



**FINOVA CAPITAL PRIVATE LIMITED**

**Annual Report 2024-25**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

<b>Mr. Mohit Sahney</b> Managing Director and CEO DIN: 07280918	<b>Mrs. Sunita Sahney</b> Executive Director DIN: 02395354	<b>Mr. Arjun Dan Ratnoo</b> Independent Director DIN: 00802613	<b>Mr. Sathyan David</b> Independent Director DIN: 08386521
<b>Mr. Aditya Deepak Parekh</b>  Nominee Director DIN: 02848538	<b>Mr. Ishaan Mittal</b>  Nominee Director DIN: 07948671	<b>Mr. Ravi Shankar Venkataraman Ganapathy Agraharam</b> Nominee Director DIN: 02604007	

### COMMITTEE(S) OF BOARD OF DIRECTORS

<b>Audit Committee</b>  Mr. Arjun Dan Ratnoo <sup>(c)</sup> Mr. Sathyan David Mr. Ishaan Mittal	<b>Nomination and Remuneration Committee</b>  Mr. Arjun Dan Ratnoo <sup>(c)</sup> Mr. Sathyan David Mr. Aditya Deepak Parekh	<b>Risk Management Committee</b>  Mr. Arjun Dan Ratnoo <sup>(c)</sup> Mr. Mohit Sahney Mrs. Sunita Sahney Mr. Ravi Sharma	<b>Asset Liability Management Committee</b>  Mr. Mohit Sahney <sup>(c)</sup> Mrs. Sunita Sahney Mr. Ravi Sharma Mr. Rakesh Tailor
<b>IT Strategy Committee</b>  Mr. Arjun Dan Ratnoo <sup>(c)</sup> Mr. Mohit Sahney Mrs. Sunita Sahney Mr. Arpit Gupta	<b>Executive Committee</b>  Mr. Ravi Sharma <sup>(c)</sup> Mr. Mohit Sahney Mrs. Sunita Sahney	<b>Corporate Social Responsibility Committee</b>  Mr. Mohit Sahney <sup>(c)</sup> Mr. Arjun Dan Ratnoo Mrs. Sunita Sahney	<b>Consumer Protection Committee</b>  Mr. Arpit Gupta <sup>(c)</sup> Mrs. Pooja Godara Mr. Vipul Tambi
<b>Identification Committee</b>  Mr. Rahul Sahney <sup>(c)</sup> Mr. Ravi Sharma Mr. Sandeep Garg	<b>Review Committee</b>  Mr. Mohit Sahney <sup>(c)</sup> Mr. Arjun Dan Ratnoo Mr. Ishaan Mittal	<b>Committee of Executives for Monitoring and Follow-Up of Cases of Frauds</b> Mrs. Sunita Sahney <sup>(c)</sup> Mr. Rakesh Tailor Mr. Jaidev Singh	

### KEY MANAGERIAL PERSONNEL

**Mr. Ravi Sharma**  
Chief Financial Officer

**Mr. Jaikishan Premani**  
Company Secretary and Compliance Officer

### INVESTORS

- Peak XV Partners
- Faering Capital
- Norwest Venture Partners
- Maj Invest
- Sofina Ventures
- Avataar Ventures
- Madison India Capital

**AUDITORS****Statutory Auditors**

M/s T.R. Chadha & Co. LLP  
Chartered Accountants  
B-30 Connaught Palace, Kuthiala  
Building, New Delhi - 110001

**Internal Auditors**

M/s Shah Patni & Co.  
Chartered Accountants  
First Floor, B- 50, Sahakar Marg  
Lal Kothi Scheme, Jaipur-302015  
(Rajasthan)

**Secretarial Auditors**

M/s V. M. & Associates  
Company Secretaries  
403, Royal World, S.C. Road Jaipur  
- 302001 (Rajasthan)

**REGISTRAR & SHARE TRANSFER AGENT****MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)**

Registered office: C-101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai City, Mumbai, Maharashtra, India, 400083

Contact: +91 22 4918 6200

Website: <https://in.mpms.muvg.com/> | E-mail: [linkcs@linkintime.co.in](mailto:linkcs@linkintime.co.in)

**CONTACT DETAILS****Registered Office**

702, Seventh Floor, Unique Aspire, Plot No. 13-14 Cosmo Colony, Amrapali Marg, Vaishali Nagar Jaipur - 302021 (Rajasthan)

Contact: +91 141 4118202

Website: [www.finoval.in](http://www.finoval.in) | E-mail: [info@finoval.in](mailto:info@finoval.in)

**Corporate Office**

Fourth Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur - 302021 (Rajasthan)

Contact: +91 141 4118201

Website: [www.finoval.in](http://www.finoval.in) | E-mail: [info@finoval.in](mailto:info@finoval.in)

## **NOTICE**

**Notice** is hereby given that the 10<sup>th</sup> Annual General Meeting (“AGM”/ “Meeting”) of the Members of **Finova Capital Private Limited** will be held on **Friday, June 20, 2025 at 11:00 A.M. (IST)** at the Registered Office of the Company situated at 702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur - 302021 (Rajasthan) to transact the following business:

### **Ordinary Business:**

**Item No. 1:** To adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2025 together with the reports of the Board of Directors and Auditors thereon.

### **Special Business:**

**Item No. 2:** To approve the overall remuneration limit of Mr. Aryaman Sahney, Assistant Vice President – Strategy of the Company, a related party

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

“**RESOLVED THAT** pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), enabling provisions of Articles of Association of the Company, and based on the approval and recommendation of Audit Committee and Board of Directors, the consent of the Members of the Company be and is hereby accorded to approve the overall remuneration limit of Mr. Aryaman Sahney, Assistant Vice President - Strategy of the Company, a related party (i.e., Son of Mr. Mohit Sahney, Managing Director and CEO and Mrs. Sunita Sahney, Executive Director (Promoters) of the Company), appointed at office or place of profit in the Company to an amount not exceeding Rs. 5,00,000 (Rupees five lakh only) per month (inclusive of all benefits), effective from April 01, 2025, in such a manner that overall annual remuneration does not exceed Rs. 60,00,000 (Rupees sixty lakh only) (inclusive of all benefits), with liberty to the Board of Directors to vary or increase the remuneration and other terms and conditions as it may deem fit, provided the remuneration does not exceed the limits as specified above.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized, on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient for giving effect to the aforesaid resolution and to give such directions/ instructions as may be necessary to settle any question, difficulty or doubt that may arise in this regard.”

