of the members to Note No. 37 of the Notes to the Financial Statements which set out related party transactions.

The Company in terms of Regulation 23 of the SEBI Listing Regulations, submits disclosures of related party transactions, in the format specified by SEBI vide its circular dated November 22, 2021 to the stock exchange.

The Policy on Materiality of and Dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at [www.moneyboxxfinance.com](http://www.moneyboxxfinance.com).

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/ Outgo

As the Company is engaged in the financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section

134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is not applicable to the Company.

The Company is vigilant on the need for conservation of energy and has taken adequate measures for conservation of energy and usage of alternative source of energy, wherever required. The Company has been in the forefront in implementing latest information technology and tools towards enhancing stakeholder's convenience

## Foreign exchange earnings and Outgo:-

The Company did not enter into any foreign currency transactions in the current year and previous year.

## Risk Management

Risk management forms an integral part of the Company's business. As a lending institution, the Company is exposed to various risks that are related to its lending business and operating environment. Your Company has a well defined risk management framework in place. The risk management framework works at various levels across the Company. The risk management framework is based on assessment of all risks through proper analysis and understanding of the underlying risks before undertaking any transactions and changing or implementing processes and systems. This risk management mechanism is supported by regular review, control, self-assessments and monitoring of key risk indicators.

The Risk Management structure includes identification of elements of risk, including those which in the opinion of the Board, may threaten the existence of the Company. The Board of Directors monitor and manage the risks faced by the Company through its committees – the Risk Management Committee and the Asset Liability Management Committee.

## Reporting of Frauds By Auditors

During the year under review, none of the auditors (statutory, secretarial and internal auditor) have reported to the Audit Committee or the Board, under Section 143 (12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

## Statement of Deviations or Variations

There has been no deviation in the utilization of issue proceeds raised through private placement basis, from the objects stated in the Explanatory Statement annexed with the Notice/Offer Document for the year ended March 31, 2024.

## Details of Significant and Material Orders Passed By the Regulators or Courts

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

## Disclosures under the Insolvency and Bankruptcy Code, 2016

Neither any application has been made nor is any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

## Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company has duly adopted a policy on prevention, prohibition and Redressal of Sexual harassment at workplace and has constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under.

The Company has not received any complaints on sexual harassment during the year.

## Recovery expense fund

The Company has also created and maintained recovery expense fund in terms of Regulation 11 of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 with respect to the NCDs issued by it.

## General

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/ events on these items during the year under review:

- I. Issue of equity shares with differential rights as to dividend, voting or otherwise.

2. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any Scheme save and except Employees Stock Option Schemes (ESOS).
3. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company.
4. The Company has not made any one-time settlement for loans taken from the Banks or Financial Institutions, and hence the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.
5. There was no revision of financial statements and Board's Report of the Company during the year under review
6. There was no buyback of the equity shares during the year under review.
7. There was no suspension of trading of securities of the Company on account of corporate action or otherwise.

## Acknowledgement

The Directors express their sincere gratitude to the Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions, and the Company's bankers for the ongoing support extended by them. The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in the Company. The Directors sincerely appreciate the commitment displayed by the employees across all levels, resulting in successful performance during the year.

By order and on behalf of the Board  
Moneyboxx Finance Limited

Sd/-  
(Mayur Modi)  
Co- CEO & Whole-time Director  
DIN: 08021679

Sd/-  
(Deepak Aggarwal)  
Co- CEO, CFO & Whole-time Director  
DIN: 03140334

Date: August 08, 2024  
Place: Gurugram, Haryana

**ANNEXURE-A**

Pursuant to Section 197 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**Details Related to Managerial Remuneration:**

A) Details pursuant to Rule 5(I) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

S No	Requirement of Rule 5(I)	Disclosure										
1	The ratio of the remuneration of each director to the median remuneration of all the employees of the Company for the financial year	<table><tr><th>Name of the Director</th><th>Ratio (in x times)</th></tr><tr><td>Mr. Mayur Modi (Co-CEO &amp; Whole-time Director)</td><td>58.70</td></tr><tr><td>Mr. Deepak Aggarwal (Co-CEO, CFO &amp; Whole-time Director)</td><td>58.70</td></tr></table> <p>a. The Median Remuneration of all the employees of the Company was ₹4,34,412 pa.</p> <p>b. For this purpose, Sitting Fees paid to the Directors has not been considered as remuneration.</p> <p>c. Figures have been rounded off wherever necessary.</p> <p>- where 'x' can be defined as median remuneration of employees.</p>	Name of the Director	Ratio (in x times)	Mr. Mayur Modi (Co-CEO & Whole-time Director)	58.70	Mr. Deepak Aggarwal (Co-CEO, CFO & Whole-time Director)	58.70				
Name of the Director	Ratio (in x times)											
Mr. Mayur Modi (Co-CEO & Whole-time Director)	58.70											
Mr. Deepak Aggarwal (Co-CEO, CFO & Whole-time Director)	58.70											
2	Percentage increase in remuneration of each director, CFO, CEO, CS or Manager in the financial year	<table><tr><th>Particulars</th><th>% Increase</th></tr><tr><td>a) Mr. Mayur Modi<sup>1</sup></td><td>44.89</td></tr><tr><td>b) Mr. Deepak Aggarwal<sup>2</sup></td><td>44.89</td></tr><tr><td>c) Ms. Bhanu Priya*</td><td>-</td></tr><tr><td>d) Mr. Semant Juneja</td><td>N.A.</td></tr></table>	Particulars	% Increase	a) Mr. Mayur Modi <sup>1</sup>	44.89	b) Mr. Deepak Aggarwal <sup>2</sup>	44.89	c) Ms. Bhanu Priya*	-	d) Mr. Semant Juneja	N.A.
Particulars	% Increase											
a) Mr. Mayur Modi <sup>1</sup>	44.89											
b) Mr. Deepak Aggarwal <sup>2</sup>	44.89											
c) Ms. Bhanu Priya*	-											
d) Mr. Semant Juneja	N.A.											
3	The percentage increase in the median remuneration of employees in the financial year	24.68% increase in the median remuneration of the employees in the financial year.										
4	The number of permanent employees on the rolls of the company	There were 1300 employees on permanent roll of the company as on March 31, 2024.										
5	The Average percentage increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in remuneration is 24.68% for Employees other than Managerial Personnel and increase in remuneration is 44.89% for Managerial personnel.										
6	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, it is affirmed that the remuneration paid to employees and KMP's were based on the Remuneration Policy.										

**Note:**

\* Ms. Bhanu Priya ceased to be the Company Secretary of the Company w.e.f. August 12, 2023, and Mr. Semant Juneja was appointed as the Company Secretary w.e.f. November 10, 2023.



**ANNEXURE-B**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**MONEYBOXX FINANCE LIMITED**  
523-A, Somdutt Chamber-II 9,  
Bhikaji Cama Place,  
New Delhi- 110066, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Moneyboxx Finance Limited (hereinafter called "the Company")**. The Secretarial Audit was conducted in a manner which provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period); and
- h) The Securities and Exchange Board of India (Debenture Trustees) Regulations 1993.
- i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and
- j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during audit period);

- vi. **I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on a test-check basis, the Company has complied with the laws, i.e., as stated in the **Annexure I** attached herewith, applicable specifically to the Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations 2015;

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

**I further report that**

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

Adequate notice is given to all director(s) to schedule the board meetings and agenda and detailed notes on the agenda were sent at least seven days in advance except where the meeting was held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board and Committees were carried with the requisite majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**I further report that** based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary & Compliance Officer and taken on record by the Board of Director(s) at their meeting(s), I have an opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the Company has passed the following special /ordinary resolutions which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Ordinary resolution passed for obtaining consent of members in the General Meeting for approving the increase of the authorised share capital of the company and consequential alteration of capital clause of memorandum of association of the company;
2. Special resolution passed to approve the issuance of Equity Shares by way of Preferential Issue on Private Placement;
3. Special resolution passed to consider and approve the issue of Non-Convertible Debentures on Private Placement Basis;
4. Special resolution passed to increase in the borrowing limits of the Company upto ₹1500 Crores;
5. Special resolution passed to increase the power to create charge on the assets of the company up to ₹1500 Crores;
6. Special resolution passed for re-Appointment of Mr. Deepak Aggarwal as Whole-Time Director of the company;
7. Re-Appointment of Mr. Uma Shankar Paliwal as Non-Executive Independent Director of the company;
8. Re-Appointment of Ms. Ratna Dharashree Vishwanathan as Non-Executive Independent Director of the company.

**I further report that** during the audit period, the Company has transacted the following activities through the approval of the

Board/committee resolutions, which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Approving the allotment of 72,900 equity shares against stock options;
2. Approving the revision in remuneration and Bonus of Mr. Mayur Modi and Mr. Deepak Aggarwal;
3. Approving alteration in Articles of Association (AOA) of the Company;
4. Approving issuance of Non-Convertible Debentures for an aggregate amount of ₹20,00,00,000.00 (Rupees Twenty Crores Only);
5. Approving issuance of Non-Convertible Debentures for an aggregate amount of ₹25,00,00,000.00 (Rupees Twenty Five Crores Only) on private placement basis;
6. Approved the increase of the limit of raising funds for its general corporate purposes up to ₹400,00,00,000.00 (Rupees Four Hundred Crores Only);
7. Approving the issuance of Non-Convertible Debentures for an aggregate amount of ₹7,50,00,000.00 (Rupees Seven Crore Fifty Lakhs Only);
8. Approving the allotment of 43,12,001 Equity Shares of face value ₹10 each at a premium of ₹162 per share aggregating to ₹74,16,64,172.00 (Rupees Seventy-Four Crore Sixteen Lakhs Sixty-Four Thousand One Hundred Seventy-Two Only);
9. Approving the issuance of Non-Convertible Debentures for an aggregate amount of ₹24,50,00,000.00 (Rupees Twenty-Four Crore Fifty Lakhs Only).

For **Shashank Pashine & Associates,**

Company Secretaries,  
ICSI Unique Code: S2018DE639400  
Peer Review Cert. No.: 2790/2022

Sd/-

**CS Shashank Pashine**

Proprietor

Membership No: FI 1665

CP No: 21229

UDIN No.: F011665F000927514

Date: August 08, 2024

Place: New Delhi

This report is to be read with my letter of even date which is annexed as "**Annexure II**" and forms an integral part of this report.

**Annexure I****List of applicable laws to the Company**

<b>Sr. No.</b>	<b>Particulars</b>
1.	The Reserve Bank of India Act, 1934.
2.	Chapter V of Finance Act, 1994.
3.	The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
4.	The Payment of Gratuity Act, 1972.
5.	The Payment of Bonus Act, 1965.
6.	The Employee State Insurance Act, 1948.
7.	The Income Tax Act, 1961.
8.	The Industrial Dispute Act, 1947.
9.	The Indian Stamp Act, 1899.
10.	The State Stamp Acts
11.	Negotiable Instruments Act, 1881.
12.	Goods and Services Tax Act, 2017

## Annexure II

To,  
The Members,  
**MONEYBOXX FINANCE LIMITED**  
523-A, Somdutt Chamber-II 9,  
Bhikaji Cama Place,  
New Delhi-110066,  
India

Our Secretarial Audit Report for the Financial Year March 31, 2024, is to be read along with this letter.

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for my opinion.
4. Wherever required, I have obtained the management's representation about compliance of laws, rules and regulations and happenings of events etc.

### Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future visibility of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
6. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **Shashank Pashine & Associates,**  
Company Secretaries,  
ICSI Unique Code: S2018DE639400  
Peer Review Cert. No.: 2790/2022

Date: August 08, 2024  
Place: New Delhi

Sd/-  
**CS Shashank Pashine**  
Proprietor  
Membership No: FI1665  
CP. No: 21229  
UDIN No.: F011665F000927514

# Management Discussion & Analysis

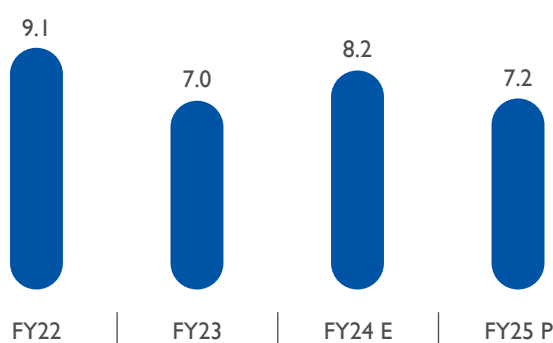
## Macro Economy Overview

Global economic growth slowed down to 3.2% in 2023 from 3.5% in 2022, according to the International Monetary Fund report. The slowdown was led by restrictive monetary policy stance adopted by central banks globally to tame inflation, geopolitical tensions and sluggish recovery in China.

India maintained strong economic momentum despite a slowdown in global economic activity, with GDP growing at 8.2% in FY24, up from 7.0% the previous year, marking over 7% growth for three consecutive years. The high growth was driven by strong investment demand and increased government spending on infrastructure. The resilience and strength of the Indian economy, coupled with reforms implemented in recent years, have laid a strong foundation for sustaining a strong growth rate in the future. The Reserve Bank of India (RBI) expects Indian economy to grow by 7.2% in FY25.

Inflation moderated during FY24 from the combined impact of monetary tightening and easing of input cost pressures. CPI inflation declined to 5.4% during FY24 from 6.7% in the previous year, driven by the fall in core inflation (CPI excluding food and fuel) which declined to 4.3% from 6.1%. RBI projects inflation to decline to 4.5% in FY25. The Monetary Policy Committee maintained its stance on withdrawing accommodation by keeping the policy repo rate at 6.5% in FY24. This decision was aimed at bringing inflation down to the target level of 4%. With inflation on a downward trajectory and slowing growth, interest rates are expected to decline in FY25.

### India's GDP Growth (%)



P: Projected, E: Estimated

Source: NSO estimates dated 31<sup>st</sup> May 2024

RBI (Reserve Bank of India) MPC (Monetary Policy Committee) report dated 7<sup>th</sup> June 2024

## Industry Overview

Bank credit experienced robust growth in FY24, supported by a strong macroeconomic environment. Earning and asset quality improved for banks which helped them to maintain adequate capital buffers. Profitability ratios, return on assets (RoA) and return on equity (RoE) were close to decadal highs at 1.3% and 13.8%, respectively, while gross non-performing assets (GNPA) ratio and net non-performing assets (NNPA) ratios fell to multi-year lows of 2.8% and 0.6%, respectively. This helped banks maintain strong capital buffers. Capital to risk-weighted assets ratio (CRAR) and the common equity tier I (CETI) ratio of banks stood at 16.8% and 13.9%, respectively, well above the regulatory minimum in March 2024.

### Sectoral Distribution of Credit as of March 2024

Particulars	Credit Outstanding as of March 22, 2024 (In ₹ lakh crore)	Growth March 2024	Growth March 2023
I. Gross Bank Credit (II + III)	164.3	20.2%	15.0%
II. Non-Food Credit	164.1	20.2%	15.4%
III. Food Credit	0.2	16.0%	-63.8%
<b>Priority Sector Lending</b>			
Agriculture & Allied Activities I	20.8	19.4%	15.1%
Micro and Small Enterprises 2	19.8	20.1%	15.1%
Medium Enterprises 3	4.9	15.8%	13.2%
Weaker Sections	16.5	16.7%	17.5%

Source: RBI

Notes:

1. Agriculture and Allied Activities under the priority sector also include priority sector lending certificates (PSLCs).
2. Micro and Small Enterprises under the priority sector include credit to micro and small enterprises in industry and services sectors and include PSLCs.
3. Medium Enterprises under the priority sector include credit to medium enterprises in industry and services sectors.

Gross bank credit offtake increased by 20.2% year-on-year (YoY) in FY24, up from 15.0% in FY23. Robust expansion in bank credit was led by services, agriculture, retail and MSME sectors.

The priority sectors of Agriculture and allied activities and Micro and Small Enterprises saw 19.4% and 20.1% growth respectively in FY24. Growth in bank credit to NBFCs slowed to 15.3% in FY24 after reporting strong 29.9% growth in FY23.

## Indian Non-Banking Financial Companies (NBFC) Sector Review

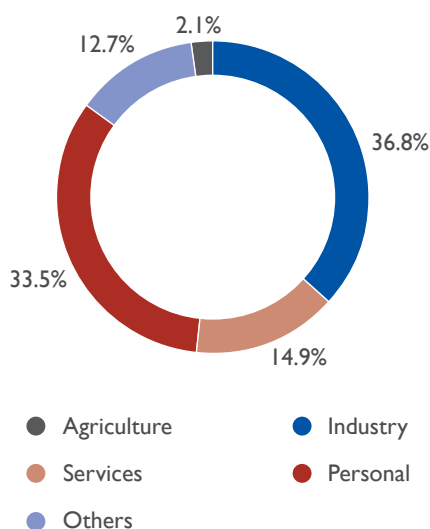
NBFCs play a pivotal role in financial inclusion by supporting the growth of numerous Micro Small and Medium Enterprises (MSMEs) and self-employed individuals. The NBFCs excel in catering to diverse borrower needs swiftly and efficiently, leveraging their extensive geographical reach, deep understanding of financial requirements, and rapid processing times.

The NBFC sector has witnessed significant growth, marked by the emergence of numerous players with varied business models. In recent years, there has been a transformative shift in India's financial services landscape, driven by increased adoption of neo-banking, digital authentication, the popularity of UPI, and widespread mobile phone usage coupled with mobile internet access. These factors have streamlined financial services, particularly in the realm of credit, making them more accessible and adaptable to diverse consumer needs.

NBFCs maintained robust credit growth in FY24, although it witnessed some moderation in the second half of the year. The pace of growth in advances by NBFCs moderated during the second half of the year due to regulatory requirements mandating higher risk weights on NBFC lending to certain categories of consumer credit and bank lending to NBFCs. Consequently, bank lending to NBFCs declined incrementally during this period, while the overall cost of funds for NBFCs increased.

NBFCs' gross advances in FY24 included 2.1% to Agriculture, 36.8% to Industry, 14.9% to Services, 33.5% to Personal Loans, and 12.7% to other sectors. The share of unsecured loans extended by the NBFC sector decreased significantly, dropping from 32.2% of total loans to 22.9% during FY24, according to RBI report. Growth of retail lending by NBFCs moderated during FY24 to 14.8% in March 2024 from 16.6% in March 2023.

### Gross Advances by NBFC in FY24 (Sector-Wise)

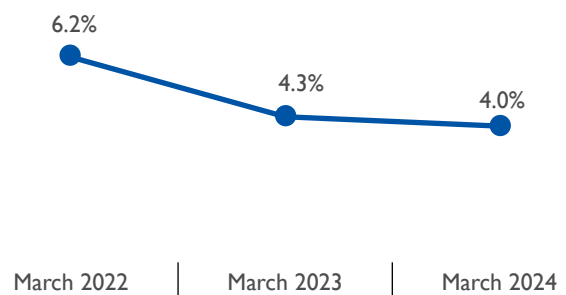


Source: RBI Financial Stability Report dated June 2024

Overall, the NBFC sector maintained strong capital buffers boosted by improving asset quality and robust earnings in FY24. CRAR at 26.6% remained well above the regulatory minimum of 15%. The profitability of the NBFC sector improved further in Q4 FY24, reporting a Return on Assets of 3.3%.

The Gross Non-Performing Assets (GNPA) ratio of NBFCs, including those under resolution, continued its downward trajectory in the post-pandemic period. It decreased from 6.2% in March 2022 to 4.3% in March 2023, and further to 4.0% in March 2024.

### NBFC GNPA Ratio (%)



Source: RBI Financial Stability Report dated June 2024

## Industry Outlook

The outlook for bank credit offtake has remained positive due to economic expansion, increased capital expenditure, growth in retail credit, and anticipated expansion in capex spending, particularly by the private sector. Growth is expected to be broad-based across all segments, with the personal loan segment likely to outperform the industry and service segments. According to CareEdge report, NBFC's credit growth has been expected to be in the range of 14%-14.5% during FY25. However, elevated interest rates and global uncertainties could adversely impact credit growth, and further declining inflation could reduce working capital demand.

The outlook for the NBFC industry, particularly for small-ticket-size MSME focussed NBFCs, is promising. With approximately 6.4 crore MSMEs in India, the total funding requirement for the sector is projected to reach ₹134.40 lakh crore in the near future. Of this, the total debt demand is estimated at ₹106.11 lakh crore, with ₹56.24 lakh crore, or 53%, anticipated to be the potential market size addressable through formal funding sources such as banks and NBFCs.

The NBFCs are expected to maintain an upward growth trajectory, with a projected increase in Assets Under Management (AUM) of 35% in FY24 and a further 25% in FY25. Despite the inherent risks in the microloan sector, asset quality is expected to remain stable in the future. Operating leverage is expected to play a significant role, although a compression in Net Interest Margins (NIMs) and an increase in credit costs may result in moderated profitability. The rise in co-lending collaborations, along with the RBI's cautious approach to unsecured consumer and personal loans, creates a favourable environment for the expansion of priority sector lending and MSME



NBFCs possess the potential to significantly aid financial inclusion by serving the needs of underserved and unbanked segments, granting them access to credit and financial services.

lending. This supportive regulatory stance and the continued growth in co-lending arrangements are likely to promote the NBFC sector's growth prospects.

Source: RBI, CareEdge June and April 2024 reports

### Major Regulatory Updates in the NBFC Sector

The RBI consistently updates prudential norms to align with evolving economic conditions, highlighting the pivotal role that NBFCs play in ensuring the stability of the financial system. The key regulatory changes in FY24 included the following:

- **The RBI released the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023** on October 19, 2023, replacing the existing Master Directions for Systemically Important and Non-Systemically Important NBFCs. This consolidated directive incorporates provisions from Master Directions applicable to both categories of NBFCs, aspects of the Scale Based Regulatory Framework, and relevant RBI circulars. All NBFCs, excluding exempt entities, are subject to this unified directive. The Directions employs a tiered approach, assigning increasing obligations as NBFCs progress based on their asset size, scale of activity, and perceived riskiness. NBFCs are now classified into distinct layers, namely Base Layer (NBFC-BL), Middle Layer (NBFC-ML), Upper Layer (NBFC-UL), and Top Layer (NBFC-TL) based on size and function.
- In November 2023, the RBI increased the risk weights pertaining to consumer credit exposure for commercial banks. This includes outstanding personal loans but excludes housing loans, education loans, vehicle loans, and loans secured by gold and gold jewellery. The adjustment involves a 25-percentage-point increase, bringing the risk weights to 125%. The credit card receivables of NBFCs would be subjected to a risk weight of 125%, marking an increase from the previous 100%. Simultaneously, there has been a 25-percentage-point elevation in the risk weights for bank credit extended to NBFCs in instances where the prevailing risk weight, based on external ratings of NBFCs, falls below 100%. However, loans to NBFCs eligible for classification as priority sectors are exempt from this increase in risk weights. These regulations are anticipated to lead to elevated capital requirements for lenders for both banks and NBFCs, consequently prompting an upward adjustment in lending rates for borrowers. The increased lending rates from banks to non-banking entities may also extend to corporate bonds, leading to elevated yields and the widening of credit spreads for non-banking entities.

- **The RBI released Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions - 2024** on February 27, 2024, wherein all Supervised Entities are required to submit certain supervisory returns to the Reserve Bank as per various directions/circulars/notifications issued by RBI from time to time. In order to create a single reference for all Supervisory Returns and to harmonise the timelines for filing of returns, all the relevant instructions have been rationalised and consolidated into a single Master Direction.