**Item No. 3:** To approve the limit for issuance of Non-Convertible Debentures on private placement basis

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

“**RESOLVED THAT** pursuant to the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and all other applicable rules, regulations, directions, guidelines, circulars and notifications issued by the Reserve Bank of India in this regard (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the enabling provisions of Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall be deemed to include any Committee of the Board, constituted / to be constituted / reconstituted including the powers conferred by this resolution) to offer, issue and allot in one or more series/tranches, Non-convertible Debentures

("NCDs"), whether secured or unsecured and/or listed or unlisted including but not limited to subordinate debentures, bonds, and/or other debt securities as per Section 2(30) of the Companies Act, 2013 on private placement basis, during the period of one year from the date of passing of the Special Resolution by the Members for an amount not exceeding Rs. 500,00,00,000 (Rupees five hundred crore only) on such terms and conditions and at such times at par or at such premium, as may be decided by the Board to such person(s), including to one or more Company(ies), body corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds and individuals, as the case may be or such other person(s) as the Board may decide so for onward lending business of the Company and general corporate purposes.

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

**RESOLVED FURTHER THAT** the Board of the Company be and is hereby authorized, on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient for giving effect to the aforesaid resolution and to give such directions/ instructions as may be necessary to settle any question, difficulty or doubt that may arise in this regard."

**Date: April 29, 2025**

**Place: Jaipur**

**By Order of the Board of Directors  
For Finova Capital Private Limited**

**Sd/-  
Jaikishan Premani  
Company Secretary and Compliance Officer  
M. No.: A42043**

**Registered Office: 702, Seventh Floor, Unique Aspire  
Plot No. 13-14 Cosmo Colony, Amrapali Marg  
Vaishali Nagar, Jaipur-302021 (Rajasthan)  
CIN: U65993RJ2015PTC048340  
Website: [www.finova.in](http://www.finova.in)  
Email: [info@finova.in](mailto:info@finova.in)**

**Notes:**

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, as amended, read with the rules made thereunder, the Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, setting out material facts relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM" / "MEETING") IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. IF A PROXY IS APPOINTED FOR MORE THAN FIFTY MEMBERS, THE PROXY SHALL CHOOSE ANY FIFTY MEMBERS AND CONFIRM THE SAME TO THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. IN CASE, THE PROXY FAILS TO DO SO, ONLY THE FIRST FIFTY PROXIES RECEIVED BY THE COMPANY SHALL BE CONSIDERED AS VALID.**
3. The instrument appointing the proxy(ies) in order to be effective, should be duly stamped, filled, signed and must be deposited at the registered office of the Company not later than 48 (Forty eight) hours before the commencement of the meeting (Proxy Form is annexed hereto).
4. During the period beginning 24 (Twenty four) hours before the time fixed for the commencement of the meeting and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged, during the business hours of the Company, provided that not less than 3 (Three) days of notice in writing is given to the Company.
5. Pursuant to the provisions of Section 113 of the Companies Act, 2013, Corporate Members/ Institutional Members intending to authorize their representatives to participate and vote at the meeting are requested to send to the Company, a certified true copy of the relevant Board Resolution/ Governing Body Resolution/ Authorization letter authorizing their representative(s) to attend and vote on their behalf at the meeting.
6. Members/ Proxies/ Authorized Representatives attending the meeting are requested to bring the attendance slip, annexed hereto, duly completed and signed mentioning therein the details of their DP ID and Client ID.
7. The Notice of 10<sup>th</sup> AGM along with the Annual Report for the Financial Year 2024-25 are being sent through electronic mode to those Members and to all other persons so entitled whose e-mail IDs have been made available to the Company or their respective Depository Participants (DPs) unless the member has specifically requested for a hard copy of the Annual Report. Members may note that the Annual Report for the Financial Year 2024-25 and the Notice of 10<sup>th</sup> AGM will also be available on the Company's website at [www.finoval.in](http://www.finoval.in).
8. We urge the Members to support our commitment to environmental protection by choosing to receive the Company's communication through e-mail. Members holding shares in dematerialized form, who have not registered their e-mail addresses are requested to register their e-mail IDs with their respective DP.
9. A copy of Audited Financial Statements of the Company for the Financial Year ended on March 31, 2025 together with the reports of the Board of Directors and Auditors thereon is enclosed hereto.
10. Members are encouraged to express their views / send their queries in advance with regard to the Financial Statements or any other matter being placed at the 10<sup>th</sup> AGM from their registered email address, mentioning their name, DP Id and Client Id and mobile number to [cs@finoval.in](mailto:cs@finoval.in) to enable the management to keep information ready at the meeting. Queries received by the Company on the aforementioned Email ID by Thursday, June 19, 2025, 05:00 P.M. will be considered and responded.

11. Pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. SH-14 as the case may be. Members are requested to submit the said details to their DP, where the shares are held by them in dematerialized form.
12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the AGM.
13. All documents referred to in the accompanying Notice will also be available for inspection without any fee by the Members at the Registered Office of the Company between 11:00 A.M. and 05:00 P.M. on all working days (except first Saturday of the month, Sundays and Public Holidays) from the date of circulation of this Notice up to the date of the AGM and during the continuance of the AGM.
14. With reference to SS-2, the Route Map to the venue of AGM of the Company is annexed to this Notice.