Source: RBI

### Opportunities and Threats

NBFCs have a more straightforward regulatory process that aids in quick decision-making and enhanced operational flexibility. Such streamlined regulations also aid NBFCs to expand quickly into newer geographical areas and sectors thereby leading to faster growth.

- **Huge unmet credit demand in small business loan segment:** There is a huge demand-supply credit gap for micro-enterprise borrowers, especially in rural areas. Traditional lenders are unable to serve these micro-enterprises due to problems in assessment of borrower's income and cash flow in the absence of business documents (tax returns, books of accounts, banking), lack of good quality collateral, minimal digital footprint, and inadequate credit history. There are very few focussed NBFCs operating in ₹1 to 10 lakh loan segment. Given the huge unmet credit demand of micro-enterprises estimated at around ₹22 trillion which is further growth since then, and supportive policy framework, micro-enterprises lending presents a huge opportunity.
- **Aiding Financial Inclusion:** NBFCs possess the potential to significantly aid financial inclusion by serving the needs of underserved and unbanked segments, granting them access to credit and financial services. Their collaborative efforts with various stakeholders, along with financial literacy initiatives, contribute to empowering individuals and businesses that were previously excluded from mainstream banking. In doing so, NBFCs contribute significantly to fostering economic development and bridging financial gaps in diverse communities.
- **Specialised Product Offerings:** NBFCs provide specialised and tailored financial products, such as microfinance, consumer loans, and vehicle financing, to address specific market demands. By focussing on specific market demands, NBFCs can provide flexible and innovative solutions that are often not available through traditional banking channels, catering to underserved and niche markets effectively.

- **Technology Adoption:** Many NBFCs have pioneered digital platforms enabling customers to apply for loans online, enhancing the speed and convenience of the process. This innovation has particularly resonated with a younger, tech-savvy customer base. Embracing digital technologies has empowered NBFCs to augment operational efficiency, reduce costs, and broaden their customer base through online platforms and digital lending.
- **Partnerships trends:** Collaborating with banks, fintech firms, and other financial institutions would provide NBFCs with opportunities to diversify their product range, extend their market reach, and leverage shared resources.

(Source: CRISIL Research)

### Challenges:

- **Policy & Regulatory Changes:** NBFCs are a highly regulated sector and changes in the policies and regulations may adversely impact their business models and operational flexibility. However, expanding financial inclusion and priority sector lending has long been a policy priority and the regulatory framework remains supportive for NBFCs such as Moneyboxx Finance (Moneyboxx) which play a pivotal role in the expanding financial inclusion along with banks through lending partnerships.
- **Threat of Competition:** Competition from traditional banks, new market entrants, and fintech disruptors may narrow margins, compelling NBFCs to continually innovate to sustain a competitive edge. Moneyboxx Finance caters to a segment of customers where entrepreneurs lack formal business documentation, creating high entry barriers. On-ground presence for effective sourcing and customer-connect and tech-driven approach are the key strengths of Moneyboxx Finance.
- **Market volatility, credit and liquidity risks:** Economic downturns, interest rate fluctuations, and market uncertainties could affect the financial stability of NBFCs, leading to heightened default risks and potential losses. Insufficient risk management practices may result in high credit costs and high reliance on short-term funding sources could expose NBFCs to liquidity crises, particularly during market uncertainties or financial shocks. The Company effectively manages credit, market and liquidity risks by following strong underwriting practices, maintaining a prudent capital structure and strong liquidity position.

Despite the challenges, the NBFC sector has demonstrated resilience with adequate capital buffers and successfully adapted their business models to changing market conditions. Given that NBFCs with an agile business model play an important role in expanding financial inclusion, policy measures have been supportive for NBFCs focussed on priority sector lending.

## Company Overview

### New-age NBFC driving financial inclusion with technology

Moneyboxx Finance Limited ("Company" or "Moneyboxx") is a Base Layer NBFC providing small business loans to micro-entrepreneurs in essential sectors with focus on rural India. With the aim of driving financial inclusion and providing tech-driven and transparent financing to underserved micro-enterprises in rural India, the Company started lending operations by opening its first branch in Rajasthan in February 2019. It has since then successfully scaled up presence to 100 branches across 8 states in the northern, western, and central parts of India as of March 2024: Rajasthan, Madhya Pradesh, Haryana, Punjab, Uttar Pradesh, Chhattisgarh, Bihar, and Gujarat.

Moneyboxx caters to the credit needs of micro-enterprises in important and essential segments: livestock (dairy farming), kirana (grocery stores), retail traders, and micro-manufacturers, by extending unsecured and secured business loans ranging from ₹1 to 10 lakh.

**Mission:** To deliver easy, cost-efficient, and technology-driven financing solutions to aspiring micro-enterprises

**Vision:** To be "The Lender of Choice" for deserving micro-enterprises in India

### Target Market & Product Strategy:

Moneyboxx is addressing the credit needs of micro & small enterprises with focus on rural India.

- **Target Customer:** Micro and small enterprises, including those graduating from microfinance to individual loans. Focus on enterprises in essential sectors: livestock/dairy farming, kirana/grocery stores, retail traders and micro-manufactures
- **Target Geographies:** Focus on underserved Tier-III and beyond areas and establish pan-India presence. Established presence in the northern, central, and western states of India and plans to enter south India in FY25 targeting pan-India presence

The Company started lending operations by opening its first branch in Rajasthan in February 2019. It has since then successfully scaled up presence to 100 branches across 8 states in the northern, western, and central parts of India as of March 2024: Rajasthan, Madhya Pradesh, Haryana, Punjab, Uttar Pradesh, Chhattisgarh, Bihar, and Gujarat.

- **Product:** Unsecured business loans from ₹1 to 3 lakh for a tenure up to 36 months, and Secured business loans up to ₹10 lakh for a tenure up to 84 months. Plans to increase focus on secured lending and targets to increase it from 24% of AUM as of March 2024 to over 50% by March 2026
- **Origination:** Direct-to-customer approach, resulting in strong understanding of the customer and underwriting, long-term relationship, and high repeat business

Moneyboxx is driving financial inclusion by providing credit for income generation purposes to underserved borrowers in rural India. Since its inception, Moneyboxx has transformed the lives of more than 1,50,000 borrowers by disbursing over 74,600 loans totaling over ₹1,200 crore up to March 2024. Company is making a significant contribution to financial inclusion and gender equality. In terms of disbursement mix, 59% comprised women entrepreneurs and 35% new-to-credit customers.

Moneyboxx is committed to creating a sustainable social impact by bringing in transformational change in borrower's income levels. It is enabling a multi-fold increase in the disposable income of its borrowers. A borrower has the potential to double her monthly income within 3 years of availing a loan, this is especially true for cattle loan borrowers. The Company has been nominated

by Dell Foundation for a 3-year impact study given its role in impact financing.

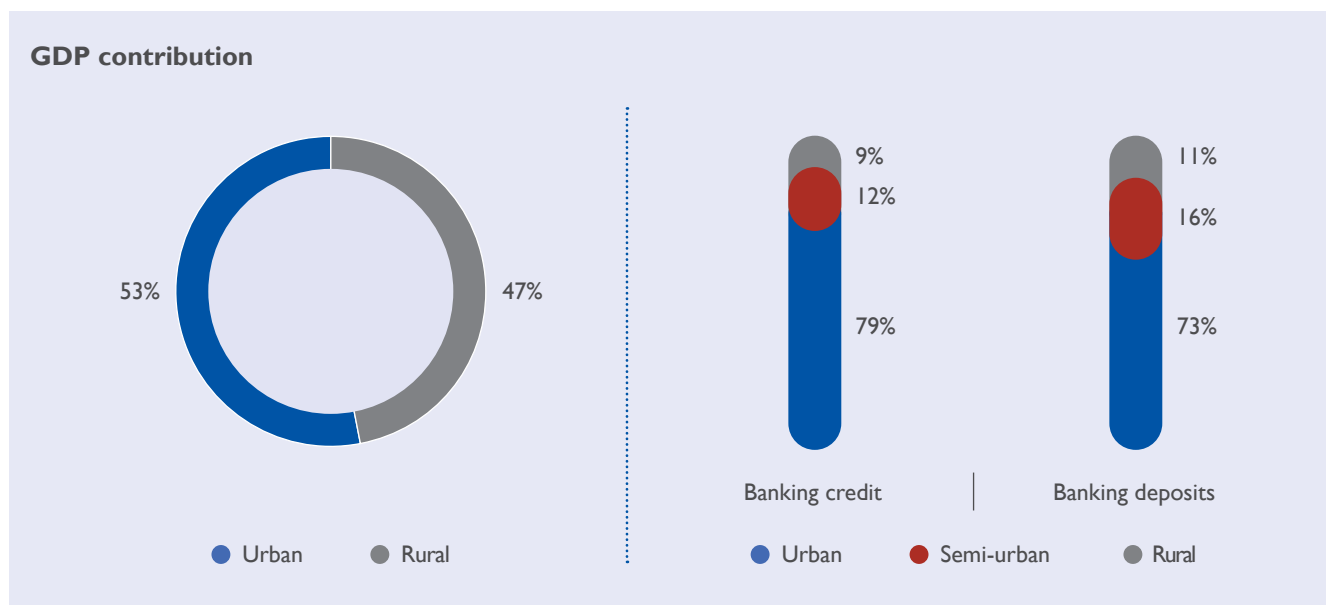
### Improving despite low levels of financial inclusion in India

India has implemented various policy measures aimed at improving financial inclusion and there has been a commendable progress in the last decade. With targeted policy initiatives, access to banking and credit has improved, however, there is still a huge unmet credit gap and availability of credit is uneven, especially for rural India and lower income strata.

India is predominantly a rural country. Despite the rise of urbanisation, more than half of India's population is projected to be rural by 2050. Thus, growth and development of rural economy and population are a key to overall growth and inclusive development of the country.

According to Census 2011, there are about 6,40,000 villages in India, which are inhabited by about 89.3 crore people, comprising about 66% of the country's population as of March 31, 2021, and the rural economy contributed 47% to India's national income. However, rural areas had only about 9% share in banking credit and 11% in banking deposits as of March 31, 2021, highlighting the huge under penetration of credit in rural areas and presenting significant growth opportunities in rural areas.

### Low share of banking credit and deposit indicates lower penetration in rural areas (as of March 2021)



Source: Central Statistical Organisation; Reserve Bank of India; CRISIL Research estimates (for GDP contribution as per 2017)

The Company's customer segment lacks adequate business documents and there are high barriers to entry. The Company has successfully designed its systems and processes to navigate the entire customer journey 'fully digitally'. This includes comprehensive income and credit assessment, facilitated by a profound industry understanding, analytics, and automation.

### Lending activity of Moneyboxx qualifies for priority sector lending

RBI has set Priority Sector Lending (PSL) targets for banks in India with the aim of achieving inclusive development and fulfilling United Nations Sustainable Development Goals (SDGs). Currently, all banks including foreign banks need to deploy 40% of their adjusted net bank credit to specified priority sectors with these sub-targets: 18% for agriculture (of which 10% for small and marginal farmers), 7.5% for micro-enterprises, 12% for advances to weaker sections.

Moneyboxx plays a pivotal role along with banks and lending partners in extending financial inclusion. 100% of loans granted by Moneyboxx are eligible for priority sector lending status. Livestock/ dairy farming customers of Moneyboxx qualify under 'agriculture and allied activities' and with respect to the non-cattle borrowers, 84% of them had UDYAM registration (a unique registration mechanism for micro, small and medium enterprises) making them eligible for priority sector lending.

### Operational Overview

Operations & Business	FY21	FY22	FY23	FY24
Branches	22	30	61	100
States	4	5	6	8
Gross Disbursements (₹ crore)	55	112	341	665
Cumulative Disbursements (₹ crore)	90	202	543	1,207
AUM (before Ind-AS effects) (₹ crore)	63	121	344	730
% Secured loan book	-	-	5%	24%

Moneyboxx Finance has a proven, scalable, and tech-driven branch model to capitalise on the growth opportunities in the underserved small business loan segment (₹1 to 10 lakh) in rural India. The Company reported strong growth in business with AUM growing over 6 times from ₹121 crore as of Mar'22 to ₹730 crore as of Mar'24 led by branch expansion, higher branch productivity with vintage, and growth in lending partnerships.

Geographic diversification improved during the last two financial years with entry into Chhattisgarh in FY23 and Gujarat and Bihar in FY24. Also, the Company has successfully pivoted to secured lending, with secured loans forming 24% of AUM as of Mar'24 compared to 5% last year and the Company is targeting over 50% secured loan book by Mar'26.

The Company's AUM is strategically spread across diverse geographical regions, with a specific focus on essential sectors. The Company's adoption of this approach has improved the stability and quality of its loan portfolio.

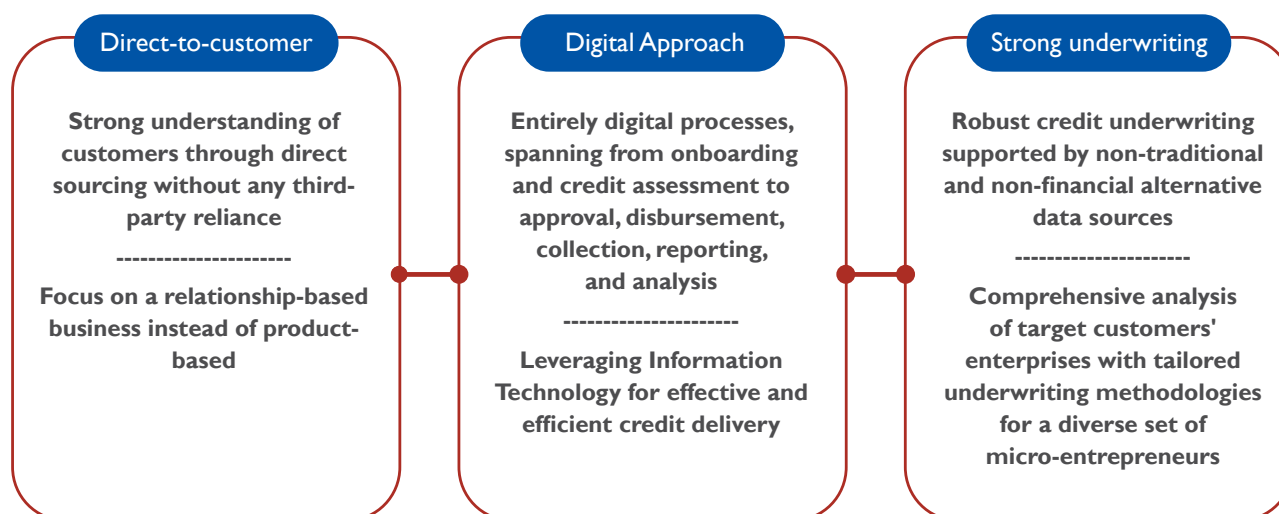
AUM by States*	Mar-23	Mar-24	Mar-23	Mar-24
	(₹ crore)		(% Share)	
Rajasthan	95	176	28%	24%
Madhya Pradesh	92	218	27%	30%
Haryana	70	122	20%	17%
Uttar Pradesh	18	92	5%	13%
Punjab	61	90	18%	12%
Chhattisgarh	8	26	2%	3%
Bihar		5		1%
Gujarat		1		0%
<b>Total AUM</b>	<b>344</b>	<b>730</b>	<b>100%</b>	<b>100%</b>

\* AUM before Ind-AS effects

### Key Competitive Strengths and Strategies

**I. Differentiated 'PHYGITAL MODEL':** The Company's customer segment lacks adequate business documents and there are high barriers to entry. The Company has successfully designed its systems and processes to navigate the entire customer journey 'fully digitally'. This includes comprehensive income and credit assessment, facilitated by a profound industry understanding, analytics, and automation. Overcoming specific challenges in lending to this segment, Moneyboxx has a proven scalable and sustainable business model based on a differentiated 'phygital' model with feet-on-street and fully digital approach. The Company has established a strong franchise and achieved strong AUM growth while maintaining best-in-segment asset quality metrics.

## 2. Customer-centric Approach:



- Balanced and diversified business model:** Strong geographic diversification and focus on borrowers in essential sectors make business model resilient and the strategy has helped Company build a strong loan book. The Company successfully pivoted to secured lending which formed 24% of AUM as of Mar'24 compared to 5% last year and is targeting over 50% by Mar'26. Company's AUM is well-diversified across geographies, and it plans to further diversify its presence by entering south India in FY25 and building a pan-India presence
- Huge market potential:** Business loan segment of ₹1-10 lakh is highly underserved, and it offers a huge growth opportunity. Moneyboxx is well poised to grow its AUM and expand its presence having proven the operating model and underwriting capabilities
- Enhancing Financial Inclusion:** The Company provides credit for income-generating opportunities, and its efforts have positively influenced over 1,50,000 borrowers (including co-borrowers) with cumulative disbursements of over ₹1,200 crore by March 2024. Moneyboxx is driving financial inclusion with 59% of its unique borrowers being women, and 35% new-to-credit
- Beyond-lending Impact Initiatives:** Apart from direct impact financing, Moneyboxx has taken various beyond-lending initiatives. The Company employs full-time veterinarians in the branches offering free guidance to livestock borrowers on matters such as cattle health, nutrition, and breed improvement, ultimately enhancing milk yield. Moneyboxx is committed to promoting sustainable farming practices. These efforts include distribution and maintenance of fruit-bearing trees at no cost to borrowers with agricultural land, facilitated through CSR (Corporate Social Responsibility) tie-ups and internal contributions. The Company has planted more than 12,000 fruit-bearing trees, provided free veterinary consultations to over 36,000 livestock customers, and diagnosed the health of more than 3,40,000 cattle up until March 2024. The outcomes of these initiatives are expected to be substantial and enduring,

leading to improvements in borrowers' income, environmental protection through soil conservation and enhanced air quality, and the sustainable production of food sources.

## FY24 Financial Performance Review

Moneyboxx Finance Limited	FY23	FY24	%YoY
Branches	61	100	64%
Active Customers	27,579	52,178	89%
Employees	735	1,300	77%
<b>Business (₹ crore)</b>			
Disbursements during the year	341	665	95%
AUM as of March 31	344	730	112%
<b>Income &amp; Profitability (₹ crore)</b>			
Total Income	50.44	127.96	154%
Profit (Loss) Before Taxes	-9.94	10.56	206%
Profit (Loss) After Taxes	-6.80	9.14	234%
<b>Fund Raise (₹ crore)</b>			
Equity Capital raised during the year	48.39	85.13	76%
Debt raised during the year	235.17	375.74	59%
Debt repaid during the year	-96.59	-170.62	76.64%
<b>Capital Position (₹ crore)</b>			
Equity as of March 31	76.40	168.85	121%
Debt as of March 31	231.37	437.28	89%
Subordinated Debt as of March 31	6.63	6.63	0.0%

## Robust Growth in Branches, Disbursements & AUM

The Company saw a remarkable 112% growth in assets under management (AUM), reaching ₹730 crore as of March 31, 2024. This growth was driven by branch expansion, increased productivity, and growth in lending partnerships. The Company expanded its operations to 100 branches across 8 states as of March 2024, compared to 61 branches in 6 states the previous year. Geographic and product diversification further improved during the financial year with the Company's entry into the states of Gujarat and Bihar. Additionally, the share of secured lending increased significantly, growing from 5% of AUM at the end of FY23 to 24% at the end of FY24. The Company reported disbursements of ₹665 crore during FY24, representing a 95% growth over the previous year.



### Profitability Achieved in FY24 with Expanding Scale & Enhanced Productivity

Total income grew by 154%, reaching ₹127.96 crore in FY24 compared to ₹50.44 crore in FY23, in line with the robust growth in business and AUM. The Company achieved strong profitability in FY24, reporting a net profit of ₹9.14 crore, a significant turnaround from a net loss of ₹6.80 crore in FY23. With strong unit economics, improving operating efficiency with scale and proven underwriting capabilities resulting in low credit costs, the Company displayed a strong financial performance.

### Strong Enhancement in Operational Efficiency

Operational efficiency has been consistently improving with the growing AUM. Operating expenses as a percentage of average AUM improved significantly, despite increase in operating expenses during the year on account of expansion. This ratio decreased from 15.4% in FY23 to 12.7% in FY24. The Opex for FY24 stood at ₹67.5 crore as compared to Opex of ₹35.31 crore in FY23.

Improving Operating Efficiency (₹ crore)	Annual		
	FY22	FY23	FY24
Operating Expenses	17.94	35.31	67.5
Closing AUM	121	344	730
Average AUM	92	232	537
Operating expenses % of Average AUM	19.8%	15.4%	12.7%

### Strong Underwriting Capabilities

Moneyboxx has strong asset quality metrics with low GNPA and credit costs owing to its strong underwriting standards, and focus on essential sectors and is increasing focus on secured lending. While asset quality moderated during FY24 as the rural economy was affected by uneven rains in some of its operating states, the Company has one of the lowest NPAs and credit costs in the segment.

Gross NPA increased to 1.54% of AUM as of 31.03.2024 compared to 0.59% as of 31.03.2023 and Net NPA increased to 1.04% as of 31.03.2024 compared to 0.30% as of 31.03.2023. However, the Company has one of the lowest NPAs in the segment and credit costs remained contained at 1.34% in FY24 and 1.48% in FY23.

Asset Quality	31-Mar-23	31-Mar-24
Gross NPA (90+ PAR % of AUM)	0.59%	1.54%
Net NPA (% of AUM)	0.30%	1.04%
Credit costs (₹ crore)	3.39	7.11
Credit costs (as % of average AUM)	1.48%	1.34%

### Strong Capitalisation and Diversification in Funding Sources

Capital Position	31-Mar-23	31-Mar-24
Equity (₹ crore)	76.40	168.85
Debt (₹ crore)	231.37	437.28
Subordinated Debt (₹ crore)	6.63	6.63
Leverage Ratio (Total Outside Liabilities / Owned Funds)	3.67	3.54

Moneyboxx strengthened its capital base by raising ₹85.13 crore in equity during FY24. Leverage ratio (TOL/Owned Funds) improved to 3.54 as of March 31, 2024, compared to 3.67 as of March 31, 2023. The Company's net worth more than doubled, reaching ₹168.85 crore as of March 31, 2024, compared to ₹76.40 crore as of March 31, 2023. Over the past five years, the Company has successfully raised equity capital to support its expansion initiatives and uphold a prudent capital structure.

On the debt funding side, the Company continued to improve its funding profile, with an increasing share of low-cost funding from banks and diversification of funding sources by raising money through issue of NCDs and securitisation. The Company was supported by 32 active lenders as of March 31, 2024, including 10 banks, compared to 23 lenders as of March 31, 2023.

Secured Debt (₹ crore)	31-Mar-23	31-Mar-24
Banks	57.69	134.22
NBFCs/Funds/Fls	155.47	175.38
PTC Securitisation	-	49.04
NCD	20	78.69
Total Secured Debt	233.16	437.33

### Effective Liquidity and Asset-Liability Management

The Company actively manages liquidity with a prudent approach, ensuring a comfortable liquidity position. On asset-liability position, the Company maintained positive cumulative mismatch across time buckets as on March 31, 2024. The Company borrows funds at both fixed and floating rates while offering loans at fixed rates and consistently reviews its lending rates, considering market interest rate trends, the cost of funds, and competitive factors.