**Date: April 29, 2025**

**Place: Jaipur**

**By Order of the Board of Directors  
For Finova Capital Private Limited**

**Sd/-**

**Jaikishan Premani  
Company Secretary and Compliance Officer  
M. No.: A42043**

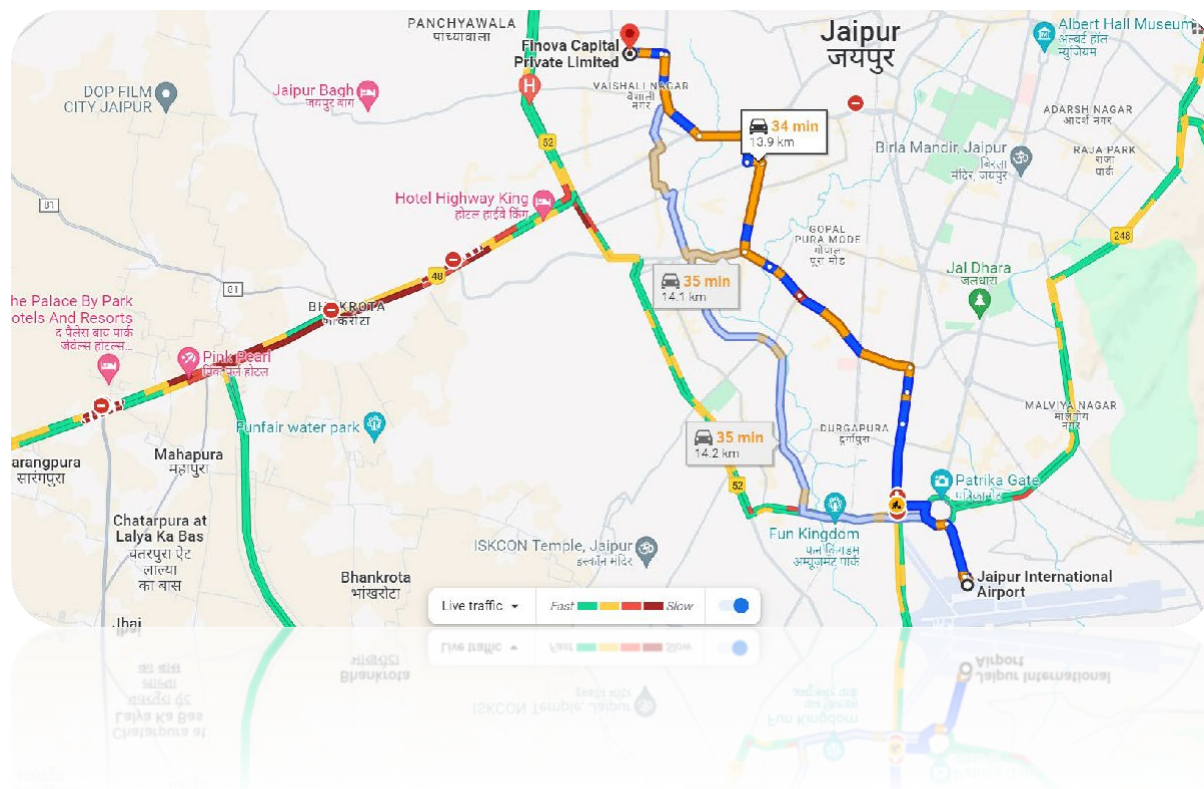
**Registered Office: 702, Seventh Floor, Unique Aspire  
Plot No. 13-14 Cosmo Colony, Amrapali Marg  
Vaishali Nagar, Jaipur-302021 (Rajasthan)  
CIN: U65993RJ2015PTC048340  
Website: [www.finoval.in](http://www.finoval.in)  
Email: [info@finoval.in](mailto:info@finoval.in)**

### Route Map to the Venue of the Meeting

**Venue of the Meeting:** 702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur -302021 (Rajasthan)

**Landmark:** Amrapali Circle

**Route Map:** The mark indicating the venue of the meeting





### **Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013**

The following statement sets out the material facts concerning the special business mentioned in the accompanying Notice to be transacted at the meeting.

#### **Item No. 2:**

Mr. Aryaman Sahney, a related party (i.e., Son of Mr. Mohit Sahney, Managing Director and CEO and Mrs. Sunita Sahney, Executive Director (Promoters) of the Company) was appointed as Assistant Vice President - Strategy of the Company effective from July 08, 2024.

Pursuant to the provisions of Section 188 of the Companies Act, 2013, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain consent of the Board of Directors to enter into any contract or arrangement with a related party with respect to appointment of related party to any office or place of profit in the Company, its Subsidiary Company or Associate Company.

Further, the Company shall also obtain prior approval of the Members at the general meeting in case the aforesaid related party transaction exceeds the limits prescribed under Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014 i.e. *"appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company at a monthly remuneration exceeding two and a half lakh rupees."*

In light of above and based on the approval and recommendation of Audit Committee and Board of Directors at their respective meeting held on April 29, 2025, it is proposed to approve the overall remuneration limit of Mr. Aryaman Sahney, Assistant Vice President - Strategy of the Company, a related party (i.e., Son of Mr. Mohit Sahney, Managing Director and CEO and Mrs. Sunita Sahney, Executive Director (Promoters) of the Company), appointed at office or place of profit in the Company to an amount not exceeding Rs. 5,00,000 (Rupees five lakh only) per month (inclusive of all benefits), effective from April 01, 2025, in such a manner that overall annual remuneration does not exceed Rs. 60,00,000 (Rupees sixty lakh only) (inclusive of all benefits), with liberty to the Board of Directors to vary or increase the remuneration and other terms and conditions as it may deem fit, provided the remuneration does not exceed the limits as specified above.

The Statement containing the details of the aforesaid transaction pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 is provided hereinbelow:

Name of the Related Party	Mr. Aryaman Sahney
Name of Director or KMP who is related and nature of relationship	Son of Mr. Mohit Sahney, Managing Director and CEO and Mrs. Sunita Sahney, Executive Director (Promoters) of the Company
The nature, particulars of the contract or arrangement and the material terms of the contract or arrangement including the value, if any:	Approve the overall remuneration limit of Mr. Aryaman Sahney, Assistant Vice President - Strategy of the Company, a related party to an amount not exceeding Rs. 5,00,000 (Rupees five lakh only) per month (inclusive of all benefits), effective from April 01, 2025, in such a manner that overall annual remuneration does not exceed Rs. 60,00,000 (Rupees sixty lakh only) (inclusive of all benefits), with liberty to the Board of Directors to vary or increase the remuneration and other terms and conditions as it may deem fit, provided the remuneration does not exceed the limits as specified above
Duration of the contract	Regular
Any advance paid or received for the contract or arrangement, if any	Not Applicable
The manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract	All business transactions would be carried out as part of business requirements of the Company. Further the proposed overall remuneration limit of Mr. Aryaman Sahney, Assistant Vice President - Strategy of the Company is as per the industry norms, standards and performance of the Company
Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors	Yes
Any other information relevant or important for the Board to take a decision on the proposed transaction	NIL

The aforesaid related party transaction entered into between the Company and Mr. Aryaman Sahney is at arm's length basis.

The Board of Directors accordingly recommends the Resolution as set out at Item No. 2 of the Notice for the approval of the Members as an **Ordinary Resolution**.

Save and except Mr. Mohit Sahney and Mrs. Sunita Sahney, being parents of Mr. Aryaman Sahney, none of the other Directors or Key Managerial Personnel of the Company or their relatives are, directly or indirectly, financially or otherwise, concerned or interested in the resolution as set out at Item No. 2 of the Notice.

**Item No. 3:**

Your Company has been issuing debentures, which may be referred to as one of the option for raising money from time to time, for onward lending business of the Company and general corporate purposes, on terms and conditions as are appropriate and in the best interest of the Company and in due compliance with the applicable provisions of the Companies Act, 2013 (the "Act"), Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and Guidelines as issued by Reserve Bank of India etc. Accordingly, the Company, proposes to issue Non-Convertible Debentures including bonds, and/or other debt securities as per Section 2(30) of the Act to various person(s) on private placement basis, at such terms and conditions and at such price(s) in compliance with the requirements of regulatory authorities, if any, and as may be finalized by the Board and/or Committee of Board. The amount to be raised by way of issue of listed or unlisted, secured/unsecured redeemable Non-Convertible Debentures on a private placement basis shall not exceed Rs. 500,00,00,000 (Rupees five hundred crore only) in aggregate, in one or more series/ tranches on private placement basis.

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

It is to be noted that the Members of the Company have passed a Special resolution at their Annual General Meeting held on June 15, 2024 to approve the limit for issuance of Non-Convertible Debentures on private placement basis under Section 42 and 71 of the Act upto an amount not exceeding Rs. 500,00,00,000 (Rupees five hundred crore only) in aggregate in one or more tranches.

Hence, as per the aforesaid provision, the validity of the previous special resolution passed by the Members of the Company on June 15, 2024 expires on June 14, 2025.

Therefore, the consent of the Members is sought in connection with the aforesaid issue of debentures/bonds from time to time and they are requested to enable and authorize the Board (including any Committee of the Board) to issue Non-convertible Debentures on private placement basis upto Rs. 500,00,00,000 (Rupees five hundred crore only) as stipulated above, in one or more tranches, during the period of one year from the date of passing of the Resolution set out at Item No. 3 of this Notice, within the overall borrowing limits of the Company, as approved by the Board.

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

None of the Directors or Key Managerial Personnel of the Company or their relatives are, directly or indirectly, financially or otherwise, concerned or interested in the resolution as set out at Item No. 3 of the Notice.

**Date: April 29, 2025**

**Place: Jaipur**

**By Order of the Board of Directors  
For Finova Capital Private Limited**

**Sd/-  
Jaikishan Premani  
Company Secretary and Compliance Officer  
M. No.: A42043**

**Registered Office: 702, Seventh Floor, Unique Aspire  
Plot No. 13-14 Cosmo Colony, Amrapali Marg  
Vaishali Nagar, Jaipur-302021 (Rajasthan)  
CIN: U65993RJ2015PTC048340  
Website: [www.finova.in](http://www.finova.in)  
Email: [info@finova.in](mailto:info@finova.in)**

**FORM NO. MGT-11**  
**PROXY FORM**

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

**CIN:** U65993RJ2015PTC048340

**Name of the Company:** Finova Capital Private Limited

**Registered Office:** 702, Seventh Floor, Unique Aspire, Plot No. 13-14 Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur -302021 (Rajasthan)

Name of the Member (s): Registered address: E-mail Id: DP Id:	Client Id:
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I / We, being the member(s) of \_\_\_\_\_ shares of the above-mentioned Company, hereby appoint:

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/her
2. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/her
3. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 10<sup>th</sup> AGM of the Company, to be held on **Friday, June 20, 2025 at 11:00 A.M. (IST)** at its Registered Office situated at 702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur- 302021 (Rajasthan) and at any adjournment thereof in respect of such resolutions as are indicated below:

**Ordinary Business:**

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

**Special Business:**

2. To approve the overall remuneration limit of Mr. Aryaman Sahney, Assistant Vice President – Strategy of the Company, a related party
3. To approve the limit for issuance of Non-Convertible Debentures on private placement basis

Affix Revenue Stamp here
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Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2025

**Signature of Shareholder**

**Signature of Proxy Holder (s)**

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 (forty-eight) hours before the commencement of the meeting.**

### ATTENDANCE SLIP

<b>DP ID</b>	
<b>Client ID</b>	
<b>Number of Shares</b>	

I hereby record my presence at the 10<sup>th</sup> Annual General Meeting of the Company, held on **Friday, June 20, 2025 at 11:00 A.M. (IST)** at its Registered Office situated at 702, Seventh Floor, Unique Aspire, Plot No. 13-14 Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur - 302021 (Rajasthan).

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**Name of the member/proxy**  
**(In Block Letters)**

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**Signature of the member/proxy**

**Note: Please fill up the attendance slip and hand it over at the entrance of the meeting.**

## BOARD'S REPORT

**To,  
The Shareholders,  
FINOVA CAPITAL PRIVATE LIMITED**

The Board of Directors of your Company are pleased to present the 10<sup>th</sup> (Tenth) Annual Report on the business operations and state of affairs of your Company together with the Audited Financial Statements for the Financial Year ended on March 31, 2025.

### 1. FINANCIAL PERFORMANCE OF THE COMPANY

The Financial performance of the Company for the Financial Year ended on March 31, 2025 is summarized below:

Particulars	(Rs. in lakh)	
	2024-25	2023-24
<b>Income:</b>		
Revenue from operations	76,226.85	52,928.70
Other Income	6.86	47.97
<b>Total Income</b>	<b>76,233.71</b>	<b>52,976.67</b>
<b>Total Expenditure</b>	<b>51,381.10</b>	<b>32,687.05</b>
Profit / (Loss) before Tax	24,852.61	20,289.62
Less: Tax expenses	<b>6,352.29</b>	5,138.78
<b>Profit after Tax</b>	<b>18500.32</b>	<b>15,150.84</b>
Other Comprehensive Income	8.78	4.66
<b>Total Comprehensive Income for the year</b>	<b>18509.10</b>	<b>15,155.50</b>

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 and other relevant provisions of the Companies Act, 2013 (the "Act").

### 2. BRIEF DESCRIPTION AND STATE OF COMPANY'S AFFAIRS

Your Company is registered as a Non-Banking Financial Company ("NBFC") pursuant to Certificate of Registration dated March 02, 2016 issued by the Reserve Bank of India ("RBI") under Section 45IA of the Reserve Bank of India Act, 1934, and is primarily engaged in providing MSME Loans and Home Loans which are backed by immovable property. Pursuant to Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, ("RBI SBR Master Direction") as amended from time to time, your Company falls under the category of Middle Layer Non-Banking Financial Company ("NBFC-ML").

Your Company provides loans to unorganized, unreached sector and focus in semi urban and rural areas. These are creditworthy borrowers who may or may not have traditional income documentation like Income Tax return, salary slip and hence are financially excluded by other large mortgage companies/ institutions. To build a quality loan book, your Company endeavors to adopt superior underwriting practices backed by robust monitoring and recovery mechanism. Your Company is committed towards improving efficiency in all its processes and service levels for its customers.