### Human Resources (HR)

Moneyboxx acknowledges the vital importance of its human capital, viewing employees as key stakeholders essential to the Company's success. Moneyboxx has implemented an array of employee-centric initiatives to enhance employee retention and promote the

The Company's net worth more than doubled, reaching ₹168.85 crore as of March 31, 2024, compared to ₹76.40 crore as of March 31, 2023. Over the past five years, the Company has successfully raised equity capital to support its expansion initiatives and uphold a prudent capital structure.



development of human capital. These include internal publications and circulars, performance updates, feedback mechanisms through surveys, learning and development programmes, employee-engaging initiatives, career development opportunities, responsive grievance handling processes, regular skill development trainings, an emphasis on work-life balance, flexible work-from-home and leave policies. The Company's headcount experienced substantial growth, increasing from 735 employees in March 2023 to 1,300 employees in March 2024.

At the core of the Company's approach lies the principle of 'One Team, One Dream', underlining the importance of valuing everyone, irrespective of their job title or position within the team, for their contributions, actions, and opinions. Moneyboxx celebrates diversity of people by appreciating their variety of perspectives, ideas, and experiences, recognising that these differences contribute to the Company's strength.

### Internal Controls and its adequacy

Moneyboxx maintains robust internal controls and standardised operating processes designed to safeguard assets and enhance business efficiency. The Company has implemented comprehensive internal control procedures that are well-suited to its size, operations, and the broader domain of its lending business.

The Company's management actively tests controls across various processes and takes corrective actions to address any deviations in business operations. The Internal Audit function ensures reasonable assurance regarding the effectiveness of operations, reliability of financial records and reports, and adherence to applicable laws and regulations. The Audit Committee thoroughly assesses the internal control system, considering feedback from both external and internal auditors.

### Risk Management

The Company employs a robust risk management framework to systematically identify and address the various risks associated with its operations. Moneyboxx emphasises on actively managing credit

risk through a comprehensive approach that extends from the initial loan application stage to disbursement and subsequent collection. The key components of the risk management framework include:

**Strong Credit Underwriting:** Utilisation of non-traditional and non-financial alternative data sources, coupled with sector-specific inputs, to enhance the credit underwriting process.

**Healthy Risk and Compliance Culture:** The Company is dedicated to promoting a culture that supports growth plans while maintaining a strong emphasis on risk management and compliance.

**Strategic Diversification:** Strategic efforts are made to diversify business activities and portfolio holdings across various sectors and geographical regions. This approach has been implemented to mitigate concentration risks effectively.

The Company's comprehensive Risk Management Policy encompasses the identification, assessment, control of various risk elements and managing these risks proactively and efficiently. Additionally, in alignment with the new scale-based regulations, Moneyboxx has established a Risk Management Committee, which is tasked with developing, implementing, and monitoring the Company's risk management plan at regular intervals.

### Cautionary Statement

This document contains some statements about expected future events, financial and operating results of Moneyboxx Finance Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements.

# Corporate Governance Report

## I. Company's Philosophy on the Code of Governance

Corporate Governance is an insight into the management of affairs of the Company. It implies governance with the highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness, and business ethics for efficient and ethical conduct of business.

For your Company, Corporate Governance is more than just a set of processes and compliances. For this purpose, it is duly ensured that the spirit of governance is present in the Governance mechanism of the Company. The Board along with its committees undertake its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making. In pursuing its mission "To empower the unsung heroes of Bharat - small business owners, particularly those in financially underserved segments in tier-3 cities", your company has made efforts to intensify the level of reporting system, improving internal control, ensure transparency, promptness and fairness in disclosures and communication with all the relevant stakeholders which ultimately contribute to the overall governance.

For the purpose of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, 2013, SEBI Regulations, RBI Directions/ Circulars, Accounting Standards, Secretarial Standards, etc. Strong governance practices reward the company in the sphere of stakeholders confidence, trustworthiness, market capitalization, valuations, and high credit ratings in positive context apart from obtaining awards from appropriate authorities. Your Company ensures to make all efforts to comply with such standards and ethics.

## 2. Board of Directors

### a) Composition of Board

Your Company has an optimum mix of Executive, Non-Executive, and Independent Directors, which is essential to effectuate the two main functions of the Board viz. Governance and Management. During the year under review, the Company has complied with the provisions relating to corporate governance as provided under the SEBI (Listing Obligations and Disclosure Requirements), 2015 (hereinafter referred to as "Listing Regulations"), the Companies Act, 2013 and in terms of Guidelines as issued by Reserve Bank of India ("RBI") with respect to Composition of Board.

At Moneyboxx, we believe that an active, well-informed and Independent Board is necessary to ensure highest standards of Corporate Governance. The Board of Directors of

Moneyboxx, being at the core of its Corporate Governance practice, plays the most pivotal role in overseeing how the management serves and protects the long-term interests of all our stakeholders.

As on March 31, 2024, the Board comprises of 6 (Six) Directors out of which 2 (Two) are Independent Directors (including one Woman director) and 2 (Two) are non-Independent directors and 2 (Two) are Executive Directors. All the Independent Directors have confirmed that they meet the 'Independence' criteria as mentioned under regulation 16(1)(b) of the Listing Regulations and Section 149 of the Companies Act, 2013.

Further, pursuant to RBI Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs, no Independent Director is on the Board of more than 3(Three) NBFCs (NBFCs Middle layer or NBFCs Base Layer) at the same time.

None of the Directors is related to each other and there are no inter-se relationships between the Directors.

All the Directors of the Company have confirmed that they satisfy the fit and proper criteria of Directors at the time of their appointment/re-appointment and on a continuous basis as prescribed under the RBI Master Directions.

The Board of Directors of your Company consists of professionals from varied disciplines and possess adequate knowledge and skills. Detailed profile of the Directors is available on the Company's website at <http://www.moneyboxxfinance.com>.

As per the requirement under Listing Regulations, none of the Directors on the Board is a member of more than 10 Committees and Chairperson of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the Listing Regulations), across all public companies in which he/she is a director. The required disclosures regarding their position in the committees have been duly attained by the Company.

Furthermore, as per the requirement laid under Section 165(1) of Companies Act, 2013 none of the Directors hold office in more than 20 companies and in more than 10 public companies.

Also, in terms of Regulation 17A of Listing Regulations, no Director holds Directorships in more than 7 listed Companies and none of the Director serve as Independent Director in more than 7 listed companies. The Whole-time Directors and CEO do not serve as an Independent Director in any listed company.

## b) Other Directorship and Attendance of Directors

The names and categories of Directors on the Board during the Financial Year 2023-24, their attendance at Board Meetings and at the last Annual General Meeting held during the Financial Year 2023-24 and the number of Directorship and Committees Chairmanship/ Membership held by them as on March 31, 2024, are given hereunder:

Name	Date of Appointment	Category of Director	No. of Directorships in other Companies*	No. of other Committee Memberships/ Chairmanships**		Directorship held in Other Listed Companies and Category of Directorship
				Chairperson	Member	
Mr. Uma Shankar Paliwal DIN: 06907963	11/01/2019	Chairman cum Independent Director	2	Nil	Nil	Nil
Ms. Ratna Dharashree Vishwanathan DIN: 07278291	11/01/2019	Independent Director	2	2	0	Dilip Buildcon Limited- (Independent Director) Fusion Microfinance Limited (Independent Director)
Mr. Deepak Aggarwal DIN: 03140334	12/10/2018	Whole-time Director	Nil	Nil	Nil	Nil
Mr. Mayur Modi DIN: 08021679	12/10/2018	Whole-time Director	Nil	Nil	Nil	Nil
Mr. Atul Garg DIN: 07093376	15/09/2020	Non-Executive Director	Nil	Nil	Nil	Nil
Mr. Govind Gupta DIN: 00065603	12/10/2018	Non-Executive Director	Nil	Nil	Nil	Nil

\* Excludes Directorships/Chairpersonships in Associations, Private Limited Companies, Foreign Companies, Government Bodies, Companies registered under Section 8 of the Companies Act, 2013 and Alternate Directorships.

\*\*Represents Chairpersonships/Memberships of Audit and Stakeholders Relationship Committees in all companies as required under Regulation 26(1) (b) of the Listing Regulations.

The Twenty Ninth (29<sup>th</sup>) Annual General Meeting ('AGM') of the Company for the Financial Year ('FY') 2022-23 was held on September 25, 2023. All the Directors of the Company were duly present at the 29<sup>th</sup> AGM.

## Board Meetings:

The Board meets at regular intervals to discuss and establish business strategies, draft policies, review of overall business performance, financial performance and approval of quarterly/ annual financial results of the Company. The notice and detailed agenda of a Board meeting, along with the relevant notes and other material information, are sent in advance to each director. This process ensures timely and informed decisions by the Board. During the financial year under review, the Board met seven times on the following dates during FY24 and the gap between two meetings at any time did not exceed 120 days. The quorum required was present for all the Board Meetings. The details of Meetings attended by the Directors during the year are given below:

Name of the Director	Attendance at the Board Meetings held on							No. of Board Meetings attended during the tenure	Attendance (%)
	April 26, 2023	May 25, 2023	July 01, 2023	August 11, 2023	August 26, 2023	November 10, 2023	February 09, 2024		
Mr. Uma Shankar Paliwal	√	√	√	√	√	√	√	7	100
Ms. Ratna Dharashree Vishwanathan	√	√	√	√	√	√	√	7	100
Mr. Mayur Modi	√	√	LOA	√	√	√	√	6	86
Mr. Govind Gupta	√	√	√	√	√	√	√	7	100
Mr. Deepak Aggarwal	√	√	√	√	√	√	√	7	100
Mr. Atul Garg	LOA	√	LOA	√	LOA	√	√	4	57

LOA – Leave of absence

## c) Shareholding of Non-Executive Directors as on March 31, 2024:

None of the Non-Executive Director holds any Shares in the Company. The Company has not issued any convertible instruments to the Non-Executive Directors of the Company as well.

#### d) Conduct of Board Proceedings

The development of the Company's vision, strategic direction and evaluations of the management policies and their effectiveness is made under the guidance of the Board. The meetings of the Board are conducted at regular intervals in order to discuss and decide on business strategies/policies and review the financial performance of the Company from time to time.

The dates of the Board Meetings are fixed well in advance and intimated to the Board members to enable the Directors to plan their schedules accordingly. The agenda papers are circulated to the Directors in advance before the meeting. However, certain exigent proposals are tabled at the Board Meeting under "Any other items" of the Board Agenda with the approval of the Chairman and consent of all the Directors present in the meeting. The Company Secretary attends all the meetings of the Board and its Committees and is, inter alia, responsible for recording the minutes of such meetings. The agenda and related information are circulated through electronic mode. This has reduced paper consumption, thereby enhancing the sustainability efforts of the Company. Audio & Video conferencing facility is provided to facilitate Directors who are unable to attend the Meeting in person in accordance with the provisions of the law.

#### e) Code of Conduct

The Code of Conduct of your Company aims to ensure consistent standards of conduct and ethical business practices across the Company.

The Company has adopted the Code of Conduct for the Members of the Board and Senior Management Personnel as required under Regulation 17(5) of the Listing Regulations. The Company has also laid down a Code of Conduct for Independent Directors of the Company, which duly incorporates the duties of Independent Directors as laid down in Schedule IV to the Act which can be accessed on the website of the Company at [www.moneyboxxfinance.com](http://www.moneyboxxfinance.com).

In respect of the financial year 2023-24, all the Board Members and senior management personnel have affirmed compliance with the code of conduct and a declaration to this effect signed by the Co- CEO(s) is a part of this Annual Report.

#### f) Independent Directors and confirmation of independence

The Board of the Company comprises of two Non- Executive Independent Directors which formulates 33% of the total strength of the Board. The Non-Executive Independent Directors fulfill the conditions of independence as specified in Section 149(6) of the Companies Act, 2013 and Listing

Regulations. The terms and conditions of the appointment of Independent Directors are in accordance with the Companies Act, 2013 and the Listing Regulations.

The Independent Directors have submitted declarations that they meet the criteria of independence as provided in Regulation 16(1)(b) of the Listing Regulations and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

All our Independent Directors have registered their names in Independent Directors Databank maintained by Indian Institute of Corporate Affairs in pursuance of notification dated October 22, 2019, issued by the Ministry of Corporate Affairs.

#### Resignation:

None of the Independent Directors have resigned from the company during the financial year ended March 31, 2024.

#### Meetings of Independent Directors

A meeting of the Independent Directors of the Company was held on March 27, 2024, without the presence of non-independent Directors and the members of the management, and both the Independent Directors were present at the meeting in compliance with Schedule IV to the Companies Act, 2013 and Regulation 25(3) of Listing Regulations.

#### g) Familiarization Program for Independent Directors

Regulation 25(7) of the Listing Regulations mandates the Company to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. through a detailed presentation. The Independent Directors of the Company are familiarized through familiarization of major developments and updates on the Company and group, etc., throughout the year on an ongoing and continuous basis. Such programs/presentations also provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy in a better manner.

#### h) Skill, expertise, and competence of the Board of Directors

The Directors on the Board of the Company are adequately skilled and have relevant expertise as per Industry norms and have rich experience in the relevant Industry. In the table below, the specific areas of focus or expertise of Individual Board Members as on March 31, 2024, have been highlighted-

Name of the Director	Area of expertise						
	Financial	Global Business	Leadership	Technology	Merger & Acquisitions	Board Services & Governance	Sales & Marketing
Mr. Uma Shankar Paliwal	Yes	No	Yes	Yes	Yes	Yes	No
Ms. Ratna Dharashree Vishwanathan	Yes	No	Yes	Yes	Yes	Yes	No
Mr. Mayur Modi	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Govind Gupta	Yes	No	Yes	Yes	Yes	Yes	Yes
Mr. Deepak Aggarwal	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Atul Garg	Yes	No	Yes	Yes	Yes	Yes	Yes

#### i) Re-appointment of Director

During the year under review, Mr. Uma Shankar Paliwal, Non-Executive Independent Director and Ms. Ratna Dharashree Vishwanathan, Non- Executive Independent Director of the Company have been reappointed for a period of 5 years w.e.f. January 11, 2024.

During the year under review, Mr. Deepak Aggarwal, Co-CEO, CFO & Whole-time Director of the Company have been reappointed for a period of 3 years w.e.f. September 15, 2023.

#### j) Performance Evaluation

In pursuance with the relevant provisions of Companies Act, 2013 and the Listing Regulation, the Board has duly carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees. For this purpose, a structured questionnaire was prepared, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, and governance. The performance evaluation was carried out by seeking inputs from all the Members of the Nomination and Remuneration Committee.

The performance evaluation of the Executive Directors and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### 3. Committees of the Board

The constitution of Committees by the Board focuses on specific areas and makes informed decisions within the framework of delegated authority and makes specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees are placed before the Board for information or for approval, as required. The Committees operate as empowered agents of the Board as per their Charter/Terms of Reference. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/noting. The composition and functioning of these Committees are in compliance with the applicable provisions of the Companies Act, 2013, Listing Regulations and also in consonance with framework for Scale Based Regulation for Non-Banking Financial Companies ("SBR Framework"), and as amended thereof.

As on March 31, 2024, the following committees were in operation:

#### a) Audit Committee

##### Constitution

Your Company has a duly constituted Audit Committee, and its composition meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. All members of the Committee are financially literate and have accounting or related financial management expertise.

##### Terms of reference

The broad terms of reference of this Committee inter-alia includes the following:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommend appointment, remuneration and terms of appointment of auditors of the Company;
- Approve payment to statutory auditors for any other services rendered by them;
- Review with the management, the annual financial statements before submission to the Board for approval, focusing particularly on:
  - a) Matters to be included in Director's Responsibility
  - b) Statements to be included in Board's report;
  - c) Any changes in accounting policies and practices;
  - d) Major accounting entries involving estimates based on the exercise of judgment by management;
  - e) Significant adjustments resulting from the audit findings;
  - f) Compliance with listing and other legal requirements relating to financial statement;
  - g) Disclosure of related party transactions;
  - h) Qualification in draft audit report.
- Review with the management, the quarterly financial statement before submission to the Board for their approval;

- Recommend appointment, remuneration and terms of appointment of internal auditors, tax auditors, secretarial auditor and any matters of resignation or dismissal;
- Discuss with the statutory auditors before the audit commences, the nature and scope of the audit as well as post audit discussion to ascertain areas of concern;
- Review the internal audit program, ensuring co-ordination between the internal and statutory auditors, ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company and to request internal auditor to undertake specific audit projects, having informed the management of their intentions;
- Consider the major findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- Consider any material breaches or exposure; breaches of regulatory requirements or of ethical codes of practice to which the Company subscribes, or of any related codes, policies, and procedures, which could have a material effect on the financial position or contingent liabilities of the Company;
- Discuss significant findings with internal auditors and initiate follow up action thereon;
- Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Review performance of statutory and internal auditors and adequacy of internal control systems;
- Approve transaction with related parties and subsequent modification to terms of contract/transaction;
- Scrutinize inter-corporate loans and investments;
- Valuation of any of the undertakings or assets as and when necessary;
- Evaluate adequacy of internal financial control and risk management system;
- Review with management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making recommendation to the Board for taking steps in relation thereto;
- Approve appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualification, experience and background of the candidate;

- Review functioning of the Whistle Blower Policy;
- Carry out any other functions as may be falling within the terms of reference of the Audit Committee or as may be delegated to the Committee from time to time.

### Meeting and Attendance

The Audit Committee met six times during the year on April 24, 2023, May 25, 2023, August 11, 2023, November 10, 2023, February 09, 2024, and March 27, 2024. The quorum as required under the statute was maintained at all the meetings.

Composition of the Audit Committee and the details of attendance at the aforementioned meetings are as follows:

Name of the Member	Category	No. of meetings held	No. of meetings attended
Mr. Uma Shankar Paliwal	Chairman, Independent Director	6	6
Ms. Ratna Dharashree Vishwanathan	Member, Independent Director	6	6
Mr. Govind Gupta	Member, Non-Executive Director	6	5

The Meetings of the Audit Committee were also attended by the Whole-time Director's & CO-CEOs and the Chief Financial Officer. The Company Secretary acts as the Secretary to the Committee. The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Directors and oversees the financial reporting process.

Mr. Uma Shankar Paliwal, Chairperson of the Audit Committee, was present at the 29<sup>th</sup> AGM of the Company held on September 25, 2023.

### b) Nomination and Remuneration Committee Constitution

Your Company has a duly constituted Nomination and Remuneration Committee, and its composition meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

### Terms of reference

The terms of reference of the Nomination & Remuneration Committee, inter alia, includes the following:

- Assess that a person to be appointed as Director is 'fit and proper' and fulfils the set criteria as may be required by the Company;
- Review & recommend to the Board on the structure and composition of the Board of Directors of the Company;
- Evaluate the eligibility of an individual on the basis of his/her qualification, positive attributes, independence and past experience, for appointment and removal as whole-time director/managing director/senior management of the Company and advising the Board of Directors/



Shareholders with such detailed evaluation in the matter of appointment and removal of such individual;

- Review, recommend and /or approve the remuneration that can be offered to the proposed whole-time director/managing director/non-executive director/senior management of the Company;
- Evaluate the performance of the directors of the Company and review and recommend to the Board on their re-appointment;
- Review, recommend and /or approve the modification in the remuneration of the Whole-time director/ managing director/manager/ non-executive director and senior managerial personnel;
- Formulate remuneration policy relating to directors, key managerial personnel and other senior managerial employees of the Company;
- Evaluate performance of directors with respect to their role as Independent Director and Board members;

### Meeting and Attendance

The Nomination and Remuneration Committee met four times during the year on May 25, 2023, August 11, 2023, November 10, 2023, and February 09, 2024. The quorum as required under the statute was duly maintained during the meeting.

Composition of the Nomination and Remuneration Committee and the details of attendance at the aforementioned meetings are as follows:

Name of the Member	Category	No. of meetings held during the tenure	No. of meetings attended
Ms. Ratna Dharashree Vishwanathan	Chairperson, Independent Director	4	4
Mr. Uma Shankar Paliwal	Member, Independent Director	4	4
Mr. Atul Garg	Member, Non-Executive Director	4	4

The Company Secretary acts as the Secretary to the Committee. Ms. Ratna Dharashree Vishwanathan, Chairperson of the Nomination and Remuneration Committee, was present at the 29<sup>th</sup> AGM of the Company held on September 25, 2023.

### Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate a process for effective evaluation of the performance of Individual Directors, Committees of the Board and the Board as a whole.

The Board of Directors of the Company has adopted a Nomination and Remuneration Policy ('Policy') for the

Company, inter-alia, to deal with the manner of selection of Board of Directors and KMP and their remuneration. The Policy is available on the website of the Company at <http://www.moneyboxxfinance.com>.

### c) Stakeholder's Relationship Committee Constitution

Your Company has a duly constituted Stakeholders Relationship Committee, and its composition meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

### Terms of Reference

The Stakeholders' Relationship Committee examines the grievances of stakeholders / investors and the system of redressal of the same. The Company endeavors to resolve complaints / grievances / queries of stakeholders /investors within a reasonable period of time.

The broad terms of reference of this Committee inter-alia includes the following:

- Review statutory compliance relating to all security holders
- Consider and resolve the grievances of security holders of the Company, including complaints related to transfer/ transmission of securities, non-receipt of annual report/ declared dividends/notices/balance sheet, issue of new/ duplicate certificates, general meetings, etc.
- Review measures taken for effective exercise of voting rights by shareholders
- Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund
- Oversee compliances in respect of transfer of shares to the Investor Education and Protection Fund, in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder, as applicable from time to time
- Review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company
- Oversee and review all matters related to the transfer of securities of the Company
- Approve issue of duplicate certificates of the Company
- Review movements in shareholding and ownership structures of the Company
- Ensure setting of proper controls, review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agents and oversee performance of the Registrar and Share Transfer Agents

- Recommend measures for overall improvement of the quality of investor services.

### Meetings and Attendance

The Stakeholder and Relationship Committee met once during the year on February 09, 2024.

Composition of the Stakeholder and Relationship Committee and the details of attendance at the aforementioned meeting is as follows:

Name of the Member	Category	No. of meetings held	No. of meetings attended
Ms. Ratna Dharashree Vishwanathan	Chairperson, Independent, Non-Executive Director	1	1
Mr. Deepak Aggarwal	Member, Executive Director	1	1
Mr. Mayur Modi	Member, Executive Director	1	1

The Company Secretary acts as the Secretary to the Committee. Ms. Ratna Dharashree Vishwanathan, Chairperson of the Stakeholder and Relationship Committee, was present at the 29<sup>th</sup> AGM of the Company held on September 25, 2023.

### d) Asset Liability Management Committee

#### Constitution

Your Company has an effective Asset Liability Management Committee formed in line with the provisions of the RBI Master Direction, 2016 read with other circulars and guidelines issued by Reserve Bank of India ('Guidelines').

#### Terms of reference

The terms of reference of Asset Liability Management Committee include:

- Funding and capital planning
- Pricing, profit planning and growth projections
- Address concerns regarding asset liability mismatches
- Address interest rate risk exposure
- Review of operational risk from time to time.

#### Meeting and attendance

During the financial year ended March 31, 2024, the Committee met once on May 27, 2023.

Composition of the Risk Management Committee and the details of attendance at the meeting is as follows:

Name of the Member	Category	No. of meetings held during the tenure	No. of meetings attended
Mr. Mayur Modi	Chairman, Co-CEO and Whole time Director	1	1
Mr. Deepak Aggarwal	Member, Co-CEO, CFO and Whole time Director	1	1
Mr. Vikas Bansal	Member, Chief Risk Officer	1	1

Composition of the Asset Liability Management Committee and the details of attendance at the aforementioned meeting is as follows:

Name of the Member	Category	No. of meetings held during the tenure	No. of meetings attended
Mr. Deepak Aggarwal	Chairperson, Co-CEO, CFO and Whole time Director	1	1
Mr. Mayur Modi	Member, Co-CEO and Whole time Director	1	1
Mr. Viral Sheth	Member, Finance Controller	1	1

### e) Risk Management Committee

#### Constitution

Your Company has duly constituted Risk Management Committee (RMC) at the Board or executive level for monitoring the risk and to strategize action to mitigate risks associated with the functioning of the Company in line with the provisions of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) read with other circulars and guidelines issued by Reserve Bank of India ('Guidelines').