Your Company's commitment to exceptional customer service, fair business practices and secure financial management has helped in empowering over 1,00,000 borrowers. The majority of your Company's customers have limited access to formal banking credit facilities. The Company has a network of 400+ branches across Rajasthan, Madhya Pradesh, Uttar Pradesh, Haryana, Punjab, Andhra Pradesh, Himachal Pradesh, Telangana, Karnataka, Bihar, Jharkhand, Chhattisgarh, Odisha, Delhi, Uttarakhand and Tamil Nadu.

During the Financial Year 2024-25, the Company has recorded Total Income of Rs. 76,233.71 lakh as against Rs. 52,976.67 lakh in Financial Year 2023-24. The total income comprised income from financing activities of Rs. 76,226.85 lakh and Other Income of Rs. 6.86 lakh. Further, total expenditure incurred during the Financial Year 2024-25 was Rs. 51,381.10 lakh as against Rs. 32,687.05 lakh in Financial Year 2023-24.

The Company's overall performance during the Financial Year 2024-25 was steady and strong, reflecting its ability to navigate challenges while maintaining growth momentum. The Company recorded a profit after tax of Rs. 18,500.32 lakh in Financial Year 2024-25 as compared to Rs. 15,150.84 lakh in Financial Year 2023-24 with a growth of 22%.

The Company reported strong financial results due to its judicious pricing decisions, increase in its AUM, quality disbursements and resilience in asset quality. Further, the Company successfully raised the necessary resources throughout the year to meet its business and operational requirements, leveraging its existing strong relationships with banks and financial institutions while also forming new lender relationships, enabling access to funds at competitive pricing and better rates.

#### **Branch Network Expansion**

The Company further expanded its geographical presence by reaching out to underserved/unserved semi urban and rural areas and increased its footprint by opening new branches and making it more accessible to its customers. During the Financial year 2024-25, the Company has strengthened its presence across 15 States and 1 Union Territory with a network of more than 400 branches.

#### **Gross Asset Under Management**

During the Financial Year 2024-25, your Company has achieved impressive growth in Gross Asset Under Management. The Gross Asset Under Management as on March 31, 2025 stood at Rs. 3,47,698.60 lakh as against Rs. 2,65,604.57 lakh as on March 31, 2024 with an annual growth of 31%.

#### **Disbursements**

During the Financial Year 2024-25, your Company has disbursed Rs. 1,39,692.81 lakh of loans as compared to 1,34,897.42 lakh in the Financial Year 2023-24 depicting a growth of 4%.

Your Company has not granted any loan against the Collateral of Gold Jewellery.

#### **Capital Adequacy**

As on March 31, 2025 the Capital adequacy ratio stood at 47.15% comprising of Tier I Capital Ratio of 47.08% and Tier II Capital Ratio of 0.07% exceeding the minimum regulatory requirement of 15%.

#### **Non-Performing Asset (NPA)**

Your Company is in strict adherence to the provisions of Guidelines issued by RBI along with the Indian Accounting Standards (Ind AS) with respect to computation of NPA. Your Company's assets have been classified based on the expected performance. The Gross NPA and Net NPA as on March 31, 2025 were respectively 2.39% and 1.41% as against 1.79% and 0.99% respectively as on March 31, 2024.

### **3. CHANGE IN THE NATURE OF BUSINESS**

There has been no change in the nature of business of the Company during the Financial Year 2024-25.

A detailed analysis of the operational and financial performance is included in the Management Discussion and Analysis Report, forming part of this Annual Report as **Annexure I**.

### **4. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Company operates as a standalone entity and does not have any subsidiary, associate and joint venture within the meaning of Section 2(87) and 2(6) of the Act.

## 5. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report in accordance with the RBI SBR Master Direction forming part of this Annual Report as **Annexure I**.

## 6. TRANSFER TO RESERVES

Since the Company is a NBFC registered with the RBI, therefore as per the requirement of Section 45IC of the RBI Act, 1934 the Company has transferred an amount of Rs. 3,701.82 lakh in Statutory Reserve Fund. i.e. aggregating to 20% of its net profit for the Financial Year 2024-25.

Further, your Board of Directors does not propose to transfer any amount to general reserves of the Company.

## 7. DIVIDEND

With a view to enhance the growth and business of the Company and in order to deal with the uncertain economic environment, your directors aim to retain the resources of the Company. Accordingly, they do not recommend any dividend for the Financial Year ended on March 31, 2025.

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

There were no material changes and commitments affecting the financial position of the Company, that have occurred between end of the Financial Year to which the Financial Statements relate and the date of this report.

## 9. RESOURCE MIX

During the Financial Year 2024-25, the Company secured its funding through a diversified pool of lenders which includes Public Sector Banks, Private Sector Banks, Financial Institutions etc. During the year under review, the Company continued with its diverse methods of sourcing funds and has also maintained prudential Asset Liability Match throughout the year. This diversified approach mitigates risk and strengthens Company's financial flexibility.

### Loans from Banks and Financial Institutions

During the Financial Year 2024-25, the Company received aggregate fresh loan sanctions amounting to Rs. 1,21,684.74 lakh and has availed loans aggregating to Rs. 1,04,184.74 lakh. The outstanding amount of borrowings inclusive of associated liabilities in respect of securitisation transactions as at March 31, 2025 were Rs. 2,35,335.09 lakh. No interest payment or principal repayment of the term loans was due and unpaid as on March 31, 2025.

### Non-Convertible Debentures

The Shareholders of the Company have approved the issuance of Non-Convertible Debentures ("NCDs") aggregating to the amount of Rs. 500,00,00,000 (Rupees five hundred crore only) on private placement basis at their Annual General Meeting ("AGM") held on June 15, 2024, although the Company have not raised any NCDs during the Financial Year 2024-25.

During the Financial Year 2024-25, your Company has redeemed all its outstanding NCDs. No interest payment or principal repayment of the NCDs was due and unpaid as on March 31, 2025. The Company has not received any grievances from the debt security holders.

### Securitisation/ Assignment of Loan Portfolio

Your Company has actively tapped Securitisation market, which has enabled it to create liquidity, diversify liability profile and minimize asset liability mismatches.



During the Financial Year 2024-25, the Company securitised its loan portfolio having principal value of Rs. 15,269.81 lakh through issue of Pass Through Certificates.

## 10. DEPOSITS

Being a non-deposit taking Company, your Company has not accepted any deposits within the meaning of the provisions of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 and provisions of the Act are not applicable on the Company. Further, the Company shall not accept deposits from public without obtaining prior approval from the RBI.