#### Terms and reference

- Recommend to the Board and then formally announce, implement, and maintain a sound system of risk oversight, management, and internal control which Identifies, assesses, manages, and monitors risk and allows stakeholders to be informed of material changes to the company's risk profile.
- Develop risk assessment and measurement systems and establish policies, practices and other control mechanisms to manage risks and develop risk tolerance limits, monitor positions against approved risk tolerance limits and report its findings to senior management.
- To carry out any other function as may be delegated by the Board of Directors of the Company from time to time.

#### Meeting and Attendance

During the Financial Year ended March 31, 2024, the Committee met once on May 27, 2023.

#### 4. Remuneration of Directors

(Amount ₹)

Sl. No.	Name of the Director	Sitting Fees for attending Board & Committee Meetings	Salary and Perquisites	Incentive/Bonus	Total
1	Mr. Uma Shankar Paliwal	7,20,000	N.A.	N.A.	7,20,000
2	Ms. Ratna Dharashree Vishwanathan	7,50,000	N.A.	N.A.	7,50,000
3	Mr. Deepak Aggarwal	N.A.	1,80,00,000	75,00,000	2,55,00,000
4	Mr. Mayur Modi	N.A.	1,80,00,000	75,00,000	2,55,00,000
5	Mr. Govind Gupta	N.A.	N.A.	N.A.	NA
6	Mr. Atul Garg	N.A.	N.A.	N.A.	N.A.

During the year under review, the non-executive Directors of the Company had no pecuniary relationship or transactions with the Company, except the payment of sitting fees for the purpose of attending meetings of the Board/Committee of the Company. None of the Directors have been granted any stock options under the scheme.

Mr. Mayur Modi was re-appointed as the Whole-time Director of Moneyboxx Finance Limited for a period of three years effective from January 01, 2022. His remuneration for the Financial Year 2023-24 comprises of all-inclusive salary of ₹1,80,00,000 and onetime bonus of ₹75,00,000

Mr. Deepak Aggarwal was re-appointed as the Whole-time Director of Moneyboxx Finance Limited for a period of three years effective from September 15, 2023. His remuneration for the Financial Year 2023-24 comprises of all-inclusive salary of ₹1,80,00,000 and onetime bonus of ₹75,00,000.

#### Criteria for making payments to Non-Executive Directors:

The Non-Executive Directors/ Independent Directors may receive remuneration by way of Sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One lakh per meeting of the Board or Committee, or such amount as may be prescribed by the Central Government from time to time.

#### Directors and Officers Liability Insurance:

As per the provisions of the Listing Regulations, the Company has taken a Directors and Officers Liability Insurance on behalf of all Directors including Independent Directors and Officers of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be held guilty in relation to the Company.

#### 5. Senior Management

Name of the Senior Managerial Personnel	Category
Mr. Vikas Bansal	Chief Risk Officer
Mr. Viral Sheth	Finance Controller
*Mr. Abhijeet Kamble	Chief Technology Officer
**Mr. Semant Juneja	Company Secretary & Compliance Officer
***Mr. Rohit Paigwar	Head-Operations

\* Mr. Abhijeet Kamble was appointed as Chief Technology Officer of the Company with effect from August 21, 2023

\*\*During the period under review, Ms. Bhanu Priya tendered her resignation from the post of Company Secretary and Compliance Officer of the company, effective from August 12, 2023, and Mr. Semant Juneja, was appointed as Company Secretary and Compliance Officer of the Company effective from November 10, 2023.

\*\*\*Mr. Rohit Paigwar was appointed as Head-Operations of the Company with effect from October 16, 2023

## 6. General Body Meetings and Postal Ballots

- a) The details of Annual General Meeting (“AGM”) held during the last 3 years along with the details of the special resolutions passed there are as under:

Financial Year	Date and Time	Venue	Special Resolution passed
2020-21	September 24, 2021 12:30 P.M.	Through Video Conferencing	<ul style="list-style-type: none"> <li>- To Approve upward revision in the remuneration of Mr. Deepak Aggarwal, (DIN: 03140334), as Whole time Director and Co-CEO of the Company</li> <li>- To Approve upward Revision In Remuneration Of Mr. Mayur Modi (Din: 08021679), Whole Time Director And Co-CEO Of The Company</li> <li>- To Approve re-appointment and Remuneration to be paid to Mr. Mayur Modi (DIN-08021679) as the Whole-time Director of the Company</li> </ul>
2021-22	September 19, 2022 11:30 A.M.	Through Video Conferencing	<ul style="list-style-type: none"> <li>- To alter the Articles of Association of the Company</li> <li>- To consider and approve the issuance of 11,70,000 warrants convertible into equity shares on preferential basis to Promoter Category.</li> </ul>
2022-23	September 25, 2023 12:30 P.M.	Through Video Conferencing	<ul style="list-style-type: none"> <li>- Re-appointment of Mr. Deepak Aggarwal (DIN: 03140334) as whole-time director of the Company.</li> <li>- Re-Appointment of Mr. Uma Shankar Paliwal (DIN: 06907963) as Non-Executive Independent Director of the Company.</li> <li>- Re-Appointment of Ms. Ratna Dharashree Vishwanathan (DIN: 07278291)) as Non-Executive Independent Director of the Company.</li> <li>- consider and approve the issue of Non-convertible debentures on Private placement basis</li> <li>- Increase in borrowing limits of the Company up to ₹1500 crores.</li> <li>- Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings</li> </ul>

### (b) Extraordinary General Meetings

During the year under review, one extra ordinary general meeting was conducted by the Company on December 08, 2023.

### (c) Postal Ballot

During the year under review, no Postal Ballot was conducted by the Company to seek the approvals of the Members.

2. **Website:** The Company's website [www.moneyboxxfinance.com](http://www.moneyboxxfinance.com) contains a separate section 'Investor' for use of investors & stakeholders. The quarterly, half yearly and annual financial results and official news releases are promptly and prominently displayed on the website. Annual Reports, Quarterly Corporate Governance Reports, Shareholding Patterns, and other Corporate Communications made to the Stock Exchange are also available on the website of the Company.

## 7. Shareholders Communication

The Board recognizes the importance of two-way communication with shareholders giving a balance report of results & progress, responding to questions and issues raised in a timely and consistent manner. The Company has its website ([www.moneyboxxfinance.com](http://www.moneyboxxfinance.com)) that contains required information for the shareholders.

### Means of Communication

#### I. Quarterly results and other relevant information:

The quarterly/half-yearly/yearly results are intimated to the Stock Exchange immediately after the Board Meeting at which they were approved. The results of the Company are also published in at least one national newspaper (usually Financial Express) and one regional newspaper (usually Jansatta) having wide circulation.

3. **Communication through email:** In support of the “Green Initiative” undertaken by the Ministry of Corporate Affairs, the Company had during 2023-24 sent various communications including Documents like Notices and Annual Report to the shareholders at their email address, as registered with their Depository Participants/ Company/ Registrar & Transfer Agents (RTA). This helps in prompt delivery of documents, reduce paper consumption, save trees, and avoid loss of documents in transit.

4. **Press Releases/Media Releases:** The official press releases and media releases are disseminated to the Stock Exchange as well as displayed on the Company's website at [www.moneyboxxfinance.com](http://www.moneyboxxfinance.com).

## 8. General Shareholders' Information

- a) **Company Registration Details:** The Company is having its registered office in New Delhi, India. The Corporate Identification Number (CIN) allotted by the Ministry of Corporate Affairs is L30007DLI994PLC260191. The Company falls under the base layer category as per the new framework for Scale Based Regulation for Non-Banking Financial Companies ("SBR Framework") which became effective from October 01, 2022

### b) Ensuing Annual General Meeting

Day and Date	Wednesday, September 25, 2024
Time	11:30 A.M.
Financial Year	2023-24
Book Closure Dates	N.A.
Name and address of Stock Exchange at which the listed entity's securities are listed	BSE Limited- (Scrip code- 538446) Phiroze Jeejeebhoy Towers, Dalal street, Mumbai - 400 001
Venue	The Company is conducting a meeting through VC / OAVM pursuant to the applicable MCA Circulars and thus venue requirements are not applicable for this AGM. For other details please refer to the Notice of this AGM.
ISIN Number	INE296Q01012

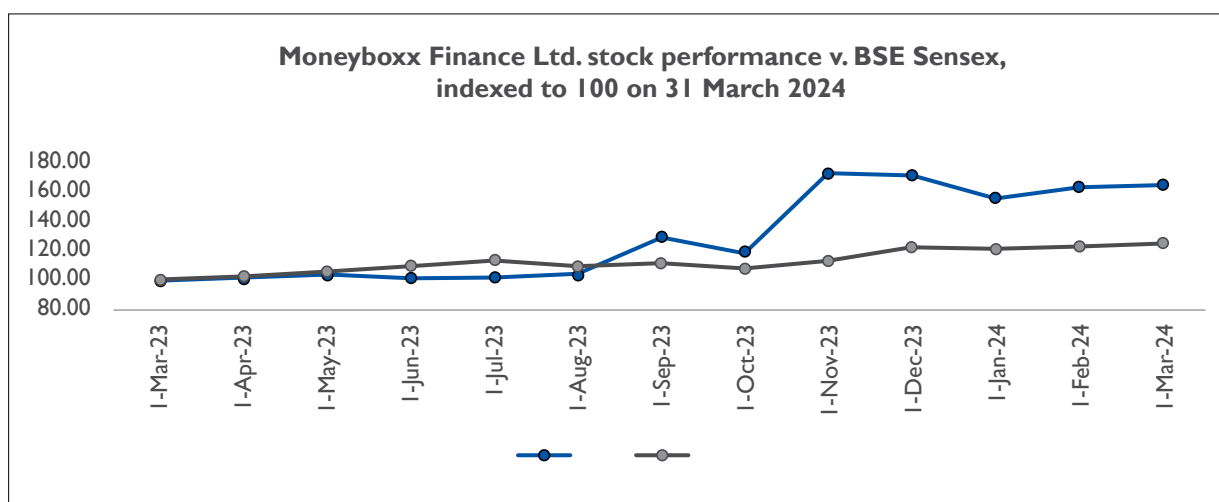
The Annual Listing Fees for the financial year 2023-24 to BSE Limited (BSE) has been paid by the Company within the prescribed time.

### c) Market Price data (In ₹ Per share)

The High and Low prices during each month in the financial year 2023-24 at BSE are: -

Month	High	Low
April 2023	168.00	151.05
May 2023	187.00	150.00
June 2023	170.00	157.00
July 2023	166.00	150.10
August 2023	170.00	141.55
September 2023	204.95	150.20
October 2023	218.95	176.00
November 2023	308.00	180.00
December 2023	295.00	252.60
January 2024	277.75	230.20
February 2024	305.00	237.25
March 2024	285.00	223.40

### d) Performance in comparison to broad-based indices



### e) Registrar and Share Transfer Agents

#### Address for Investor Correspondence

For any assistance regarding dematerialization of shares, re-materialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares, please write to:

#### MAS Services Limited

Address: T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi-110020

Tel: 011-26387281/82/83;

Fax: 011-26387284

e-mail: [info@masserv.com](mailto:info@masserv.com)

Web: <https://www.masserv.com>.

### f) Share Transfer System

SEBI has mandated that, effective April 1, 2019, no share can be transferred in physical mode. Hence, the Company has stopped accepting any fresh lodgment of transfer of shares in physical form. Shareholders holding shares in physical form are advised to avail the facility

of dematerialization. The Company obtains from a Company Secretary in practice, yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the same with the Stock Exchange.

g) **Distribution of Shareholding as on March 31, 2024**

Range of No. Shares From -To	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Up to 5000	1551	65.20	159545	0.60
₹5001 to 10000	190	7.99	147143	0.50
₹10001 to 20000	133	5.58	194860	0.60
₹20001 to 30000	78	3.30	201565	0.70
₹30001 to 40000	37	1.55	129601	0.40
₹40001 to 50000	29	1.20	1319050	0.40
₹50001 to 100000	101	4.24	730854	2.40
₹100001 and above	261	10.94	28796163	94.40
<b>Total</b>	<b>2380</b>	<b>100</b>	<b>3,04,91,636</b>	<b>100</b>

h) **Dematerialization of Shares:**

As on March 31, 2024, 2,99,21,593 equity shares representing 98.13% of the Issued Share Capital of the Company were held in dematerialized form. The equity shares of the Company are traded at BSE Limited. Further, the Company on March 28, 2024 made an allotment of 5,70,000 Equity Shares post conversion of warrants to Mr. Deepak Aggarwal and Mr. Mayur Modi (2,85,000 Equity Shares each), promoters of the Company. The said equity shares were pending for Demat as on March 31, 2024 as the Company was awaiting Listing Approval from Stock Exchange. Accordingly, Equity Shares are now being reflected under the demat Category as the company has received the Listing Approval.

i) **Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

During the period under review, the Board has allotted 11,70,000 (Eleven Lakhs and Seventy Thousand) equity shares pursuant to the exercise of right attached to warrants by the respective warrant holders on September 30, 2023 and March 28, 2024 to the promoter category in accordance with the Articles of Association of the Company.

Further, there are no GDRs/ADRs/CCPS or Warrants outstanding to be converted in Financial Year 2023-24 and which would have an impact on the equity of the Company.

j) **Commodity price risk or foreign exchange risk and hedging activities**

The Company is not exposed to commodity price risk and foreign exchange risk and does not have any hedging activities.

k) **Plant locations**

The Company is in the business of Non-Banking Finance Company; hence no plant information can be provided.

l) **Address for correspondence:**

**Corporate office Address :** DLF Building 8, Block A, 4<sup>th</sup> Floor, DLF Cyber City, Gurugram- 122002 Haryana

**Head Office Address :** 411-A, Kanakia Wallstreet, Chakala, Andheri Kurla Road, Andheri (East), Mumbai-400093

**Registered Office Address :** 523-A, Somdutt Chamber – II, 9, Bhikaji Cama Place, New Delhi – 110066

**Telephone No. :** 011- 45657452

m) **Transfer of unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF):**

No amount of unclaimed dividend is due for transfer to Investor Education and Protection Fund.

n) **Reconciliation of Share Capital Audit:**

A quarterly audit was conducted by a Practising Company Secretary, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the Stock Exchanges within the prescribed time limit.

o) **Information to Shareholders:**

A brief resume of the Directors appointed/reappointed together with the nature of their experience and details of the other Directorships held by them is annexed to the Notice convening the Annual General Meeting.



**p) Any query on Annual Report:**

Members can write an email on [info@moneyboxxfinance.com](mailto:info@moneyboxxfinance.com) or send their query on annual report on below mentioned address:

Name : Mr. Semant Juneja  
 Designation: Company Secretary and Compliance Officer  
 Address : 523-A, Somdutt Chamber – II, 9, Bhikaji Cama Place, New Delhi – 110066  
 Email : [info@moneyboxxfinance.com](mailto:info@moneyboxxfinance.com)

**q) List of all Credit Ratings for all debt instruments**

Name of Credit Agency	Securities/ Instruments/Loans, Credit facilities and other Borrowings	Ratings
India Ratings & Research Private Limited	Non- Convertible Debentures Bank loans Pass Through Certificates	IND BBB-/Positive IND BBB-/Positive IND A-(SO)/Stable

## 9. Other Disclosures

### Related Party Transactions

The Company has not entered into any materially significant transactions with the related parties that may have potential conflict with the interests of the Company at large. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements. A statement in summary form of transactions, if any with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee/Board for review and recommendation to the Board for their approval.

None of the transactions with Related Parties were in conflict with the interest of the Company. All the transactions are on an arm's length basis and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

The disclosure of all related party transactions are mentioned in Note No. 37 forming part of notes to the accounts of the Financial Statements.

The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs which can be accessed at the Company's website through the following link [www.moneyboxxfinance.com](http://www.moneyboxxfinance.com).

### Details of non-compliance

The Company has established proper control systems to ensure compliance with the provisions of all the applicable provisions of Companies Act, 2013 ("Act") along with applicable Accounting standards issued by the Institute of Chartered Accountant of India (ICAI) and Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) as notified/amended from time to time in respect of meetings of the board of directors, committees and general meetings held during the year.

During the last three years, except stated below, there have been no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authorities relating to capital market and listing:

1. BSE vide its e-mail dated January 18, 2021, has imposed a fine of ₹2,71,400 for delay in filing of disclosure of Related Party Transaction under Regulation 23 of the Listing Regulations for half year ended on September 30, 2020. Company had paid the fine on February 01, 2021. The Company made an application to BSE Limited for waiver of the fine which was accepted by the stock exchange (Bombay Stock Exchange) vide email dated July 20, 2021, pursuant to SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. (Erstwhile SEBI circular SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018.) under Standard Operating Procedure (SOP)"
2. During the Financial Year 2022-23, the promoter of the company i.e. Moneyboxx Capital Private Limited had sold 1,91,608 equity shares during the restricted period – when the trading window was closed for all designated person of the Company, from the quarter ending December 31, 2023, until forty-eight hours of the declaration of financial results i.e. February 16<sup>th</sup>, 2023, which resulted in violation with the Code for Prevention of Insider Trading of the company formulated pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015. The Promoter, therefore, had filed a suo moto application with Securities and Exchange Board of India dated May 23, 2023, under the relevant settlement scheme in order to seek condonation for the violation. An email dated June 05, 2024, was received by Promoter under which SEBI has accepted the settlement proposal and instructed to pay the settlement charges of ₹6,20,000, which was duly paid by the promoter of the Company pursuant to SEBI order dated July 19, 2024.

### Whistleblower Policy and Vigil Mechanism

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The Company promotes ethical behavior in its operations and has a Whistle Blower Policy which is overseen by the Audit Committee. No personnel has been denied access to the Audit Committee. Under the Whistle Blower Policy, employees and stakeholders are free to report violations of applicable laws and regulations and the Code of Conduct.

The Whistle Blower Policy can be accessed at the Company's website through the following link [www.moneyboxxfinance.com](http://www.moneyboxxfinance.com).

### Details of compliance with mandatory requirements and adoption of non-mandatory (discretionary) requirements

The Company has duly complied with the mandatory requirements on Corporate Governance under the SEBI Listing Regulations applicable to the Company. However, the Company has not adopted any of the non-mandatory requirements stipulated under the said enactment.

#### Material Subsidiaries:

The Company does not have any material Listed or unlisted subsidiaries during the year under review. The Policy to determine "material subsidiary" is available on the website of the Company at [www.moneyboxxfinance.com](http://www.moneyboxxfinance.com).

However, the Company has one Wholly owned Subsidiary Company i.e. Moneyboxx Foundation as on March 31, 2024.

#### Status of Investor Complaints

Status of Investor Complaints as on March 31, 2024, as reported under Regulation 13(3) of the Listing Regulations is as under:

Complaints pending as on April 1, 2023	0
Received during the year	0
Resolved during the year	0
Pending as on March 31, 2024	0

#### Code of Conduct for Prevention of Insider Trading

Your Company has adopted a "Code of Internal procedure and conduct for regulating, monitoring and reporting of trading in securities by Insiders" as required under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Company has formulated a Code of Conduct to Regulate, Monitor, and Report trading by Insiders to deter the Insider trading in the securities of the Company based on the unpublished price sensitive information (UPSI).

The Code duly envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. During the year under review there has been due compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code is also available on the website of the Company.

#### Accounting treatment in preparation of Financial Statements

The Financial Statements of the Company has been duly prepared pursuant to the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Act.

### Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) and 52(7A) of SEBI Listing Regulations.

Regulation 32(7A) and 52(7A) of SEBI Listing Regulations, during the year under review, the Company has raised funds through preferential basis dated December 19, 2023 which was or were fully utilised by the Company in accordance with the objects stated in the respective offer document/notice of general meeting.

#### Certification from Company Secretary in Practice

Certificate from Ritu, a Practicing Company Secretary, to the effect that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of the Company by the MCA or any other statutory authority, has been duly received by the Company. This certificate forms part of this Annual Report. (Refer **Annexure A** to this Report)

#### Acceptance of recommendation of all Committees

During the year under review, there have been no such instances where the recommendations of any Committees were not accepted by the Board in terms of the Listing Regulations.

#### Statutory Auditor Fees

The details of the total fees for all services paid by the Company during FY24, to the Statutory Auditors are as follows:

Particulars	Amount (in ₹)
Payment to Statutory Audit fees	₹1,25,000
Certification fees	₹6,01,000

#### Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V(c) of the Listing Regulations – NIL

#### Disclosure with respect to demat suspense account / unclaimed suspense account – Nil

#### Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace

The Company has in place a policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity. During the year under review, the Company has not received any complaint in this regard.

Status of Complaints under the sexual harassment of women at Workplace (prevention, prohibition and redressal) Act, 2013 during the Financial Year 2023-24 is detailed below:

Complaints pending at the beginning of Financial Year	0
Received during the year	0
Resolved during the year	0
Pending at the end of Financial Year	0

**Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount:**  
None

## 10. Compliance with the Mandatory Requirements of the Listing Regulations

The compliance of all applicable laws to the Company is reviewed by the Board of Directors on a periodic basis. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations. A certificate affirming the compliances from Ritu, a Company Secretary in Practice has been duly attained by the Company and the same is attached to this Report as **Annexure B**.

## 11. Disclosure of accounting treatment:

There has not been any change in accounting policies of the Company during the year.

## 12. Non-Mandatory Disclosures

### The Board

Chairman's office has been made available for the non-executive Chairman and he is allowed reimbursement of expenses incurred in performance of his duties.

## Modified opinion(s) in audit report

There are no modified opinions in the audit report.

## Reporting of Internal Auditor

In pursuance with Section 138 of the Companies Act, 2013, an Internal Auditor has been duly appointed by the Company who reports to the Audit Committee. Internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

## 13. CEO and CFO Certification

The certification by CEO and CFO is duly provided in this Annual Report in terms of the requirements of Listing Regulations. (Refer **Annexure C** to this Report)

By order and on behalf of the Board  
**Moneyboxx Finance Limited**

Sd/-  
**(Mayur Modi)**  
Co- CEO &  
Whole-time Director  
DIN: 08021679

Sd/-  
**(Deepak Aggarwal)**  
Co- CEO, CFO &  
Whole-time Director  
DIN: 03140334

Date: August 08, 2024  
Place: Gurugram, Haryana

## ANNEXURE A

### CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

{Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

To,  
The Members,  
**MONEYBOXX FINANCE LIMITED**  
523-A, Somdutt Chamber-II 9,  
Bhikaji Cama Place,  
New Delhi-110066,  
India

- I have examined the compliance of conditions of Corporate Governance by Moneyboxx Finance Limited ("the Company") for the year ended on 31<sup>st</sup> March 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraph C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") pursuant to the Listing Agreement of the Company with the Stock Exchanges.

#### Management's Responsibility

- The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

#### Auditors' Responsibility

- My responsibility is limited to examining the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- Pursuant to the requirements of the Listing Regulations, it is my responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended March 31, 2024.

- I have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

#### Opinion

- Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraph C, D and E of Schedule V to the Listing Regulations during the year ended 31<sup>st</sup> March 2024, except as reported by the Secretarial Auditor in his respective report, if any.
- I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

#### Restriction on use

- The certificate is addressed and provided to the members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Sd/-

**CS Ritu**

Practising Company Secretary

Membership No: A51819

Peer Review Cert. No.: 1145/2021

CP. No: 21003

UDIN: AO51819F000928046

Date: August 08, 2024

Place: New Delhi

## ANNEXURE B

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members,  
**Moneyboxx Finance Limited**  
523-A, Somdutt Chamber-II 9,  
Bhikhaji Cama Place  
New Delhi- 110066,  
India

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Moneyboxx Finance Limited** having CIN **L30007DL1994PLC260191** and having registered office at **523-A, Somdutt Chamber-II 9, Bhikhaji Cama Place New Delhi- 110066, India**, (hereinafter referred to as “**the Company**”), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Director(s) on the Board of the Company as stated below for the Financial Year ending on **31<sup>st</sup> March, 2024**, have been debarred or disqualified from being appointed or continuing as Director(s) of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No.	Name of Director(s)	DIN	Date of Appointment in Company
1.	Mr. Govind Gupta	00065603	12/10/2018
2.	Mr. Deepak Aggarwal	03140334	12/10/2018
3.	Mr. Uma Shankar Paliwal	06907963	11/01/2019
4.	Mr. Atul Garg	07093376	15/09/2020
5.	Ms. Ratna Dharashree Vishwanathan	07278291	11/01/2019
6.	Mr. Mayur Modi	08021679	12/10/2018

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

Date: August 08, 2024  
Place: New Delhi

Sd/-  
**CS Ritu**  
Practising Company Secretary  
Membership No: A51819  
Peer Review Cert. No.: 1145/2021  
CP No: 21003  
UDIN: AO51819F000928046

**ANNEXURE C****CEO AND CFO CERTIFICATE****Declaration by chairman cum managing director under schedule v of sebi (listing obligations and disclosure requirements) regulations, 2015**

We, Deepak Aggarwal, Chief Financial officer and Co-Chief Executive Officer and Mayur Modi, Co-Chief Executive Officer of Moneyboxx Finance Limited hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel, as approved by the Board, for the financial year ended on March 31, 2024.

Sd/-

**Mayur Modi**

Co- CEO &amp; Whole-time Director

Sd/-

**Deepak Aggarwal**

Co-CEO &amp; Chief Financial Officer

Place: Gurugram, Haryana

Date: August 08, 2024



**ANNEXURE D****CEO/CFO CERTIFICATION**

To,  
The Board of Directors  
**MoneyBoxx Finance Limited,**  
523-A Somdutt Chambers-II  
9 Bhikaji Cama Place  
New Delhi

**Sub: Certificate under Regulation 17 (8) and Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;**

We, the undersigned, certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2024, and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee deficiencies in the design and operations of such internal controls, if any, of which they are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee that:
  - (i) There is no significant changes in internal control over financial reporting during the year,
  - (ii) There is no significant changes in accounting policies during the year and
  - (iii) There are no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
**Mayur Modi**  
Co- CEO & Whole-time Director

Sd/-  
**Deepak Aggarwal**  
Co-CEO, CFO & Whole-time Director

Place: Gurugram, Haryana  
Date: August 08, 2024

# Independent Auditors' Report

TO,  
**THE MEMBERS OF MONEYBOXX FINANCE LIMITED**

## Report on the Audit of Financial Statements

### Opinion

We have audited the accompanying financial statements of **MONEYBOXX FINANCE LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

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 in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibility of Management and Those Charged with Governance (TCWG)

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 the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

## Report on Other Legal and Regulatory Requirements

### I. 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 purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules thereunder.
- (e) On the basis of the written representations received from the directors as on 31/03/2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31/03/2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or applicable accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, 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 in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) 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 or entity, 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
  - (c) Based on our audit procedures we considered these reasonable and appropriate in the circumstances and nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
  - v. The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.
  - vi. Based on our examination which included test checks, performed by us on the Company and its subsidiaries have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024 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 audit, we have not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
- For GAUR & ASSOCIATES  
Chartered Accountants  
FRN: 005354C
- Sd/-  
**S. K. Gupta**  
Partner  
M. No. 016746  
UDIN: 24016746BKBZVR3711
- Place: Gurguram  
Date: 17/05/2024

## “Annexure A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of MONEYBOXX FINANCE LIMITED of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

We have audited the internal financial controls over financial statements of **MONEYBOXX FINANCE LIMITED** as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

### For GAUR & ASSOCIATES

Chartered Accountants  
FRN: 005354C

Sd/-

**S. K. Gupta**

Partner

M. No. 016746

UDIN: 24016746BKBZVR3711

Place: Gurguram

Date: 17/05/2024

## “Annexure B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Moneyboxx Finance Limited of even date)

- i. In respect of the Company’s property, plant and equipment, right of use assets and intangible assets:
  - a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right of use assets.
  - B. The Company has maintained proper records showing full particulars of Intangible Assets.
  - b) The Company has program of verification to cover all the items of Property, Plant and Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations received by us, as the company owns no immovable properties, the requirement on reporting whether title deeds of immovable properties held in the name of the company is not applicable. In respect of immovable properties of land and building that have been taken on lease and disclosed in the financial statements, the lease agreements are 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 during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. As the principal business of company is to give loans & advances, so definitely during the year company has granted loans or advances to various parties that are in the nature of secured and unsecured loans and also company has made investments too.
  - a) As the principal business of company is to give loans & advances. Therefore, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
  - b) Based on our audit procedures and according to the information and explanations provided by the management, in our opinion, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company’s interest.
  - c) Based on our scrutiny of the company’s records and according to the information and explanations provided by the management, we are of the opinion that in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular except some loans.
  - d) Based on our scrutiny of the company’s records and according to the information and explanations provided by the management, the total amount overdue for more than ninety days is ₹ 732.26 lakhs and also the company has taken reasonable steps for recovery of the principal and interest.
  - e) As the principal business of company is to give loans & advances. Therefore, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.
  - f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. Based on our scrutiny of the company’s records and according to the information and explanations provided by the management, in our opinion, the company has not accepted any loans or deposits which are deemed to be ‘deposits’ within



the meaning of Rule 2(b) of the Companies (Acceptance of Deposits) Rules, 2014 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.

vi. According to the information and explanations provided by the management, the company is not engaged in production of any such goods or provision of any such services for which the Central Government has prescribed particulars relating to utilisation of material or labour or other items of cost. Hence, the provisions of section 148(1) of the Act do not apply to the company. Hence, in our opinion, no comment on maintenance of cost records under section 148(1) of the Act is required.

vii. According to the information and explanations given to us, in respect of statutory dues:

- a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Professional Tax, Value Added Tax, Cess and other statutory dues applicable to it with the appropriate authorities.
- b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Professional Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- c) According to the records of the company, there are no dues of sales tax, income-tax, value added tax, customs duty, excise duty, cess which have not been deposited on account of any dispute.

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

ix. In respect to repayment and usage of borrowings:

- a) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowing or in the payment of interest thereon to any lender, financial institution, bank, government or dues to debenture- holders.
- b) The company has not been declared as willful defaulter by any bank or financial institution or other lender.
- c) Based upon the audit procedures performed, we are of the opinion that the company has applied term loans for the purpose for which the loans were obtained.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have,

prima facie, not been used during the year for long-term purposes by the Company.

- e) The company has not taken any funds from any entity or person on account of or to meet obligations of its subsidiaries, associates or joint ventures.
- f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. In relation to use of money raised through issue of own shares:

- a) The Company has raised moneys by way of issue of Listed and Unlisted Non-convertible debentures during the year and were duly applied for the purposes for which those were raised.
- b) In our opinion and according to the information and explanations given to us, the Company has made Preferential Allotment of Equity Shares and issued share capital through Employee Stock Option Plan (ESOP) during the year and has also complied with the requirements of section 42 and section 62 of the Companies Act, 2013. Further, the funds raised have been used for the purposes for which the funds were raised.

xi. In respect of Reporting on Fraud:

- a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) During the year, no whistle blower complaints have been received.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year

and till date, in determining the nature, timing and extent of our audit procedures.

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

xvi. In relation to Reporting on Registration u/s 45-IA of RBI Act:

- a) The company is a Non-Banking Financial Company and is required to be registered under section 45-I of the Reserve Bank of India. The company has obtained the registration vide certificate of registration no. B-14.03301 dated 13th March 2019.
- b) The company has not conducted any Non-Banking Financial or Housing Finance Activities without obtaining a valid Certificate of Registration (CoR) from the Reserve bank of India as per the Reserve Bank of India Act, 1934.
- c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India,
- d) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The company has not incurred any cash losses in the financial year covered by our audit but had incurred cash losses

amounting to ₹ 482.02 lakhs in the immediately preceding financial year.

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

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

xx. Provisions of section 135 of the Companies Act, 2013 are not applicable to the Company as the company does not qualify the limits of section. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

#### For GAUR & ASSOCIATES

Chartered Accountants

FRN: 005354C

Sd/-

**S. K. Gupta**

Partner

M. No. 016746

UDIN: 24016746BKBZVR3711

Place: Gurguram

Date: 17/05/2024

# Balance Sheet

as at 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Notes	As at 31-Mar-2024	As at 31-Mar-2023
<b>Assets</b>			
<b>Financial Assets</b>			
(a) Cash and cash equivalents	3	9,598.36	5,658.13
(b) Bank balances other than cash and cash equivalents	4	1,765.23	728.46
(c) Trade receivables	5	111.52	5.00
(d) Loans	6	49,080.89	24,257.58
(e) Investments	7	1,052.56	200.00
(f) Other financial assets	8	2,260.09	428.55
		<b>63,868.65</b>	<b>31,277.72</b>
<b>Non-Financial Assets</b>			
(a) Current tax assets (net)	9	247.85	71.53
(b) Deferred tax assets (net)		534.07	675.85
(c) Property, plant and equipment	10	658.91	423.34
(d) Intangible asset under development		-	317.75
(e) Other intangible assets	11	546.26	3.01
(f) Right of use asset	12	770.78	239.27
(g) Other non-financial assets	13	289.96	80.10
		<b>3,047.83</b>	<b>1,810.85</b>
<b>Total assets</b>		<b>66,916.48</b>	<b>33,088.57</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
<b>Payables</b>			
(a) Trade payables	14	-	-
(i) Total outstanding dues of micro-enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro-enterprises and small enterprises		179.31	119.28
(b) Debt securities	15	7,934.45	2,015.32
(c) Borrowings (other than debt securities)	16	35,793.49	21,121.33
(d) Subordinated liabilities	17	663.50	663.37
(e) Lease Liability		831.55	261.97
(f) Other financial liabilities	18	3,564.88	1,039.65
		<b>48,967.18</b>	<b>25,220.92</b>
<b>Non-financial liabilities</b>			
(a) Provisions	19	97.23	46.61
(b) Other non-financial liabilities	20	966.91	181.22
		<b>1,064.14</b>	<b>227.83</b>
<b>Equity</b>			
(a) Equity share capital	21	3,049.17	2,492.14
(b) Other equity	22	13,835.99	5,118.43
(c) Share warrants		-	29.25
		<b>16,885.16</b>	<b>7,639.82</b>
<b>Total liabilities and equities</b>		<b>66,916.48</b>	<b>33,088.57</b>
Summary of significant accounting policies	2		

The notes referred to above form an integral part of these financial statements

As per our report of even date

For **Gaur & Associates**

Chartered Accountants

Firm Registration No.: 005354C

**Satish Kumar Gupta**

Partner

Membership No.: 016746

Place : Gurugram

Date : 17-May-2024

For and on behalf of the Board of Directors of **Moneyboxx Finance Limited**

**Mayur Modi**

Whole-time Director

DIN:08021679

**Govind Gupta**

Director

DIN:00065603

Place : Gurugram

Date : 17-May-2024

**Deepak Aggarwal**

Whole-time Director & CFO

DIN:03140334

**Semant Juneja**

Company Secretary

M. No:A47541

# Statement of Profit and Loss

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Note	Year ended 31-Mar-24	Year ended 31-Mar-23
<b>I Revenue from operations</b>			
(a) Interest income	23	10,761.32	4,886.71
(b) Fee income	24	1,000.40	139.39
(c) Income on derecognised (assigned) loans	25	813.17	-
(d) Net gain on fair value changes	26	194.48	14.97
<b>Total revenue from operations</b>		<b>12,769.36</b>	<b>5,041.07</b>
<b>II Other Income</b>	27	27.03	2.95
<b>III Total revenue (I+II)</b>		<b>12,796.39</b>	<b>5,044.02</b>
<b>IV Expenses</b>			
(a) Finance cost	28	4,281.36	2,167.64
(b) Impairment on financial instruments	29	710.50	339.11
(c) Employee benefits expenses	30	4,706.76	2,565.12
(d) Depreciation, amortisation and impairment	31	334.57	173.08
(e) Other expenses	32	1,707.35	793.28
<b>Total expenses (IV)</b>		<b>11,740.54</b>	<b>6,038.23</b>
<b>V Profit/(loss) before tax (III-IV)</b>		<b>1,055.85</b>	<b>(994.21)</b>
<b>VI Tax expenses</b>			
Current tax		-	-
Deferred tax		141.78	(313.83)
<b>Total tax expenses (VI)</b>		<b>141.78</b>	<b>(313.83)</b>
<b>VII Profit/(loss) after tax (V-VI)</b>		<b>914.07</b>	<b>(680.37)</b>
<b>VIII Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		(17.59)	11.09
Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Other Comprehensive Income</b>		<b>(17.59)</b>	<b>11.09</b>
<b>IX Total Comprehensive Income For the year (VII+VIII)</b>		<b>896.48</b>	<b>(669.28)</b>
<b>Earnings per equity share [nominal value of share ₹ 10]</b>			
Basic	35	3.45	(2.94)
Diluted	35	3.40	(2.94)

Summary of significant accounting policies

2

The notes referred to above form an integral part of these financial statements

As per our report of even date

For **Gaur & Associates**

Chartered Accountants

Firm Registration No.: 005354C

**Satish Kumar Gupta**

Partner

Membership No.: 016746

Place : Gurugram

Date : 17-May-2024

For and on behalf of the Board of Directors of **Moneyboxx Finance Limited**

**Mayur Modi**

Whole-time Director

DIN:08021679

**Govind Gupta**

Director

DIN:00065603

Place : Gurugram

Date : 17-May-2024

**Deepak Aggarwal**

Whole-time Director & CFO

DIN:03140334

**Semant Juneja**

Company Secretary

M. No:A47541

# Statement of Cash Flows

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	1,055.85	(994.21)
Adjustment for:		
Interest Income	(10,761.32)	-
Interest on FD and FLDG	-	(74.46)
Net gain on fair value change of investment	(194.48)	-
Net gain on fair value change of other financial asset	(813.17)	-
Gain on derecognition of lease	(5.92)	-
Interest on income tax refund	-	-
Profit on sale of property, plant and equipment	(1.65)	-
Finance cost	4,281.36	2,167.64
Impairment on financial instruments	710.50	246.61
Provision for gratuity	50.61	11.09
Stock based payment to employees	164.59	81.31
Depreciation and amortization	124.87	173.08
Depreciation on right of use asset	209.70	-
<b>Operating profit before working capital changes</b>	<b>(5,179.05)</b>	<b>1,611.07</b>
Movement in working capital		
(Increase)/ decrease in trade receivables	(106.52)	-
(Increase)/ decrease in loan portfolio	(24,442.28)	(12,587.24)
(Increase)/ decrease in other financial assets	(1,830.80)	(81.80)
(Increase)/ decrease in other non-financial assets	(209.86)	(256.64)
Increase/ (decrease) in trade payables	60.03	-
Increase/ (decrease) in other financial liabilities	2,525.23	1,007.08
Increase/ (decrease) in non-financial liabilities	787.02	33.54
<b>Cash generated from operations</b>	<b>(28,396.23)</b>	<b>(10,273.99)</b>
Interest income received	10,701.45	-
Finance cost paid	(4,494.64)	(2,167.64)
	<b>(22,189.42)</b>	<b>(12,441.63)</b>
Income tax paid (net of refunds)	(176.32)	-
<b>Net cash flows from/(used in) operating activities (A)</b>	<b>(22,365.74)</b>	<b>(12,441.63)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible asset	(585.94)	(437.17)
Increase/Decrease in FD & FLDG	-	(85.86)
Interest on FD & FLDG	-	74.46
Movement in bank Balances other than cash & cash Equivalents	(1,010.47)	(402.29)
Proceeds from sale of property, plant and equipment	127.44	-
Proceed/ (purchase) of investments	(658.08)	(200.00)
<b>Net cash from/(used in) Investing activities (B)</b>	<b>(2,127.05)</b>	<b>(1,050.86)</b>

# Statement of Cash Flows

for the year ended 31st March 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares including securities premium (net of expenses)	8,184.27	4,776.42
Proceeds from borrowings from Financial Institutions	37,573.55	23,516.98
Repayment of borrowings from Financial Institutions	(17,062.03)	(9,659.25)
Payment of lease liabilities	(262.77)	(91.84)
<b>Net Cash from/(used in) Financing activities(C)</b>	<b>28,433.01</b>	<b>18,542.31</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>3,940.23</b>	<b>5,049.82</b>
Cash and cash equivalents at beginnings of year	5,658.13	608.32
<b>Cash and cash equivalents at end of year</b>	<b>9,598.36</b>	<b>5,658.13</b>

The components of cash and cash equivalents can be referred in Note 3

The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS-7 on 'Statement of Cash Flows'.

The notes referred to above form an integral part of these financial statements

As per our report of even date

For **Gaur & Associates**

Chartered Accountants

Firm Registration No.: 005354C

**Satish Kumar Gupta**

Partner

Membership No.: 016746

Place : Gurugram

Date : 17-May-2024

For and on behalf of the Board of Directors of Moneyboxx Finance Limited

**Mayur Modi**

Whole-time Director

DIN:08021679

**Govind Gupta**

Director

DIN:00065603

Place : Gurugram

Date : 17-May-2024

**Deepak Aggarwal**

Whole-time Director & CFO

DIN:03140334

**Semant Juneja**

Company Secretary

M. No:A47541



# Statement of Changes in Equity

for the year ended 31st March 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## A Equity share capital

As at 31 March 2024

Balance as at 31-Mar-23	Changes in equity share capital due to prior period errors	Restated balance at 31-Mar-23	Changes during the current year	Balance as at 31-Mar-24
2,492.14	-	2,492.14	557.03	3,049.17

As at 31 March 2023

Balance as at 31-Mar-22	Changes in equity share capital due to prior period errors	Restated balance at 31-Mar-22	Changes during the current year	Balance as at 31-Mar-23
2159.95	-	2159.95	332.19	2492.14

## B Other equity

	Reserves and surplus				Share warrants	Total
	Securities premium	Statutory reserve	Share options outstanding	Retained earning		
<b>Balance as at March 31, 2022</b>	2,295.83	15.18	3.08	(1,022.67)	-	1,291.42
Profit for the year	-	-	-	(680.37)	-	(680.37)
Other comprehensive income (net of tax)	-	-	-	11.09	-	11.09
Issue of equity shares (net of share issue expenses)	4,414.98	-	-	-	-	4,414.98
Issue of share warrants	-	-	-	-	29.25	29.25
Transfer to statutory reserves	-	-	-	-	-	-
Transfer from share options outstanding account	-	-	-	-	-	-
Share based payment to employees	-	-	81.31	-	-	81.31
<b>Balance as at March 31, 2023</b>	<b>6,710.81</b>	<b>15.18</b>	<b>84.39</b>	<b>(1,691.95)</b>	<b>29.25</b>	<b>5,147.68</b>
Profit for the year	-	-	-	914.07	-	914.07
Other comprehensive income (net of tax)	-	-	-	(17.59)	-	(17.59)
Issue of equity shares (net of share issue expenses)	7,656.49	-	-	-	(29.25)	7,627.24
Issue of share warrants	-	-	-	-	-	-
Transfer to statutory reserves	-	182.81	-	(182.81)	-	-
Transfer from share options outstanding account	55.36	-	(55.36)	-	-	-
Share based payment to employees	-	-	164.59	-	-	164.59
<b>Balance as at March 31, 2024</b>	<b>14,422.66</b>	<b>197.99</b>	<b>193.62</b>	<b>(978.28)</b>	<b>-</b>	<b>13,835.99</b>

As per our report of even date

For **Gaur & Associates**

Chartered Accountants

Firm Registration No.: 005354C

**Satish Kumar Gupta**

Partner

Membership No.: 016746

Place : Gurugram

Date : 17-May-2024

For and on behalf of the Board of Directors of Moneyboxx Finance Limited

**Mayur Modi**

Whole-time Director

DIN:08021679

**Govind Gupta**

Director

DIN:00065603

Place : Gurugram

Date : 17-May-2024

**Deepak Aggarwal**

Whole-time Director & CFO

DIN:03140334

**Semant Juneja**

Company Secretary

M. No:A47541

# Summary of Significant Accounting Policies

for the year ended 31st March, 2024

## CORPORATE INFORMATION

Moneyboxx Finance Limited an Indian Company incorporated on November 16, 1994, under the provisions of Companies Act, 1956, having its registered office at New Delhi. The Company is registered with the Reserve Bank of India ("RBI") as a Non-Systemically Important Non-Deposit Taking Non-Banking Financial Company (NBFC) and the Company is also listed on Main Board of Bombay Stock Exchange Ltd. (BSE), Mumbai.

The Company is engaged in lending and allied activities. The Company focuses on small and medium-sized enterprises (SME) lending, commercial lending, and value-added services.

## I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

### A. Statement of compliance

The financial statements of the Company have been prepared under historical cost convention on an accrual basis in accordance with the Indian Accounting Standard ("Ind AS") and the relevant provision of the Companies Act, 2013 (the "Act") (to the extent notified) and the guidelines issued by the Reserve Bank of India ("RBI") to the extent applicable. The Ind AS is prescribed under section 133 of the Act read with Rule 3 of the companies (Indian Accounting Standards) Rules, 2015 and relevant amendment II rules issued thereafter.

### 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 Non-banking Finance Companies (NBFCs), as notified by the MCA. The Statement of Cash Flows is presented as per the requirements of Ind AS 7 - Statement of Cash Flows. The Company classifies its assets and liabilities as financial and non-financial and presents them in the order of liquidity. An analysis regarding expected recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in notes to the financial statements. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

### C. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All the amounts are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

### D. Basis of measurement

The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the Act, except for:

- Financial instruments – measured at fair value
- Employees Stock Option plan as per fair value of the option
- Employee's Defined Benefit Plan as per actuarial valuation

### E. Use of estimates and judgements

The preparation of financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgments, estimates and assumptions are recognised in particular for:

#### i. Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest 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 amortised cost or fair value through other comprehensive income that are derecognised 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

# Summary of Significant Accounting Policies

for the year ended 31st March, 2024

been a change in business model and so a prospective change to the classification of those assets.

## ii. Determination of estimated useful lives of property, plant, equipment:

Useful lives of property, plant and equipment are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance support.

## iii. Recognition and measurement of defined benefit obligations:

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

## iv. Recognition of deferred tax assets:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

## v. Recognition and measurement of provisions and contingencies

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

## vi. Fair value of financial instruments

The fair value of financial instruments 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 another valuation technique.

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Refer Note 49 about determination of fair value. For recognition of impairment loss on other financial assets and risk exposures, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss.