## 11. CREDIT RATING

The ratings continue to reflect your Company's healthy earning profile, adequate capitalization, strong net worth base and steady improvement in its scale of operations. During the Financial Year 2024-25, Acuite Ratings & Research Limited, in a press release dated March 17, 2025, upgraded the Company's outlook on its long-term bank facilities from 'Stable' to 'Positive', reflecting a strengthened financial position and enhanced credit profile.

The Credit Rating details of the Company as on March 31, 2025 are as follows:

Type of instrument	Rating	Name of credit rating agency
Long term Bank Facilities	ACUITE A+   Positive	Acuite Ratings & Research Limited
Bank Overdraft	CARE A   Stable	CARE Ratings Limited
Long term Bank Facilities	CARE A   Stable	CARE Ratings Limited

**Note:** During the Financial Year 2024-25, the Company has fully repaid the Non-Convertible Debentures with no remaining outstanding balances. As a result, the credit rating previously assigned to Non-Convertible Debentures by Acuite Ratings & Research Limited has been withdrawn.

## 12. CAPITAL STRUCTURE

During the Financial Year 2024-25, following changes took place in the Share Capital structure of the Company:

### Authorised Share Capital

Pursuant to the resolution passed by the Shareholders of the Company at their Extra-Ordinary General Meeting held on September 19, 2024, the Authorised Share Capital of the Company was increased to Rs. 1,55,10,00,000 (Rupees one hundred fifty five crore and ten lakh only) divided into 61,00,000 (Sixty one lakh) Equity Shares of Rs. 10/- (Rupees ten only) each and 1,49,00,000 (One crore and forty nine lakh) Preference Shares of Rs. 100/- (Rupees one hundred only) each, consequent to the creation of an additional 1,00,000 (One lakh) Equity Shares of Rs. 10/- (Rupees ten only) each and 14,00,000 (Fourteen lakh) Preference Shares of Rs. 100/- (Rupees one hundred only) each.

### Issued, Subscribed and Paid-up Share Capital

During the Financial Year 2024-25, the Company:

1. Issued and allotted 3,85,192 (Three lakh eighty five thousand one hundred and ninety two) partly paid-up 0.0001% Series E1 Compulsorily Convertible Cumulative Preference Shares ("Series E1 CCCPS") having face value of Rs. 100/- (Rupees one hundred only) each, for cash, at an issue price of Rs. 2,854.54/- (Rupees two thousand eight hundred fifty four and fifty four paise only) per share which includes a premium of Rs. 2,754.54/- (Rupees two thousand seven hundred fifty four and fifty four paise only) per share aggregating to an amount of Rs. 1,09,95,45,971.68/- (Rupees one hundred nine crore ninety five lakh forty five thousand nine hundred seventy one and sixty eight paise only) on preferential basis through private placement offer to Mr. Mohit Sahney and Mrs. Sunita Sahney (Promoters) of the Company. The Company has received an amount of Re. 1.00/- (Rupee one only) per Series E1 CCCPS on such partly paid-up shares.
2. Issued and allotted 500 (Five hundred) fully paid up Equity Shares having face value of Rs. 10/- (Rupees ten only) each, for cash, at an issue price of 2,854.54/- (Rupees two thousand eight hundred fifty four and fifty four paise only) per share which includes a premium of Rs. 2,844.54/- (Rupees two thousand eight hundred forty four and fifty four paise only) per share and 21,01,415 (Twenty one lakh one thousand four

hundred and fifteen) fully paid-up 0.0001% Series E Compulsorily Convertible Cumulative Preference Shares ("Series E CCCPS") having face value of Rs. 100/- (Rupees one hundred only) each, for cash, at an issue price of Rs. 2,854.54/- (Rupees two thousand eight hundred fifty four and fifty four paise only) per share which includes a premium of Rs. 2,754.54/- (Rupees two thousand seven hundred fifty four and fifty four paise only) per share aggregating to an amount of Rs. 6,00,00,00,444.10/- (Rupees six hundred crore four hundred forty four and ten paise only) on preferential basis through private placement offer to the investors.

3. Allotted 876 (Eight hundred and seventy six) Equity Shares having face value of Rs. 10/- (Rupees ten only) each pursuant to the exercise of vested stock options by the eligible employee of the Company under Employee Stock Option Plans (ESOPs) of the Company.

After the aforementioned change in the Capital Structure, the Authorised, Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2025 stood at:

Authorised Share Capital	: Rs. 1,55,10,00,000
Issued Share Capital	: Rs. 1,54,37,83,710
Subscribed Share Capital	: Rs. 1,54,37,83,710
Paid-up Share Capital	: Rs. 1,44,41,56,842

### **13. AMENDMENT IN ARTICLES OF ASSOCIATION**

During the Financial Year 2024-25, the Company entered into a (a) Share Subscription Agreement dated October 10, 2024 with Norwest Capital, LLC, Avataar Venture Partners II, Sofina Ventures SA, Madison India Opportunities V VCC, MIO Strategic V LLC, MICP Trust (collectively, the "**Series E Investors**"), Mr. Mohit Sahney and Mrs. Sunita Sahney (collectively, "**Promoters**") and (b) Shareholders' Agreement dated October 10, 2024 with Peak XV Partners Investments V, Peak XV Partners Growth Investments III, Maj Invest Financial Inclusion Fund III K/S, Faering Capital India Evolving Fund II, Faering Capital India Evolving Fund III, Kiri Holdings, the Series E Investors, Promoters and certain other Shareholders of the Company ("**Shareholders' Agreement**").

Pursuant to the terms of these agreements, the Company vide special resolution passed by the Shareholders of the Company on October 18, 2024 at its Extra-Ordinary General Meeting, replaced and substituted the existing Articles of Association of the Company with the new set of Articles of Association of the Company ("Restated Articles"), incorporating the new provisions and rights set forth in the Shareholder's Agreement.

### **14. EMPLOYEES STOCK OPTION PLANS**

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

Your Company has instituted three Employees Stock Option Plans i.e., Employees Stock Option Plan 2018 (ESOP 2018) Employees Stock Option Plan 2020 (ESOP 2020) and Employees Stock Option Plan 2022 (ESOP 2022) to attract, retain, reward and motivate the employees of the Company.

In accordance with the resolution passed by the Shareholders of the Company at their AGM held on June 15, 2024, the Company has amended the ESOP 2018, ESOP 2020 and ESOP 2022 to extend the exercise period for stock options from the current maximum period of 5 (Five) years to a period of 10 (Ten) years from the date of respective vesting of the options.