## vii. Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether the above financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company follows 'general approach' for recognition of impairment loss allowance on loan and advances. Under this approach impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

## viii. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

# Summary of Significant Accounting Policies

for the year ended 31st March, 2024

## 2. Significant Accounting Policies

### A. Cash and cash equivalents

Cash, Cash equivalents and bank balances include fixed deposits, (with an original maturity of three months or less from the date of placement), margin money deposits, and earmarked balances with banks are carried at amortised cost. Short term and liquid investments which are not subject to more than insignificant risk of change in value, are included as part of cash and cash equivalents.

### B. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instruments.

#### Financial Assets

##### Initial Measurement and recognition

Financial assets are initially recognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

##### Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- Loan Portfolio at amortized cost
- Loan Portfolio at fair value through other comprehensive income (FVOCI)
- Equity instruments and mutual funds

##### Loan Portfolio at amortized cost:

Loan Portfolio is subsequently measured at amortized cost where:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI) on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

After initial measurement, these financial assets are subsequently measured at amortized cost using the effective

interest rate (EIR) method less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the statement of profit and loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described in Note: Impairment of financial assets.

##### Loan Portfolio at FVOCI:

Loan Portfolio is subsequently measured at FVOCI where:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest (SPPI) on the principal amount outstanding; and
- the financial asset is held within a business model where objective is achieved by both collecting contractual cash flows and selling financial assets.

Loans included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is recognized as interest income using the EIR method.

##### Equity instruments and Mutual Funds

Equity instruments and mutual funds included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

#### Financial liabilities

##### Initial Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

##### Subsequent Measurement

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

# Summary of Significant Accounting Policies

for the year ended 31st March, 2024

## De-recognition of financial assets and financial liabilities

### Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognized when the rights to receive cash flows from the financial asset have expired. The Company also de-recognizes the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset.

or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:

- The Company has transferred substantially all the risks and rewards of the asset
- or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognized only to the extent of the Company's continuing involvement, in which case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognized in the statement of profit or loss account.

### Financial Liabilities

Financial liability is de-recognized 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 a de-recognition of the original liability and the re-cognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

## C. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using various valuation techniques.

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Company's accounting policies require, measurement of certain financial instruments at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said standalone financial statements.

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

# Summary of Significant Accounting Policies

for the year ended 31st March, 2024

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy described as follows:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 financial instruments □ include one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

## D. Property, plant, and equipment

### i. Recognition and measurement

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

### ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

### iii. Depreciation

Depreciation on property, plant and equipment (except motor vehicles) is provided on straightline method at estimated useful life, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

The Company uniformly estimates a five percent residual value for all these assets. Items costing less than ₹ 5,000 are fully depreciated in the year of purchase. Depreciation is pro-rated in the year of acquisition as well as in the year of disposal.

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.

## E. Other intangible assets

Software and system development expenditure are capitalized at cost of acquisition including cost attributable to readying the asset for use. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses. The useful life of these intangible assets is estimated at 3 years with zero residual value. Any expenses on such software for support and maintenance payable annually are charged to the statement of profit and loss.

## F. Impairment of financial assets

The Company applies the ECL model in accordance with Ind-AS 109 for recognizing impairment loss on financial assets. The ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial asset ('lifetime ECL') unless there has been no significant increase in credit risk since origination. ECL is calculated on a collective basis, considering the retail nature of the underlying portfolio of financial assets.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. When determining whether the risk of default on a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on a provision matrix which takes into account the Company's historical credit loss experience, current economic conditions, forward-looking information and scenario analysis. The expected credit loss is a product of exposure at default ('EAD'), probability of default ('PD') and loss given default ('LGD'). The Company has evaluated the PD and LGD based on the management's best estimate in accordance with Ind-AS 109.

## G. Finance Cost

Finance costs represent interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed:

- At the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.



# Summary of Significant Accounting Policies

for the year ended 31st March, 2024

- By considering all the contractual terms of the financial instrument in estimating the cash flows.
- Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows are recognised in interest expense with the corresponding adjustment to the carrying amount of the financial liability. Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

## H. Write Offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs.

## I. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

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. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements if the inflow of the economic benefit is probable than it is disclosed in the financial statements.

With respect to the Co-lending and Business Correspondence partnership, the Company has given corporate guarantee of ₹ 3,001.94 lakhs as on March 31, 2024.

## J. Revenue recognition

### i. Interest income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets measured at amortised cost other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

- As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- By considering all the contractual terms of the financial instrument in estimating the cash flows.
- Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of ECL provision) of the financial asset.

Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

Interest spread under par structure of direct assignment of loan receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the Statement of Profit and Loss.

# Summary of Significant Accounting Policies

for the year ended 31st March, 2024

## ii. Fees & commission income

Fees and commissions are recognised when the Company satisfies the performance obligation, at the amount of transaction price (net of variable consideration) allocated to that performance obligation based on a five-step model as set out below, unless included in the effective interest calculation:

**Step 1:** Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2:** Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3:** Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step 4:** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

**Step 5:** Recognise revenue when (or as) the Company satisfies a performance obligation.

## iii. Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in 'Net gains on fair value changes' under Revenue from operations and if there is a net loss the same is disclosed under 'Expenses' in the Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt or equity instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Company does not have any debt instruments measured at FVOCI.

## K. Retirement and other employee benefits

### Short term employee benefit

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 recognised 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.

### Post-employment employee benefits

#### i. Defined contribution schemes

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

#### ii. Defined benefit plan

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

# Summary of Significant Accounting Policies

for the year ended 31st March, 2024

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

## Employee stock options

Eligible employees in terms of the Employees Stock Options Scheme of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Share Option Outstanding Reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense/ vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and

is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest.

## L. Leases

The Company has adopted Ind-AS 116 - Leases and applied it to all lease contracts entered. Based on the same and as permitted under the specific transitional provisions in the standard, the Company is not required to restate the comparative figures.

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

The following policies applied-

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- initial direct costs incurred; and
- the amount of any provision recognized where the Company is contractually required to dismantle,

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

## M. Goods and services tax paid on acquisition of assets or on incurring expenses.

Expenses and assets are recognized net of the goods and services tax paid, except when the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognized as part of the cost

# Summary of Significant Accounting Policies

for the year ended 31st March, 2024

of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables, respectively, in the balance sheet.

Further being an NBFC Company, the Company has followed the policy to availed only 50% input credit of GST on all expenses as well as on Capital Goods Purchased and the remaining 50% will be lapsed as per Rule No. 3 of ITC of GST.

## N. Income tax

### i. Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 in respect of taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years.

### ii. Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

## O. Earnings Per Share

The Company reports basic and diluted earnings per equity share as per Ind-AS 33. Basic earnings per equity share have been computed by dividing net profit / loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share have been computed by dividing the net profit attributable to the equity shareholders after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

## P. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's primary business segments are reflected based on the principal business carried out, i.e. lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment.

## Q. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Company.

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term deposits with banks (with an original maturity of three months or less from the date of placement) and cheques on hand. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

## R. Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

## S. Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- i. Estimated amount of contracts remaining to be executed on capital account and not provided for;
- ii. Uncalled liability on shares and other investments partly paid;
- iii. Funding related commitment to associate; and
- iv. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
- v. Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.
- vi. Commitments under Loan agreement to disburse Loans.
- vii. Lease agreements entered but not executed.

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## 3 Cash and cash equivalents

Particulars	As at 31-03-2024	As at 31-03-2023
Cash on hand	165.28	46.37
Balances with banks :		
In current accounts	5,568.72	4,183.85
In deposits with original maturity of less than 3 months	3,864.36	1,427.91
	<b>9,598.36</b>	<b>5,658.13</b>

## 4 Bank balances other than cash and cash equivalents

Particulars	As at 31-03-2024	As at 31-03-2023
Bank balances other than cash and cash equivalents		
In deposits with original maturity of more than 3 months	1,765.23	728.46
	<b>1,765.23</b>	<b>728.46</b>

## 5 Trade receivables

Particulars	As at 31-03-2024	As at 31-03-2023
Trade receivables considered good-secured	111.52	5.00
Trade receivables considered good-unsecured	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	<b>111.52</b>	<b>5.00</b>

Trade receivables are non-interest bearing and generally due in short-term. Based on the management's assessment, no impairment allowance is considered necessary for trade receivables.

### Trade receivables aging schedule

		Outstanding for following periods from due date of payment					
		Unbilled	< 1 year	1-2 years	2-3 years	> 3 years	Total
As at 31 March 2024							
(i)	Undisputed trade receivables – considered good	111.52	-	-	-	-	111.52
(ii)	Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed trade receivables – credit impaired	-	-	-	-	-	-
(iv)	Disputed trade receivables–considered good	-	-	-	-	-	-
(v)	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed trade receivables – credit impaired	-	-	-	-	-	-
As at 31 March 2023							
(i)	Undisputed trade receivables – considered good	5.00	-	-	-	-	5.00
(ii)	Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed trade receivables – credit impaired	-	-	-	-	-	-
(iv)	Disputed trade receivables–considered good	-	-	-	-	-	-
(v)	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed trade receivables – credit impaired	-	-	-	-	-	-

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## 6 Loans (at amortised cost)

(₹ in lakh)		
Particulars	As at 31-03-2024	As at 31-03-2023
<b>(A)</b>		
(i) Term loan	49,503.88	24,394.91
(ii) Loan to staff	73.97	22.67
<b>Total (A) - Gross</b>	<b>49,577.85</b>	<b>24,417.58</b>
Less: Impairment loss allowance	(496.96)	(160.00)
<b>Total (A) - Net</b>	<b>49,080.89</b>	<b>24,257.58</b>
<b>(B)</b>		
(i) Secured by tangible assets	17,469.37	2,078.15
(ii) Unsecured	32,108.48	22,339.43
<b>Total (B) - Gross</b>	<b>49,577.85</b>	<b>24,417.58</b>
Less: Impairment loss allowance	(496.96)	(160.00)
<b>Total (B) - Net</b>	<b>49,080.89</b>	<b>24,257.58</b>
<b>(C)</b>		
Loans outside India	-	-
Loans in India	-	-
(i) Public sector	-	-
(ii) Others	49,577.85	24,417.58
<b>Total (C) - Gross</b>	<b>49,577.85</b>	<b>24,417.58</b>
Less: Impairment loss allowance	(496.96)	(160.00)
<b>Total (C) - Net</b>	<b>49,080.89</b>	<b>24,257.58</b>

## 7 Investments

As at 31 March 2024

	Amortised cost	At fair value through profit & loss	At fair value through OCI	Others (at cost)	Total
<b>(A) Investments in :</b>					
(i) Investments in mutual funds	-	-	-	-	-
(ii) Investments in bonds	-	1,051.56	-	-	1,051.56
(iii) Investments in subsidiary	1.00	-	-	-	1.00
<b>Total (A) - Gross</b>	<b>1.00</b>	<b>1,051.56</b>	<b>-</b>	<b>-</b>	<b>1,052.56</b>
<b>(B)</b>					
(i) Investments outside India	-	-	-	-	-
(ii) Investments in India	1.00	1,051.56	-	-	1,052.56
<b>Total (B) - Gross</b>	<b>1.00</b>	<b>1,051.56</b>	<b>-</b>	<b>-</b>	<b>1,052.56</b>
<b>(C) Less: Allowance for impairment loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (D) - Net = (A)-(C)</b>	<b>1.00</b>	<b>1,051.56</b>	<b>-</b>	<b>-</b>	<b>1,052.56</b>

The Company owns 100% of Moneyboxx Foundation, incorporated under Section 8 of the Companies Act, 2013, to carry on social responsibility activities. The financial statements of Moneyboxx Foundation are not considered for consolidation since the definition of control is not met as the Company's objective is not to obtain economic benefits from the activities of Moneyboxx Foundation.



# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

As at 31 March 2023

	Amortised cost	At fair value through profit & loss	At fair value through OCI	Others (at cost)	Total
<b>(A)</b> Investments in :					
(i) Investments in mutual funds	-	200.00	-	-	200.00
(ii) Investments in bonds	-	-	-	-	-
(iii) Investments in associate	-	-	-	-	-
<b>Total (A) - Gross</b>	-	<b>200.00</b>	-	-	<b>200.00</b>
<b>(B)</b>					
(i) Investments outside India	-	-	-	-	-
(ii) Investments in India	-	200.00	-	-	200.00
<b>Total (B) - Gross</b>	-	<b>200.00</b>	-	-	<b>200.00</b>
<b>(C)</b> Less: Allowance for impairment loss	-	-	-	-	-
<b>Total (D) - Net = (A)-(C)</b>	-	<b>200.00</b>	-	-	<b>200.00</b>

## 8 Other financial assets

Particulars	As at 31-03-2024	As at 31-03-2023
First loss default guarantee	489.26	178.99
Security deposit	106.58	84.48
Recoverable from co-lenders	309.90	-
TDS receivable from lenders	162.91	39.15
Recoverable from business correspondence	27.36	59.89
Advance EMI - MAS term loan	20.83	20.83
Staff imprest and advance	3.35	7.25
Other financial assets	1,139.90	37.96
	<b>2,260.09</b>	<b>428.55</b>

## 9 Current tax assets (net)

Particulars	As at 31-03-2024	As at 31-03-2023
Advance tax and tax deducted at source [net of provision for tax ₹ Nil (31 March 2023: ₹ Nil crores)]	247.85	71.53
	<b>247.85</b>	<b>71.53</b>

(₹ in lakh)

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## 10 Property, plant and equipment

Nature of asset	Leasehold improvement	Computer	Office equipment	Furniture & fixture	Vehicle	Mobile	Total
<b>Gross carrying amount (at cost)</b>							
<b>As at March 31, 2022</b>	<b>14.16</b>	<b>109.89</b>	<b>16.08</b>	<b>69.41</b>	<b>19.03</b>	<b>11.50</b>	<b>240.07</b>
Additions	61.58	115.14	29.29	151.87	-	5.80	363.68
Disposals/ adjustments	(0.64)	(5.10)	-	(7.02)	-	-	(12.76)
<b>As at March 31, 2023</b>	<b>75.10</b>	<b>219.93</b>	<b>45.37</b>	<b>214.26</b>	<b>19.03</b>	<b>17.30</b>	<b>590.99</b>
Additions	70.57	26.35	73.80	192.49	111.08	3.43	477.72
Disposals/ adjustments	(125.79)	-	-	(0.32)	-	-	(126.11)
<b>As at March 31, 2024</b>	<b>19.88</b>	<b>246.28</b>	<b>119.17</b>	<b>406.43</b>	<b>130.11</b>	<b>20.73</b>	<b>942.60</b>
<b>Accumulated depreciation</b>							
<b>As at March 31, 2022</b>	<b>-</b>	<b>51.78</b>	<b>10.13</b>	<b>10.74</b>	<b>16.43</b>	<b>2.52</b>	<b>91.60</b>
Additions	3.71	46.95	9.28	14.15	2.60	-	76.69
Disposals/ adjustments	(0.64)	-	-	-	-	-	(0.64)
<b>As at March 31, 2023</b>	<b>3.07</b>	<b>98.73</b>	<b>19.41</b>	<b>24.89</b>	<b>19.03</b>	<b>2.52</b>	<b>167.65</b>
Additions	7.09	59.48	17.24	29.18	2.82	0.23	116.04
Disposals/ adjustments	-	-	-	-	-	-	-
<b>As at March 31, 2024</b>	<b>10.16</b>	<b>158.21</b>	<b>36.65</b>	<b>54.07</b>	<b>21.85</b>	<b>2.75</b>	<b>283.69</b>
<b>Net carrying amount</b>							
<b>As at March 31, 2023</b>	<b>72.03</b>	<b>121.20</b>	<b>25.96</b>	<b>189.37</b>	<b>-</b>	<b>14.78</b>	<b>423.34</b>
<b>As at March 31, 2024</b>	<b>9.72</b>	<b>88.07</b>	<b>82.52</b>	<b>352.36</b>	<b>108.26</b>	<b>17.98</b>	<b>658.91</b>

## 11 Other Intangible assets

	Computer software
<b>Gross carrying amount (at cost)</b>	
<b>As at March 31, 2022</b>	<b>2.79</b>
Additions	1.28
Disposals/ adjustments	-
<b>As at March 31, 2023</b>	<b>4.07</b>
Additions	552.08
Disposals/ adjustments	-
<b>As at March 31, 2024</b>	<b>556.15</b>
<b>Accumulated amortization</b>	
<b>As at March 31, 2022</b>	<b>0.60</b>
Additions	0.46
Disposals/ adjustments	-
<b>As at March 31, 2023</b>	<b>1.06</b>
Additions	8.83
Disposals/ adjustments	-
<b>As at March 31, 2024</b>	<b>9.89</b>
<b>Net carrying amount</b>	
<b>As at March 31, 2023</b>	<b>3.01</b>
<b>As at March 31, 2024</b>	<b>546.26</b>

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## 12 Right of use assets

Particulars	As at 31-03-2024	As at 31-03-2023
Right of use assets *	770.78	239.27
	<b>770.78</b>	<b>239.27</b>

\* Refer Note 34 for disclosure related to leases.

## 13 Other non-financial assets

Particulars	As at 31-03-2024	As at 31-03-2023
Prepaid expenses	23.83	12.76
Stamp paper	111.23	67.34
Balances with government authorities	154.90	-
	<b>289.96</b>	<b>80.10</b>

## 14 Payables

Particulars	As at 31-03-2024	As at 31-03-2023
(A) Trade payables		
(i) total outstanding dues of micro-enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro-enterprises and small enterprises	179.31	119.28
(B) Other payables		
(i) total outstanding dues of micro-enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro-enterprises and small enterprises	-	-
	<b>179.31</b>	<b>119.28</b>

### Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

	As at 31-03-2024	As at 31-03-2023
(a) Dues remaining unpaid to any supplier at the year end		
- Principal	-	-
- Interest on the above	-	-
(b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act	-	-
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d) Amount of interest accrued and remaining unpaid	-	-
(e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-
	<b>-</b>	<b>-</b>

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## Trade Payables aging schedule

		Outstanding for following periods from due date of payment					Total
		Unbilled	< 1 year	1-2 years	2-3 years	> 3 years	
As at 31 March 2024							
(i)	Undisputed dues - MSME	-	-	-	-	-	-
(ii)	Undisputed dues - Others	-	179.31	-	-	-	179.31
(iii)	Disputed dues - MSME	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-
As at 31 March 2023							
(i)	Undisputed dues - MSME	-	-	-	-	-	-
(ii)	Undisputed dues - Others	-	119.28	-	-	-	119.28
(iii)	Disputed dues - MSME	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-

## 15 Debt securities (at amortised cost)

Particulars	As at 31-03-2024	As at 31-03-2023
Secured redeemable non-convertible debentures (refer note (a) and (b) below)	7,934.45	2,015.32
	<b>7,934.45</b>	<b>2,015.32</b>
Debt securities in India	7,934.45	2,015.32
Debt securities outside India	-	-
	<b>7,934.45</b>	<b>2,015.32</b>

### (a) Security

Redeemable Non-Convertible Debentures - Medium-term is secured by way of specific charge against identified loan receivables.

### (b) Terms of repayment for secured redeemable non-convertible debentures

Description of NCDs	Interest rate	Face value	Number of debentures	Month of allotment	Month of redemption	As at 31-Mar-24	As at 31-Mar-23
INE296Q07019	14.75%	10.00	200	22-Oct-22	7-Mar-25	1,005.00	2,015.32
INE296Q07027	13.70%	1.00	2,000	21-Jul-23	7-Jan-26	1,729.35	-
INE296Q07035	14.00%	0.10	7,500	31-Aug-23	30-Aug-25	528.63	-
INE296Q07043	13.15%	10.00	2,500	24-Nov-23	23-Nov-25	2,198.91	-
INE296Q07050	13.15%	1.00	2,450	21-Feb-24	21-Feb-26	2,472.56	-

## 16 Borrowings (other than debt securities) (at amortised cost)

Particulars	As at 31-03-2024	As at 31-03-2023
Secured		
Term loan		
From bank	13,322.92	5,700.02
From others	17,480.64	15,421.31
Vehicle loan	94.32	-
Borrowing under securitization	4,895.61	-
	<b>35,793.49</b>	<b>21,121.33</b>
Borrowing in India	35,793.49	21,121.33
Borrowing outside India	-	-
	<b>35,793.49</b>	<b>21,121.33</b>

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

- (a) (i) Loans from banks and others are secured by pari passu charge on the receivables of the Company through Security Trustee and personal guarantee of the whole time directors.
- (ii) Vehicle loan is secured by charge on the vehicle.
- (iii) Borrowing under securitization represents amounts received in respect of securitisation transactions (net of repayments and investment therein) as these transactions do not meet the derecognition criteria specified under Ind AS.

**(b) Terms of repayment of borrowings and rate of interest:**

As per terms of agreements, loans from banks aggregating ₹ 13,322.92 lakh (March 31, 2023 : ₹ 5,700.02 lakh) are repayable at maturity ranging between 24 and 48 months from the date of respective loan. Rate of interest payable on term loans varies between 10.50% to 13.25% (March 31, 2023 : 10.70% to 14.00%).

As per terms of agreements, loans from others aggregating ₹ 17,480.64 lakh (March 31, 2023 : ₹ 15,421.31 lakh) are repayable at maturity ranging between 12 and 42 months from the date of respective loan. Rate of interest payable on term loans varies between 11.30% to 15.50%. (March 31, 2023 : 11.30% to 16.00%).

- (c) The Company has not defaulted in the repayment of borrowings (other than debt securities) and interest thereon for the year ended March 31, 2024 and March 31, 2023.

## 17 Subordinated liabilities (at amortised cost)

Particulars	As at 31-03-2024	As at 31-03-2023
Subordinated debt - unsecured		
Rupee denominated bonds	663.50	663.37
Other subordinated debts	-	-
	<b>663.50</b>	<b>663.37</b>
Debt securities in India	663.50	663.37
Debt securities outside India	-	-
	<b>663.50</b>	<b>663.37</b>

**(a) Terms of repayment for unsecured redeemable non-convertible debentures**

Description of NCDs	Interest rate	Face value	Number of debentures	Month of allotment	Month of redemption	As at 31-Mar-24	As at 31-Mar-23
INE296Q08017	18.00%	1	211.00	16-Jun-21	15-Jun-26	212.48	212.49
INE296Q08025	16.50%	10	45.00	20-Aug-21	19-Aug-26	451.02	450.88

## 18 Other financial liabilities

Particulars	As at 31-03-2024	As at 31-03-2023
Interest accrued but not due on others	-	1.69
Funds in transit	2,739.87	942.13
Payable to co-lenders	402.17	90.90
Dues to the assignees towards collections from assigned receivables	419.26	-
Employee dues	3.12	0.12
Other payables	0.46	4.81
	<b>3,564.88</b>	<b>1,039.65</b>

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## 19 Provisions

Particulars	As at 31-03-2024	As at 31-03-2023
Provision for employee benefits	97.23	46.61
	<b>97.23</b>	<b>46.61</b>

## 20 Other non-financial liabilities

Particulars	As at 31-03-2024	As at 31-03-2023
Advance received and deferred revenue	630.88	99.10
Statutory dues	336.03	82.12
	<b>966.91</b>	<b>181.22</b>

## 21 Equity

Particulars	As at 31-03-2024	As at 31-03-2023
<b>Authorised Shares</b>		
40,000,000 (March 31, 2023: 3,0000,000) Equity shares of ₹ 10/- each	4,000.00	3,000.00
<b>Issued, Subscribed &amp; fully Paid-up Shares</b>		
30,491,636 (March 31, 2023: 24,921,360) Equity shares of ₹ 10/- each	3,049.17	2,492.14
	<b>3,049.17</b>	<b>2,492.14</b>

### (a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	31-03-2024		31-03-2023	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
At the beginning of the year	24,921,360	2,492.14	21,599,498	2,159.95
Issued during the year	4,312,001	431.20	3,321,862	332.19
Issued against employee stock option	1,258,275	125.83	-	-
Outstanding at the end of the year	<b>30,491,636</b>	<b>3,049.17</b>	<b>24,921,360</b>	<b>2,492.14</b>

### (b) Terms/ rights attached to equity shares

- The Company has only one class of equity share having face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share held.
- The dividend proposed by the Board of Directors which is subject to approval of shareholders in the Annual General Meeting shall be in the same proportion as the capital paid upon such equity share.
- In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to capital paid upon such equity share.