During the year under review, 38,200 stock options were granted to the eligible employees under ESOP 2022.

Details of existing ESOP 2018, ESOP 2020 and ESOP 2022 pursuant to the provisions of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 for the Financial Year ended on March 31, 2025 are as under:

Particulars	ESOP 2018							
Date of shareholders' approval	October 26, 2018							
Total number of options approved	2,11,642							
	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI	Grant VII	Grant VIII
Total number of options granted	1,03,900	23,000	78,500	76,500	13,582	6,390	2,250	16,800
Total number of options vested	1,03,900	23,000	78,500	53,550	9,507	2,556	900	3,360
Total number of options exercised	19,156	3,170	14,767	3,030	-	-	-	-
The total number of shares arising as a result of exercise of option	19,156	3,170	14,767	3,030	-	-	-	-
Total number of options lapsed	59,425	11,200	33,292	24,400	1,000	2,090	1,250	5000
Total no. of options in force*	25,319	8,630	30,441	49,070	12,582	4,300	1,000	11,800
The exercise price (In Rs.)	175.00	175.00	360.97	708.78	708.78	806.00	813.00	877.00
Variation of terms of options	Extended the exercise period from the current maximum period of 5 (Five) years to a period of 10 (Ten) years from the date of respective vesting of the options.							
Money realized by exercise of options (In Rs.)	33,52,300.00	5,54,750.00	53,30,443.99	21,47,603.40	-	-	-	-

\* The Number of Options in force includes number of Options vested

Particulars	ESOP 2020			
Date of shareholders' approval	January 16, 2021			
Total number of options approved	1,93,592			
Particulars	Grant I	Grant II	Grant III	Grant IV
Total number of options granted	1,89,850	29,492	39,750	9,500
Total number of options vested	1,32,895	20,644	15,900	3,800
Total number of options exercised	5,433	-	-	-
The total number of shares arising as a result of exercise of option	5,433	-	-	-
Total number of options lapsed	1,04,098	11,500	6,010	5,500
Total no. of options in force*	80,319	17,992	33,740	4,000
The exercise price (In Rs.)	708.78	708.78	806.00	813.00
Variation of terms of options	Extended the exercise period from the current maximum period of 5 (Five) years to a period of 10 (Ten) years from the date of respective vesting of the options.			
Money realized by exercise of options (In Rs.)	38,50,801.74	-	-	-

\* The Number of Options in force includes number of Options vested

Particulars	ESOP 2022		
Date of shareholders' approval	April 01, 2022		
Total number of options approved	2,53,116		
Particulars	Grant I	Grant II	Grant III
Total number of options granted	2,15,460	41,500	38,200
Total number of options vested	86,184	16,600	-
Total number of options exercised	-	-	-
The total number of shares arising as a result of exercise of option	-	-	-
Total number of options lapsed	85,700	16,500	3,000
Total no. of options in force*	1,29,760	25,000	35,200
The exercise price (In Rs.)	806.00	813.00	2,272
Variation of terms of options	Extended the exercise period from the current maximum period of 5 (Five) years to a period of 10 (Ten) years from the date of respective vesting of the options.		
Money realized by exercise of options (In Rs.)	-	-	-

\* The Number of Options in force includes number of Options vested

Employee wise details of options granted during the Financial Year to:

a) Key Managerial Personnel : None

b) Any other employee who received a grant of options in any one year of Option amounting to five percent or more of options granted during that year: The following employees have received grant of options

amounting to five percent or more of Options granted during that year:- Mr. Neelapu Mohanarao, Senior Manager – Credit, Mr. N Venu, Senior Manager – Sales, Mr. Jay Kumar Gurani, Vice President – Sales, Mr. Mahesh Sankhla, Chief Compliance Officer, Mrs. Pooja Godara, Vice President - Customer Services & Quality, Mr. Jai dev Singh, Vice President – RCU, Mr. Bhagwan Singh, Chief Information Security Officer, Mr. Santosh Singh Rathore, Senior Vice President – Legal, Mr. Shyam Sunder Pareek, Vice President - Innovation & Technology.

- c) Identified employees who were granted Options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: None

## **15. INVESTOR EDUCATION AND PROTECTION FUND**

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

The provision of Section 125 (2) of the Act do not apply to the Company as there was no dividend declared and paid in the previous Financial Years.

## **16. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Your esteemed Board of Directors brings together a wealth of global experience, strong financial acumen, strategic astuteness and leadership qualities. Their unwavering commitment to the Company’s success is evident in their active participation and meticulous preparation for Board Meetings. Through a comprehensive skill assessment, the Board ensures to identify the core skills, expertise and competencies of the Directors in the context of the Company’s effective functioning and towards continued achievement. This is detailed at length in the report on Corporate Governance.

The Company’s Board of Directors consists of leaders and visionaries who provide strategic direction and guidance to the Company. The Board of your Company has an optimum combination of Executive and Non-Executive Directors. As on March 31, 2025, the Board comprised of 7 (Seven) Directors with 2 (Two) Executive Directors and 5 (Five) Non-Executive Directors which includes 3 (Three) Nominee Directors and 2 (Two) Independent Directors.

All the Directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable RBI SBR Master Direction and that they are not disqualified from being appointed or continuing as Directors in terms of the provisions of Section 164 of the Act.

### **Changes in the Composition of Board of Directors:**

During the Financial Year 2024-25, no changes have occurred in the Composition of Board of Directors.

### **Declaration by Independent Directors**

The Company has received necessary declaration from the Independent Directors under Section 149(7) of the Act, that they meet the criteria of Independence laid down in Section 149(6) of the Act. The Independent Directors have affirmed compliance to the code for Independent Directors as prescribed in Schedule IV of Act. Based on the confirmation/ disclosures received from the Directors and on evaluation of the independence of Directors during the Board evaluation process and assessing veracity of disclosures, the Board opined that Independent Directors are independent of the Management of the Company.

Further, pursuant to the provisions of the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019 read with Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors are registered with the Databank maintained under Indian Institute of Corporate Affairs (“IICA”). With regard to proficiency of the Independent Directors, ascertained from the online proficiency self-assessment test conducted by the IICA, as notified under sub section (1) of Section 150 of the Act, the Company has taken on record the declarations/disclosures submitted by

Independent Directors that either they are exempt from appearing in the test or they have passed the exam as required by the IICA.