- The Company has neither allotted any share pursuant to contracts without payment being received in cash nor has it bought back any shares during the preceding period of 5 financial years.

### (d) Details of shareholders holding more than 5% shares in the Company

	31-03-2024		31-03-2023	
	Number	Amount	Number	Amount
<b>Equity shares</b>	13,406,037	1,340.60	13,526,916	1,352.69
Moneyboxx Capital Private Limited	13,406,037	1,340.60	13,526,916	1,352.69



# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## (e) Details of shares held by promoters (including promoter group) of the Company:

	No. of shares 31-03-2024	% to total shares	No. of shares 31-03-2023	% to total shares	% change during year
Moneyboxx Capital Private Limited*	13,406,037	43.97%	13,526,916	54.28%	-1.00%

\* During the financial year 2023-24, Moneyboxx Capital Private Limited ceases to be holding company of the Company.

	No. of shares 31-03-2023	% to total shares	No. of shares 31-03-2022	% to total shares	% change during year
Moneyboxx Capital Private Limited	13,526,916	54.28%	13,718,524	63.51%	-1.00%

## 22 Other equity

Particulars	As at 31-03-2024	As at 31-03-2023
<b>Statutory reserve u/s 45IC of RBI Act, 1934</b>		
Balance at the beginning of the year	15.18	15.18
Add: Amount transferred from retained earnings	182.81	-
<b>Closing balance at the end of the year</b>	<b>197.99</b>	<b>15.18</b>
<b>Securities premium</b>		
Balance at the beginning of the year	6,710.81	2,295.83
Add: Amount received on shares issued during the year (net of share issue expenses)	7,656.49	4,414.98
Add: Transfer from share options outstanding account	55.36	-
<b>Closing balance at the end of the year</b>	<b>14,422.66</b>	<b>6,710.81</b>
<b>Employee stock option outstanding reserves</b>		
Balance at the beginning of the year	84.39	3.08
Add: Share based payment expense	164.59	81.31
Less: Transfer to securities premium on account of exercise of options	(55.36)	-
<b>Closing balance at the end of the year</b>	<b>193.62</b>	<b>84.39</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	(1,691.95)	(1,022.67)
Add: Profit for the year	914.07	(680.37)
Add: Other comprehensive income (re-measurement gains/(losses) on defined benefit plans)	(17.59)	11.09
Less: Transfer to reserve u/s. 45-IC of RBI Act, 1934	(182.81)	-
<b>Closing balance at the end of the year</b>	<b>(978.28)</b>	<b>(1,691.95)</b>
<b>Total other equity</b>	<b>13,835.99</b>	<b>5,118.43</b>

## 23 Interest income

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Interest income on owned portfolio	8,036.14	4,073.43
Excess interest spread on co-lending	2,476.59	730.99
Interest on staff loan	2.57	1.54
Interest on FDR's	141.29	57.85
Interest on FLDG	9.08	16.61
Interest on investment	70.38	-
Penal charges	25.27	6.29
	<b>10,761.32</b>	<b>4,886.71</b>

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## 24 Fee income

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Bouncing charges	132.99	57.02
Servicer fee (BC)	680.03	38.70
Pre-payment charges (foreclosure charges)	54.23	17.42
Login fee (secured)	133.13	26.26
	<b>1,000.40</b>	<b>139.39</b>

## 25 Income on derecognised (assigned) loans

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Income on derecognised (assigned) loans	813.17	-
	<b>813.17</b>	<b>-</b>

## 26 Net gain on fair value changes

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Total net gain on fair value changes	194.48	14.97
	<b>194.48</b>	<b>14.97</b>
<b>Fair Value changes:</b>		
- Realised	188.25	14.97
- Unrealised	6.23	-
	<b>194.48</b>	<b>14.97</b>

## 27 Other income

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Recovery from written off accounts	15.14	1.77
Gain on derecognition of lease	5.92	-
Interest on income tax refund	-	1.11
Profit on sale of property, plant and equipment	1.65	-
Miscellaneous income	4.33	0.07
	<b>27.03</b>	<b>2.95</b>

## 28 Finance cost (measured at amortised cost)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Interest on borrowings & debt securities	4,180.97	2,131.34
Interest on lease liability	97.06	33.75
Interest on current service cost (gratuity)	3.33	2.55
	<b>4,281.36</b>	<b>2,167.64</b>

## 29 Impairment on financial instruments

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Expected credit loss (on financial instruments measured at amortised cost)	335.00	332.57
Bad debts written off	375.50	6.54
	<b>710.50</b>	<b>339.11</b>

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## 30 Employee benefits expenses

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Employees' emoluments (includes managerial remuneration):		
Salaries, wages and bonus	3,769.92	2,015.18
Director's remuneration	360.00	252.00
Contribution to provident and other funds	219.54	117.51
Staff welfare expenses	74.08	46.81
Staff insurance	64.99	21.95
Service cost (gratuity)	29.69	17.64
Share based payment to employees	164.59	81.31
Mobile claim	23.94	12.72
	<b>4,706.76</b>	<b>2,565.12</b>

## 31 Depreciation and amortisation expense

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Depreciation on property, plant and equipment	116.04	76.69
Depreciation on Right-of-use asset	209.70	95.93
Amortisation of intangible assets	8.83	0.46
	<b>334.57</b>	<b>173.08</b>

## 32 Other expenses

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Advertisement & promotion	19.79	7.16
Audit fees	4.00	6.20
Bank charges	11.20	15.86
Credit reports	21.92	-
Donation	-	0.04
Commission expense	1.51	-
Electricity charges	24.28	10.23
Freight charges	9.17	0.41
File storage charges	0.43	0.93
Communication costs	22.32	8.47
IT expense, license fees & software expense	254.21	87.23
Listing fees & membership fees	11.93	20.59
Office expense	159.71	92.44
Office rent	140.01	63.88
Postage & courier	14.58	8.82
Printer rent	18.15	8.77
Printing & stationery	8.26	2.91
Professional charges	345.67	72.36
Rates & taxes	146.52	123.22
Repair & maintenance	4.70	2.11
Sitting fees independent director	14.70	11.10
Stamp paper commission, handling & convenience fee	153.19	7.19
Travelling & conveyance	321.12	243.36
	<b>1,707.35</b>	<b>793.28</b>

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## 33 Employee benefits

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefits are as under:

### A Defined contribution plan

The contribution made to various statutory funds is recognised as expenses and included in Note 30 'Employee benefits expenses' under 'Contribution to provident and other funds' in Statement of profit and loss. The detail is as follows:

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Contribution to provident and other funds	219.54	117.51
	<b>219.54</b>	<b>117.51</b>

### B Defined benefit plan

#### Gratuity

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. This plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. This defined benefit plan expose the Company to actuarial risks, such as regulatory risk, credit risk, liquidity risk, etc as defined below.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Current service cost	29.69	17.64
Interest expense	3.33	2.55
<b>Components of defined benefit costs recognised in statement of profit and loss (A)</b>	<b>33.02</b>	<b>20.19</b>
<b>Remeasurement of gains/(losses) in other comprehensive income:</b>		
Actuarial changes arising from changes in demographic assumptions	-	(29.79)
Actuarial changes arising from changes in financial assumptions	(0.10)	(2.43)
Experience adjustments	17.69	21.13
<b>Components of defined benefit costs recognised in other comprehensive income (B)</b>	<b>17.59</b>	<b>(11.09)</b>
<b>Total (A + B)</b>	<b>50.61</b>	<b>9.10</b>

Movement in the present value of the defined benefit obligation are as follows :

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Present value of defined obligation at the beginning of the year	46.61	37.51
Expenses recognised in statement of profit and loss:		
Current service cost	29.69	17.64
Interest expense	3.33	2.55
Recognised in other comprehensive income remeasurement gains/(losses)	17.59	(11.09)
<b>Present value of defined obligation at the end of the year</b>	<b>97.23</b>	<b>46.61</b>

Calculation of benefit liability/ (asset):

Particulars	As at 31-03-2024	As at 31-03-2023
Defined benefit obligation/ liability	97.23	46.61
Fair value of plan assets	-	-
<b>Benefit liability</b>	<b>97.23</b>	<b>46.61</b>

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at 31-03-2024	As at 31-03-2023
Expected return on plan assets	-	-
Rate of discounting	7.18%	7.15%
Expected rate of salary increase	8%	8.00%
Rate of employee turnover	32.00%	32.00%
Mortality rate during employment	IALM 2012-14 (Urban)	IALM 2012-14 (Urban)

## Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The results of sensitivity analysis is given below:

	31-03-2024		31-03-2023	
	Increase	Decrease	Increase	Decrease
Discount Rate (+/- 0.50%)	(1.69)	1.75	(0.94)	0.97
Salary Growth Rate (+/- 0.50%)	1.44	(1.41)	0.90	0.88

## Maturity profile of defined benefit obligation

Particulars	As at 31-03-2024	As at 31-03-2023
1 <sup>st</sup> following year	13.38	0.92
2 <sup>nd</sup> following year	19.39	9.53
3 <sup>rd</sup> following year	14.76	8.57
4 <sup>th</sup> following year	11.63	6.29
5 <sup>th</sup> following year	8.42	4.59
6 <sup>th</sup> year onwards	29.65	16.71

## 34 Leases

The Company has taken office premises on lease for its operations. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities included under financial liabilities and right to use asset included in Property, Plant and Equipment and the movements during the period:

### (i) The following are the amount recognised in the Profit or Loss statement

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Depreciation expense of right-of-use assets	209.70	95.93
Interest expense on lease liabilities	97.06	33.75
Expense relating to short-term leases (included in other expenses)	138.75	63.88
<b>Total amount recognised in profit or loss</b>	<b>445.51</b>	<b>193.56</b>

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## (ii) Movement in the carrying value of the Right to Use Asset

Particulars	As at 31-03-2024	As at 31-03-2023
Opening balance	239.27	124.40
Depreciation charge for the period	209.70	95.93
Additions during the period	762.83	210.80
Adjustment/ deletion	21.62	-
<b>Closing balance</b>	<b>770.78</b>	<b>239.27</b>

## (iii) Movement in the carrying value of the Lease Liability

Particulars	As at 31-03-2024	As at 31-03-2023
Opening balance	261.97	143.03
Interest expense	97.06	33.75
Lease payments	262.77	91.84
Additions during the year	762.83	177.03
Adjustment/ deletion	27.54	-
<b>Closing balance</b>	<b>831.55</b>	<b>261.97</b>

## (iv) Classification of current and non current liabilities of the lease liabilities

Particulars	As at 31-03-2024	As at 31-03-2023
Less than one year	375.45	100.42
One to five Years	456.10	161.55
More than five years	-	-
<b>Total lease liabilities</b>	<b>831.55</b>	<b>261.97</b>

## 35 Earnings per equity share

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
(i) Weighted average number of equity shares for basic EPS	26,528,162	23,102,755
(ii) Effect of potential ordinary equity shares on employee stock options	382,774	-
(iii) Weighted average number of equity shares for diluted EPS	26,910,936	23,102,755
(iv) Net profit after tax (₹ Lakhs)	914.07	(680.37)
(v) Earnings per share (Face value of ₹10 per share) – basic [(iv)/(i)]	3.45	(2.94)
(vi) Earnings per share (Face value of ₹10 per share) – diluted [(iv)/(iii)]	3.40	(2.94)

## 36 Employee Stock Option Plan (ESOP)

The members of the Company in an Extra Ordinary General Meeting held on December 27, 2021, approved “MFL Employee Stock Option Plan 2021”, in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021. Under MFL ESOP 2021, the Company provided for the creation and issue of 10,00,000 options, that would eventually convert into equity shares of ₹ 10/- each in the hands of the Company's employees. The options are to be granted to the eligible employees at the discretion of the Nomination and Remuneration Committee of the Company.

Vesting of options shall be subject to the condition that the Grantee shall be in continuous employment with the Company and such other conditions as provided under the MFL ESOP 2021.



# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

The details of such share based payment scheme are as follows:

	Grant	Number of options granted	Vesting period (in years)	Vesting conditions
MFL ESOP 2021	Grant I	325,400	4	25% vests every year subject to continuance of service
MFL ESOP 2021	Grant II	90,700	4	25% vests every year subject to continuance of service
MFL ESOP 2021	Grant III	140,000	2	50% vests every year subject to continuance of service
MFL ESOP 2021	Grant IV	449,600	4	25% vests every year subject to continuance of service
MFL ESOP 2021	Grant V	42,000	2	50% vests every year subject to continuance of service

(a) The following table lists the input to the Black-Scholes Model used for the options granted by the Company:

	Grant I	Grant II	Grant III	Grant IV	Grant V
Date of grant	1-Mar-22	10-Aug-22	10-Aug-22	9-Feb-24	9-Feb-24
Number of options granted	325,400	90,700	140,000	449,600	42,000
Method of settlement	Equity	Equity	Equity	Equity	Equity
Graded vesting period					
Day following the expiry of 12 months from grant	25%	25%	50%	25%	50%
Day following the expiry of 24 months from grant	25%	25%	50%	25%	50%
Day following the expiry of 36 months from grant	25%	25%	-	25%	-
Day following the expiry of 48 months from grant	25%	25%	-	25%	-
Vesting conditions	25% at the end of each 12, 24, 36 and 48 months from the date of grant	25% at the end of each 12, 24, 36 and 48 months from the date of grant	50% at the end of each 12 and 24 from the date of grant	25% at the end of each 12, 24, 36 and 48 months from the date of grant	50% at the end of each 12 and 24 from the date of grant

(b) Reconciliation of outstanding share options

The number of share options under the share option plans for the year ended March 31, 2024 were as follows:

	Grant I	Grant II	Grant III	Grant IV	Grant V
Options outstanding at the beginning of the year	292,900	68,700	140,000	-	-
Options granted during the year	-	-	-	449,600	42,000
Options exercised during the year	72,900	15,375	-	-	-
Options lapsed during the year	16,525	7,200	-	21,800	-
Options outstanding at the end of the year	203,475	46,125	140,000	427,800	42,000
Options exercisable at the end of the year	203,475	46,125	140,000	427,800	42,000

The number of share options under the share option plans for the year ended March 31, 2023 were as follows:

	Grant I	Grant II	Grant III	Grant IV	Grant V
Options outstanding at the beginning of the year	309,500	-	-	-	-
Options granted during the year	-	90,700	140,000	-	-
Options exercised during the year	-	-	-	-	-
Options lapsed during the year	16,600	22,000	-	-	-
Options outstanding at the end of the year	292,900	68,700	140,000	-	-
Options exercisable at the end of the year	292,900	68,700	140,000	-	-

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## 37 Related party disclosures under Ind-AS 24

### i. List of related parties

Name of related party	Nature of relationship
Moneyboxx Capital Private Limited	Holding company (up till 18 December 2023)
Penny Fintech Solutions Private Limited	Entities in which KMP can exercise significant influence
Sikka Insurance Brokers Private Limited	Entities in which KMP can exercise significant influence
Avancer Capital Advisor Private Limited	Entities in which KMP can exercise significant influence
<b>Key management personnel</b>	
Mayur Modi	Whole Time Director, Co-CEO & COO
Deepak Aggarwal	Whole Time Director, Co-CEO & CFO
Govind Gupta	Director
Atul Garg	Director
Ratna Dharashree Vishwanathan	Independent Director
Uma Shankar Paliwal	Independent Director
Bhanu Priya	Company Secretary and Compliance Officer (till 12 August 2023)
Semant Juneja	Company Secretary and Compliance Officer (from 10 November 2023)

### ii. Details of transactions during the year

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
<b>Remuneration</b>		
Mayur Modi	255.00	176.00
Deepak Aggarwal	255.00	176.00
Bhanu Priya	4.49	12.29
Semant Juneja	9.05	-
<b>Sitting fees to Independent Directors</b>		
Ratna Dharashree Vishwanathan	7.50	5.70
Uma Shankar Paliwal	7.20	5.40
<b>Reimbursement of expenses paid/ incurred</b>		
Deepak Aggarwal	0.80	0.19
Govind Gupta	0.23	0.65
Moneyboxx Capital Private Limited	0.06	-
Penny Fintech Solutions Private Limited	2.53	-
<b>Corporate guarantee fee paid</b>		
Moneyboxx Capital Private Limited	15.00	-
<b>Investment made</b>		
Moneyboxx Foundation	1.00	-

### iii. Balances Outstanding at the year end

Particulars	As at 31-03-2024	As at 31-03-2023
Investment	1.00	-
Amount receivable	2.59	-

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## 38 Segment reporting

The Company operates in a single business segment i.e. financing, as the nature of the loans are exposed to similar risk and return profiles, hence they are collectively operating under a single segment as per Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic, hence there is no external revenue or assets which require disclosure.

## 39 Transfers of financial assets

In the ordinary course of business, the Company enters into transactions that result in the transfer of financial assets. In accordance with the accounting policy set out in Note 2, the transferred financial assets continue to be recognised or derecognised as per the conditions specified in Ind AS.

### Securitisation

During the year, the Company has entered into securitization arrangement with two party. Under such arrangement, the Company has transferred a pool of loan portfolio, which does not fulfil the derecognition criteria specified under Ind AS 109 as the risk and rewards with respect to these assets are not substantially transferred.

Following such transfer, the Company's involvement in these assets is as follows:

- As a servicer of the transferred assets
- To the extent of credit enhancements provided to such parties"

The value of financial assets and liabilities as on:

Particulars	As at 31-03-2024	As at 31-03-2023
Carrying amount of associated assets	5,449.38	-
Carrying amount of associated liabilities	4,895.61	-
Fair value of associated assets	5,449.38	-
Fair value of associated liabilities	4,895.61	-

### Assignment

The Company has transferred a part of its loan portfolio (measured at amortized cost) vide assignment deals executed with various parties, as a source of finance. As per the terms of deal, the derecognition criteria as per Ind AS 109 (as all the risks and rewards relating to assets being transferred to the buyer) being met, the assets have been derecognised.

The management has evaluated the impact of the assignment transactions executed during the year on its business model. Based on the future business plan, the Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets and the gain/(loss) on derecognition:

	As at 31-03-2024	As at 31-03-2023
Carrying amount of derecognised financial assets	3,787.86	-
Gain from derecognition during the year	813.17	-

Since the Company transferred the above financial assets in a transfer that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as interest only strip receivable and correspondingly recognised as profit on derecognition of financial assets.

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## 40 Financial instruments - fair value and risk management

### A Financial instruments by category

The following table shows the carrying amounts of financial assets and financial liabilities.

	31-Mar-24			
	FVTPL	FVOCI	Amortised cost	Total
<b>Financial assets</b>				
Cash and cash equivalents	-	-	9,598.36	9,598.36
Bank balances other than cash and cash equivalents	-	-	1,765.23	1,765.23
Receivables	-	-	111.52	111.52
Loans	-	-	49,080.89	49,080.89
Investments	1,052.56	-	-	1,052.56
Other financial assets	-	-	2,260.09	2,260.09
	<b>1,052.56</b>	<b>-</b>	<b>62,816.09</b>	<b>63,868.65</b>
<b>Financial liabilities</b>				
Payables	-	-	179.31	179.31
Debt securities	-	-	7,934.45	7,934.45
Borrowings (other than debt securities)	-	-	35,793.49	35,793.49
Subordinated liabilities	-	-	663.50	663.50
Lease liabilities	-	-	831.55	831.55
Other financial liabilities	-	-	3,564.88	3,564.88
	<b>-</b>	<b>-</b>	<b>48,967.18</b>	<b>48,967.18</b>

	31-Mar-23			
	FVTPL	FVOCI	Amortised cost	Total
<b>Financial assets</b>				
Cash and cash equivalents	-	-	5,658.13	5,658.13
Bank balances other than cash and cash equivalents	-	-	728.46	728.46
Receivables	-	-	5.00	5.00
Loans	-	-	24,257.58	24,257.58
Investments	200.00	-	-	200.00
Other financial assets	-	-	428.55	428.55
	<b>200.00</b>	<b>-</b>	<b>31,077.72</b>	<b>31,277.72</b>
<b>Financial liabilities</b>				
Payables	-	-	119.28	119.28
Debt securities	-	-	2,015.32	2,015.32
Borrowings (other than debt securities)	-	-	21,121.33	21,121.33
Subordinated liabilities	-	-	663.37	663.37
Lease liabilities	-	-	261.97	261.97
Other financial liabilities	-	-	1,039.65	1,039.65
	<b>-</b>	<b>-</b>	<b>25,220.92</b>	<b>25,220.92</b>

### B Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level I - Hierarchy includes financial instruments of which prices is available in active markets for identical assets or liabilities.

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

Level 2 - The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The financial instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure is required):-

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2024 is as follows:

## Assets

	Measured at amortised cost					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Loan portfolio (Amortised cost)	49,080.89	49,080.89	-	-	49,080.89	49,080.89
Investment (Fair value through profit and loss)	1,052.56	1,052.56	1,052.56	-	-	1,052.56
<b>Total</b>	<b>50,133.45</b>	<b>50,133.45</b>	<b>1,052.56</b>	<b>-</b>	<b>49,080.89</b>	<b>50,133.45</b>

## Liabilities

	Measured at amortised cost					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Borrowings *	44,391.44	44,391.44	-	-	44,391.44	44,391.44
<b>Total</b>	<b>44,391.44</b>	<b>44,391.44</b>	<b>-</b>	<b>-</b>	<b>44,391.44</b>	<b>44,391.44</b>

\* Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2023 is as follows:

## Assets

	Measured at amortised cost					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Loan portfolio (Amortised cost)	24,257.58	24,257.58	-	-	24,257.58	24,257.58
Investment (Amortised cost)	200.00	200.00	200.00	-	-	200.00
<b>Total</b>	<b>24,457.58</b>	<b>24,457.58</b>	<b>200.00</b>	<b>-</b>	<b>24,257.58</b>	<b>24,457.58</b>

## Liabilities

	Measured at amortised cost					
	Carrying value	Fair value	Level 1	Level 2	Level 3	Total
Borrowings *	23,800.02	23,800.02	-	-	23,800.02	23,800.02
<b>Total</b>	<b>23,800.02</b>	<b>23,800.02</b>	<b>-</b>	<b>-</b>	<b>23,800.02</b>	<b>23,800.02</b>

\* Represents debt securities, borrowings (other than debt securities) and subordinated liabilities.

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## 41 Change in liabilities arising from financing activities\*

	As at 31-Mar-23	Loan taken	Loan paid	Non-cash changes	As at 31-Mar-24
Debt securities	2,015.32	7,700.00	1,831.25	50.38	7,934.45
Borrowings (other than debt securities)	21,121.33	29,873.55	15,230.78	29.39	35,793.49
Subordinated liabilities	663.37	-	-	0.13	663.50
<b>Total Liabilities from financing activities</b>	<b>23,800.02</b>	<b>37,573.55</b>	<b>17,062.03</b>	<b>79.90</b>	<b>44,391.44</b>

	As at 31-Mar-22	Loan taken	Loan paid	Non-cash changes	As at 31-Mar-23
Debt securities	-	2,000.00	-	15.32	2,015.32
Borrowings (other than debt securities)	9,139.72	20,530.00	8,423.15	(125.24)	21,121.33
Subordinated liabilities	660.24	-	-	3.13	663.37
<b>Total Liabilities from financing activities</b>	<b>9,799.96</b>	<b>22,530.00</b>	<b>8,423.15</b>	<b>(106.79)</b>	<b>23,800.02</b>

\* It does not include interest accrued

## 42 Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the regulator, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

### i Capital management

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 maximise shareholder value.

The funding requirements are met through equity, non-convertible debentures and other long-term/ short-term borrowings. The Company's policy is aimed at appropriate combination of short-term and long-term borrowings. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

### ii Regulatory capital

The Company's regulatory capital consists of the sum of the following elements :

- Tier I capital, which includes ordinary share capital, retained earnings, perpetual debt and reserves and deduction for intangible assets, deferred tax asset and other regulatory adjustments relating to items that are not included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities and impairment provision in respect of Stage I assets.

Particulars	As at 31-03-2024	As at 31-03-2023
CRAR (%)	28.28%	30.95%
CRAR -Tier I Capital (%)	27.80%	29.04%
CRAR -Tier II Capital (%)	0.48%	1.91%



# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## 43 Financial risk management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company has a risk management policy which covers risks associated with the financial assets and liabilities.

The Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously reviewed, improved and adapted in the context of changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

### A Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's asset on finance.

The carrying amounts of financial assets represent the maximum credit risk exposure.

#### Credit risk management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- a breach of contract such as a default or past due event;
- when a borrower becomes more than 90 days past due in its contractual payments;

The Risk team has established credit policies for various lending products under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered.

#### Impairment assessment - Expected credit loss ("ECL"):

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - financial instruments. The Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

- i. Probability of default ("PD")
- ii. Loss given default ("LGD")
- iii. Exposure at default ("EAD")
- iv. Discount factor ("D")

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## i Probability of default ("PD")

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from the internal data which is calibrated with forward looking macroeconomic factors.

The PDs derived from the model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

### Staging of loans:

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the loan has remained overdue for a period greater than 90 days.

As per Ind AS 109, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. The Company considers the credit risk to be directly proportional to the delinquency status i.e. days past due of the loan under consideration. No further adjustments are made in the PD.

Days past dues status	Stage	Provisions
Current	Stage I	12 Months ECL
1-30 days	Stage I	12 Months ECL
31-90 days	Stage II	Lifetime ECL
Over 90 days	Stage III	Lifetime ECL

## ii Loss given default ("LGD")

The credit risk assessment is based on a standardised loss given default (LGD) assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held. The Company segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows.

Further recent data and forward-looking economic scenarios are used in order to determine the LGD rate for each of the homogeneous portfolios. When assessing forward-looking information, the expectation is based on multiple scenarios. Under Ind AS 109, LGD rates are estimated for each of the homogeneous portfolios. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries. These are repeated for each economic scenario as appropriate.

## iii Exposure at default ("EAD")

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

The Company determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The Ind AS 109 PDs are then assigned to each economic scenario based on the outcome of models.

## iv Discount factor ("D")

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using EIR.

### Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or Life-time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers the credit risk to be directly proportional to the delinquency status i.e. days past due of the loan under consideration. No further adjustments are made in the PD.

When estimating ECLs on a collective basis for a group of similar assets the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## ECL computation:

Conditional ECL at DPD pool level was computed with the following method:

Conditional ECL for year (yt) = EAD (yt) \* conditional PD (yt) \* LGD (yt) \* discount factor (yt)

The Company measures ECL as the product of PD, LGD and EAD estimates for its Ind AS 109 specified financial assets. The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

Particulars	Provisions	As at 31-Mar-24	As at 31-Mar-23
Stage I	12 month provision	123.54	59.16
Stage II	Life time provision	3.16	1.04
Stage III	Life time provision	370.26	99.76

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables.

## Cash and bank balances

The Company held cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

## Investments

Investments comprises of mutual funds and government securities in accordance with the investment policy. Government securities have sovereign rating and mutual fund investments are made with counterparties with low credit risk. The credit worthiness of these counterparties are evaluated on an ongoing basis.

## Other Financial Assets

Other financial assets constitute of security deposits and other receivables. The Company does not expect any losses from non-performance by these counter-parties.

## B Market risk

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates. The company's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The company is exposed to interest rate risk and liquidity risk, if the same is not managed properly. The company continuously monitors these risks and manages them through appropriate risk limits. The Asset Liability Management Committee (ALCO) reviews market-related trends and risks and adopts various strategies related to assets and liabilities, in line with the company's risk management framework. ALCO activities are in turn monitored and reviewed by a board sub-committee. In addition, the company has put in an Asset Liability Management (ALM) support group which meets frequently to review the liquidity position of the company.

## Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is subject to interest rate risk, principally because it lends to clients at fixed interest rates and for periods that may differ from its funding sources, while the Company's borrowings are at both fixed and variable interest rates for different periods. The Company assesses and manages its interest rate risk by managing its assets and liabilities. The Company's Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

The Company has an Asset Liability Management (ALM) policy, approved by the Board of Directors, for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31-03-2024	As at 31-03-2023
<b>Variable rate liabilities</b>		
Debt securities	-	-
Borrowings other than debt securities	26,041.86	16,485.39
Subordinated liabilities	-	-
<b>Fixed rate liabilities</b>		
Debt securities	7,934.45	2,015.32
Borrowings other than debt securities	9,751.63	4,635.94
Subordinated liabilities	663.50	663.37
<b>Total</b>	<b>44,391.44</b>	<b>23,800.02</b>

## Sensitivity

The profits earned by the Company are sensitive to the change in interest rates on variable rate liabilities. With all other variables held constant, the profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at 31-03-2024	As at 31-03-2023
<b>Interest sensitivity</b>		
Interest rates – increase by 1.00%	(171.19)	(86.96)
Interest rates – decrease by 1.00%	171.19	86.96

The sensitivity analysis above has been determined for borrowings where interest rates are variable. A 100 basis points increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

## C Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company is bound to comply with the Asset Liability Management guidelines issued by Reserve Bank of India. The Company has Asset Liability Management policy approved by the board and has constituted Asset Liability Committee to oversee the liquidity risk management function of the Company. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's principal sources of liquidity are borrowings, cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## Exposure to liquidity risk

The table below provides details regarding the undiscounted contractual maturities of financial liabilities and assets including interest as at March 31, 2024:

	Less than 1 year	1-3 year	3-5 year	More than 5 year	Total
<b>Financial assets</b>					
Cash and cash equivalents	9,598.36	-	-	-	9,598.36
Bank balances other than cash and cash equivalents	1,541.17	224.06	-	-	1,765.23
Trade receivables	111.52	-	-	-	111.52
Loans	19,242.07	24,681.62	4,883.03	274.17	49,080.89
Investments	1,052.56	-	-	-	1,052.56
Other financial assets	2,153.51	-	106.58	-	2,260.09
	<b>33,699.19</b>	<b>24,905.68</b>	<b>4,989.61</b>	<b>274.17</b>	<b>63,868.65</b>
<b>Financial liabilities</b>					
Trade payables	179.31	-	-	-	179.31
Debt securities	4,518.37	3,416.08	-	-	7,934.45
Borrowings (other than debt securities)	18,464.44	16,716.27	612.78	-	35,793.49
Subordinated liabilities	-	663.50	-	-	663.50
Lease Liability	375.46	266.38	148.80	40.91	831.55
Other financial liabilities	3,564.88	-	-	-	3,564.88
	<b>27,102.46</b>	<b>21,062.23</b>	<b>761.58</b>	<b>40.91</b>	<b>48,967.18</b>

The table below provides details regarding the undiscounted contractual maturities of financial liabilities and assets including interest as at March 31, 2023:

	Less than 1 year	1-3 year	3-5 year	More than 5 year	Total
<b>Financial assets</b>					
Cash and cash equivalents	5,658.13	-	-	-	5,658.13
Bank balances other than cash and cash equivalents	146.45	582.01	-	-	728.46
Trade receivables	5.00	-	-	-	5.00
Loans	12,427.01	11,336.68	493.89	-	24,257.58
Investments	200.00	-	-	-	200.00
Other financial assets	249.56	178.99	-	-	428.55
	<b>18,686.15</b>	<b>12,097.68</b>	<b>493.89</b>	<b>-</b>	<b>31,277.72</b>
<b>Financial liabilities</b>					
Trade payables	119.28	-	-	-	119.28
Debt securities	1,015.32	1,000.00	-	-	2,015.32
Borrowings (other than debt securities)	12,538.84	8,217.91	364.58	-	21,121.33
Subordinated liabilities	-	-	663.37	-	663.37
Lease Liability	100.42	113.52	48.03	-	261.97
Other financial liabilities	1,039.65	-	-	-	1,039.65
	<b>14,813.51</b>	<b>9,331.43</b>	<b>1,075.98</b>	<b>-</b>	<b>25,220.92</b>

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## 44 Maturity analysis 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.

	31-Mar-24			31-Mar-23		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	9,598.36	-	9,598.36	5,658.13	-	5,658.13
Bank balances other than cash and cash equivalents	1,541.17	224.06	1,765.23	146.45	582.01	728.46
Trade receivables	111.52	-	111.52	5.00	-	5.00
Loans	19,098.51	29,982.38	49,080.89	12,335.47	11,922.11	24,257.58
Investments	1,052.56	-	1,052.56	200.00	-	200.00
Other financial assets	2,260.09	-	2,260.09	428.55	-	428.55
<b>Non-financial assets</b>						
Current assets (net)	-	247.85	247.85	-	71.53	71.53
Deferred tax assets (net)	-	534.07	534.07	-	675.85	675.85
Property, plant and equipment	-	658.91	658.91	-	423.34	423.34
Intangible asset under development	-	-	-	-	317.75	317.75
Other Intangible assets	-	546.26	546.26	-	3.01	3.01
Right of use asset	-	770.78	770.78	-	239.27	239.27
Other non-financial assets	289.96	-	289.96	80.10	-	80.10
<b>Total assets</b>	<b>33,952.17</b>	<b>32,964.31</b>	<b>66,916.48</b>	<b>18,853.70</b>	<b>14,234.87</b>	<b>33,088.57</b>
<b>Liabilities</b>						
<b>Financial liabilities</b>						
Trade payables	179.31	-	179.31	119.28	-	119.28
Debt securities	4,518.37	3,416.08	7,934.45	19.38	1,995.94	2,015.32
Borrowings (other than debt securities)	18,464.44	17,329.05	35,793.49	12,538.84	8,582.49	21,121.33
Subordinated liabilities	6.84	656.66	663.50	9.52	653.85	663.37
Lease Liability	375.45	456.10	831.55	100.42	161.55	261.97
Other financial liabilities	3,564.88	-	3,564.88	1,039.65	-	1,039.65
<b>Non-financial liabilities</b>						
Provisions	13.38	83.85	97.23	0.91	45.70	46.61
Other non-financial liabilities	966.91	-	966.91	181.22	-	181.22
<b>Total liabilities</b>	<b>28,089.58</b>	<b>21,941.74</b>	<b>50,031.32</b>	<b>14,009.22</b>	<b>11,439.53</b>	<b>25,448.75</b>



# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## 45 Comparison between provisions required under IRACP and impairment allowances made under IND AS 109 as per RBI notification no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

As at 31 March 2024

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (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
<b>Performing Assets</b>						
Standard	Stage 1	48,465.96	123.54	48,342.42	121.16	2.38
	Stage 2	316.08	3.16	312.92	0.79	2.37
<b>Subtotal</b>		<b>48,782.04</b>	<b>126.70</b>	<b>48,655.34</b>	<b>121.95</b>	<b>4.75</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	795.81	370.26	425.55	79.58	290.68
Doubtful - upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>795.81</b>	<b>370.26</b>	<b>425.55</b>	<b>79.58</b>	<b>290.68</b>
<b>Total</b>	Stage 1	<b>48,465.96</b>	<b>123.54</b>	<b>48,342.42</b>	<b>121.16</b>	<b>2.38</b>
	Stage 2	<b>316.08</b>	<b>3.16</b>	<b>312.92</b>	<b>0.79</b>	<b>2.37</b>
	Stage 3	<b>795.81</b>	<b>370.26</b>	<b>425.55</b>	<b>79.58</b>	<b>290.68</b>

As at 31 March 2023

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (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
<b>Performing Assets</b>						
Standard	Stage 1	23,663.41	59.16	23,604.25	59.16	-
	Stage 2	104.83	1.04	103.79	0.26	0.78
<b>Subtotal</b>		<b>23,768.24</b>	<b>60.20</b>	<b>23,708.04</b>	<b>59.42</b>	<b>0.78</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	199.53	99.76	99.77	19.95	79.81
Doubtful - upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>199.53</b>	<b>99.76</b>	<b>99.77</b>	<b>19.95</b>	<b>79.81</b>
<b>Total</b>	Stage 1	<b>23,663.41</b>	<b>59.16</b>	<b>23,604.25</b>	<b>59.16</b>	<b>-</b>
	Stage 2	<b>104.83</b>	<b>1.04</b>	<b>103.79</b>	<b>0.26</b>	<b>0.78</b>
	Stage 3	<b>199.53</b>	<b>99.76</b>	<b>99.77</b>	<b>19.95</b>	<b>79.81</b>

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## 46 Disclosure of details as required by RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 - Disclosures in Financial Statements- Notes to Accounts of NBFCs dated April 19, 2022

### (a) Exposure to real estate sector

	As at 31.03.2024	As at 31.03.2023
A Direct exposure		
i Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	17,070.66	2,001.63
ii Commercial mortgages		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family, residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits.	398.71	76.52
iii Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
Residential	-	-
Commercial	-	-
B Indirect exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
<b>Total Exposure to Real Estate Sector</b>	<b>17,469.37</b>	<b>2,078.15</b>

### (b) Exposure to capital market

	As at 31.03.2024	As at 31.03.2023
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;	-	200.00
ii Advances against shares/ bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances;	-	-
v secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi loans sanctioned to corporates against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii bridge loans to companies against expected equity flows/issues;	-	-
viii Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix Financing to stockbrokers for margin trading	-	-
x All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
<b>Total Exposure to Capital Market</b>	<b>-</b>	<b>200.00</b>

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## (c) Sectoral exposure

	31-Mar-24			31-Mar-23		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
<b>1 Agriculture and Allied Activities</b>	<b>33,388.04</b>	<b>445.18</b>	<b>1.33%</b>	<b>16,416.93</b>	<b>157.29</b>	<b>0.96%</b>
<b>2 Industry</b>	<b>2,705.41</b>	<b>51.55</b>	<b>1.91%</b>	<b>1,420.00</b>	<b>4.33</b>	<b>0.30%</b>
Micro and Small	2,705.41	51.55		1,420.00	4.33	0.30%
<b>3 Services</b>	<b>8,836.75</b>	<b>169.07</b>	<b>1.91%</b>	<b>2,491.00</b>	<b>6.31</b>	<b>0.25%</b>
Trade	7,850.46	155.38	1.98%	2,076.00	5.59	0.27%
Other services	986.29	13.69	1.39%	415.00	0.72	0.17%
<b>4 Personal loan</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5 Others</b>	<b>3,696.62</b>	<b>66.46</b>	<b>1.80%</b>	<b>4,166.67</b>	<b>31.60</b>	<b>0.76%</b>
<b>Total</b>	<b>48,626.82</b>	<b>732.26</b>	<b>1.51%</b>	<b>24,494.60</b>	<b>199.53</b>	<b>0.81%</b>

## (d) Intra-group exposures

The Company does not have any intra-group exposure, accordingly the disclosure is not applicable to the Company.

## (e) Unhedged foreign currency exposure

The Company does not have any foreign currency exposure, accordingly the disclosure is not applicable to the Company.

## (f) Related party transactions:-

Please refer to note no. 37

## (g) Disclosure of complaints

### I Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

		As at 31.03.2024	As at 31.03.2023
Complaints received by the NBFC from its customers			
1	Number of complaints pending at beginning of the year	-	-
2	Number of complaints received during the year	-	-
3	Number of complaints disposed during the year	-	-
3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	-	-
Maintainable complaints received by the NBFC from Office of Ombudsman		-	-
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## 2 Top grounds of complaints received by the NBFCs from customers

Grounds of complaints(i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Year ended March 31, 2024	-				
Complaint against staff	-	-	-	-	-
Payment issue	-	-	-	-	-
NOC issues	-	-	-	-	-
<b>Total</b>		-	-	-	-
Year ended March 31, 2023	-				
Complaint against staff	-	-	-	-	-
Payment issue	-	-	-	-	-
NOC issues	-	-	-	-	-
<b>Total</b>		-	-	-	-

### (h) Disclosure pursuant to RBI notification RBI/DOR/2021-22/86 DOR.STR REC.51/21.04.048/2021-22 dated September 24, 2021.

Details of transfer through assignment in respect of loans not in default during the year ended March 31, 2024

Amount of Loan accounts Assigned	1,952.57
Retention of beneficial economic interest (MRR)	20%
Weighted Average Maturity (Residual Maturity)	4.4 years
Weighted Average Holding Period	0.9 years
Coverage of tangible security coverage	Nil
Rating wise distribution of rated loans	Non-rated

Under IndAS 109, securitized loan assets does not meet de-recognition criteria and accordingly, the Company continues to recognize such loan assets and in addition recognizes a liability for the amount received. Accordingly, securitized loan assets and related liability is measured at amortised cost using effective interest method.

	As at 31-Mar-24	As at 31-Mar-23
1 No. of SPVs sponsored by the NBFC for securitization transactions	2	-
2 Total amount of securitized assets as per the books of the SPVs sponsored by the NBFC	5,449.00	-
3 Total amount of exposures retained to comply with minimum retention requirement ('MRR') as on the date of balance sheet		
a) Off balance sheet exposures		
- First loss	-	-
- Others	-	-
b) On balance sheet exposures		
- First loss	272.64	-
- Others	544.90	-
4 Amount of exposures to securitization transactions other than MRR:		
a) Off balance sheet exposures		
i) Exposure to own securitizations		
- First loss	-	-
- Others	-	-

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

	As at 31-Mar-24	As at 31-Mar-23
ii) Exposure to third party securitizations		
- First loss	-	-
- Others	-	-
b) On balance sheet exposures		
i) Exposure to own securitizations		
- First loss	-	-
- Others	-	-
ii) Exposure to third party securitizations		
- First loss	-	-
- Others	-	-
5 Sale consideration received for the securitized assets and gain/loss on sale on account of securitization	4,907.55	-
6 Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitization asset servicing, etc.	-	-
7 Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided		
a) Amount paid	-	-
b) Repayment received	-	-
c) Outstanding amount	817.54	-
8 Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class.	-	-
9 Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class	-	-
10 Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

Disclosure of details as required by RBI/2019-20/88/DOR.NBFC (PD) CC. NO.102/03.10.001/2019-20 regarding Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

## (a) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of significant counterparties	Amount	% of total deposits	% of total liabilities
1	2	17,088.58	0%	34.00%

## (b) Top 20 large deposits

Since the Company is a non-deposit taking NBFC, hence this disclosure is not applicable.

## (c) Top 10 Borrowing (amounts to ₹ 32,419.34 lakh and 73.03% of total borrowings)

## (d) Funding Concentration based on significant instrument/product

Sr. No.	Number of significant counterparties	Amount	% of total liabilities
1	Debt securities	7,934.45	15.86%
2	Term loans	30,803.56	61.57%
3	Others (includes securitization and vehicle loan)	4,989.93	9.97%
4	Subordinated debt	663.50	1.33%

# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

## (e) Stock Ratios

Sr. No.	Ratios	%
1	Commercial Paper (Original Maturity of less than 1 year) as a % of Total Public Fund, Total Liabilities and Total Assets	NA
2	Non-convertible debentures (Original Maturity of less than 1 year) as a % of Total Public Fund, Total Liabilities and Total Assets	NA
	Other Short-term liabilities as a % of Total Public Funds	63.28%
3	Other Short-term liabilities as a % of Total Liabilities	57.36%
	Other Short-term liabilities as a % of Total Assets	41.98%

## (f) Institutional set-up for liquidity risk management

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has established the Risk Management Committee (RMC) and the Asset and Liability Management Committee (ALCO). The position of all perceived risks is periodically put up to the RMC which critically evaluates the same and provides operational and policy guidance to the Company which paves way for an effective risk management so as to safeguard the interest of the Company. ALCO manages the liquidity and interest rate risk in a dynamic situation by measuring, monitoring and taking appropriate steps. ALCO is responsible for putting in place a comprehensive and dynamic framework to measure, monitor and manage the liquidity and interest rate taking into account the rates in financial system by closely integrating it with the business strategy of the Company.

## 47 Analytical Ratios as per Ministry of Corporate Affairs ("MCA") notification dated 24th March 2021:

Ratio	Numerator	Denominator	As at 31.Mar.24	As at 31.Mar.23	% variance	Reason for variance
Capital to riskweighted assets ratio (CRAR)	Adjusted net worth	Risk weighted assets	28.28%	30.95%	-8.63%	
Tier I CRAR	Tier-I capital	Risk weighted assets	27.80%	29.04%	-4.27%	
Tier II CRAR	Tier-II capital	Risk weighted assets	0.48%	1.91%	-74.87%	
Liquidity Coverage Ratio	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

## 48 With regard to the new amendments under "Division III of Schedule III" under "Part II-Statement of Profit and Loss-General Instructions for preparation of Statement of Profit and Loss:

- No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at March 31, 2024 and March 31, 2023.
- The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2024 and March 31, 2023.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2024 and March 31, 2023.
- The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2024 and March 31, 2023.
- There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31, 2024 and March 31, 2023, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended March 31, 2024 and March 31, 2023.



# Notes forming part of the Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs unless otherwise stated)

- vii The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- a. 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
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- viii The Company have not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- a. 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
  - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- ix The Company has working capital limits from banks on the basis of security of fixed deposits kept as margin money with banks and as these sanctioned working capital limits is against the margin money with banks, accordingly the Company is not required to file any quarterly returns or statements with such banks.
- x The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at March 31, 2024 are held by the Company in the form of deposits till the time the utilisation is made subsequently.

## 49 Event after reporting period:

There is no matter after the balance sheet data which are required to be disclosed in the standalone financial statement.

**50** The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable to current period.

**51** The financial statements were approved for issue by the Board of Directors on May 17, 2024.

As per our report of even date

For **Gaur & Associates**

Chartered Accountants

Firm Registration No.: 005354C

Satish Kumar Gupta

Partner

Membership No.: 016746

Place : Gurugram

Date : 17-May-24

For and on behalf of the Board of Directors of Moneyboxx Finance Limited

**Mayur Modi**

Whole-time Director

DIN:08021679

**Govind Gupta**

Director

DIN:00065603

Place : Gurugram

Date : 17-May-24

**Deepak Aggarwal**

Whole-time Director & CFO

DIN:03140334

**Semant Juneja**

Company Secretary

M. No:A47541



**Moneyboxx Finance Limited**

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Registered Office: 523-A, Somdutt Chamber-II 9, Bhikaji Cama Place New Delhi South Delhi, DL – 110 066



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