### **Meeting of Independent Directors**

Pursuant to the provisions of the Act, the Independent Directors met on April 30, 2024 without the presence of Non-Independent Directors and members of the management and all the Independent Directors were present at such meeting. The following matters were reviewed by the Independent Directors:

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

During the year under review, the non-executive Independent Directors of the Company had no pecuniary relationship or transactions with the Company other than the sitting fees, commission, and reimbursement of expenses incurred by them for the purpose of attending the meetings of the Board or Committees of the Company.

### **Changes in Key Managerial Personnel**

Pursuant to the provisions of Section 203 of the Act read with the rules made thereunder, following are the Key Managerial Personnel of the Company as on March 31, 2025:

1. Mr. Mohit Sahney, Managing Director and Chief Executive Officer (CEO)
2. Mrs. Sunita Sahney, Executive Director
3. Mr. Ravi Sharma, Chief Financial Officer
4. Mr. Jaikishan Premani, Company Secretary and Compliance Officer

During the Financial Year 2024-25, no changes took place in the Key Managerial Personnels of the Company.

### **Fit and Proper Criteria**

The Company has adopted a Policy on “Appointment and Fit and Proper Criteria for Directors” for ascertaining the Fit and Proper criteria of Directors at the time of appointment and on a continuing basis. Accordingly, all the Directors of the Company have confirmed that they satisfy the “fit and proper” criteria as prescribed in the Annexure XXIII of RBI SBR Master Direction and that they are not disqualified from being appointed/continuing as Directors in terms of Section 164 of the Act.

### **Annual Performance Evaluation**

The Board, the Committees of the Board and Independent Directors continuously strive for efficient functioning of Board and its Committees and better corporate governance practices. Accordingly, pursuant to the provisions of Section 178 of the Act, Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India and Guide to Board Evaluation issued by the Institute of Company Secretaries of India, performance evaluation was carried out through a structured questionnaire prepared separately for the Board, Committees and individual Directors (including Chairperson) of the Company.

In addition, pursuant to Schedule IV of the Act, the Independent Directors in their meeting held on April 30, 2024 reviewed the performance of non-independent directors, Board of Directors as a whole and Chairperson of the Company taking into account the views of Executive Directors and non-executive Directors. The Board also considered the evaluation results as collated by the Nomination and remuneration Committee while conducting the evaluation and expressed its satisfaction with the evaluation process. The evaluation process endorsed cohesiveness amongst Directors, smooth communication between the Board and the management and the openness of the management in sharing the information with the Board and placing various proposals for the Board’s consideration and approval.

Information on the manner in which formal annual evaluation is made by the Board of its own performance and that of its Committees, Chairperson and Individual Directors is given in the report on Corporate Governance, forming part of this Annual Report as **Annexure III**.

### **Nomination, Remuneration and Compensation Policy**

Pursuant to the provisions of Section 178(3) of the Act read with the Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs as outlined in RBI SBR Master Direction, the Company has formulated Nomination, Remuneration and Compensation Policy ("NRC Policy"). The NRC Policy provides guidelines relating to the Appointment, Removal and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. It also provides the manner for effective evaluation of performance of Board, its committees and individual Directors.

During the Financial Year 2024-25, the NRC Policy was amended to incorporate the provision in respect of deferral of variable pay. This amendment was made in accordance with the provisions of the RBI SBR Master Direction and to align the compensation of Directors, Key Managerial Personnel, and Senior Management Personnel with relevant risk horizons.

The NRC Policy is available on the website of the Company at <https://finova.in/public/uploads/policiescode-pdf/1725280693.pdf>.

### **17. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

The Board meets at regular intervals to discuss and decide on the Company/business policy and strategy, apart from other Board businesses. The Board exhibits strong operational oversight with regular business presentations at meetings. The Board/Committee meetings are pre-scheduled and an annual calendar of the meetings is circulated to all the Directors to facilitate them in planning their schedule and ensure meaningful participation. Only in the case of special and urgent business, should the need arise, Board's approval is taken either by passing resolutions through circulation or convening meetings at shorter notice, as permitted by the law.

During the Financial Year 2024-25, your Board met 6 (Six) times i.e., on April 30, 2024, July 31, 2024, September 19, 2024, October 18, 2024, October 23, 2024 and January 30, 2025. The frequency, quorum and intervening gap between two meetings were in conformity with the provisions of the Act and Secretarial Standard on Meetings of the Board of Directors issued by the Institute of Company Secretaries of India and the Company has complied with all applicable Secretarial Standards.

### **18. BOARD COMMITTEES**

In accordance with the applicable provisions of the Act, the circular(s), notification(s) and directions issued by the RBI and Company's internal corporate governance requirements, the Board has constituted the following Committees, each with a defined mandate outlined in its terms of reference to address specific issues and ensure expedient resolution on diverse matters:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Corporate Social Responsibility Committee
4. Asset Liability Management Committee;
5. Risk Management Committee;
6. IT Strategy Committee;
7. Executive Committee;
8. Consumer Protection Committee;
9. Identification and Review Committee in terms of Reserve Bank of India (Treatment of Wilful Defaulters and Large Defaulters) Directions, 2024 dated July 30, 2024;
10. Committee of Executives for monitoring and follow up of cases of Frauds in terms of Reserve Bank of India (Fraud Risk Management in NBFCs) Directions, 2024, dated July 15, 2024.

Further, the IT Strategy Committee has also formed sub-committees of the management in order to facilitate quick decision making and encourage delegation of authority. Presently, there are 2 sub-committees, namely:

1. IT Steering Committee;
2. Information Security Committee.



All decisions and recommendations of the Committees were placed before the Board for information or approval. The Board has accepted all the decisions and recommendations of the Committees during the Financial Year 2024-25.

In accordance with the RBI SBR Master Direction, a detailed report on Corporate Governance forming part of the Annual Report as **Annexure III**, adheres to Corporate Governance Standards and provides comprehensive information on the various Committees constituted by the Company. The report outlines the composition of each Committee, roles and functions, terms of reference, the frequency of its meetings, the meetings held during the Financial Year 2024-25, and the attendance records for those meetings.

The Composition of Audit Committee pursuant to the RBI SBR Master Direction and provisions of Section 177 of the Act is provided hereunder:

#### **Audit Committee**

<b>Name of member</b>	<b>Designation</b>
Mr. Arjun Dan Ratnoo	Chairperson
Mr. Sathyan David	Member
Mr. Ishaan Mittal	Member

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

### **19. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company believes that internal control is a necessary prerequisite of Corporate Governance and that freedom should be exercised within a framework of checks and balances. Therefore, the Company has a well-established comprehensive internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. Periodic audit of all functions is carried out by the internal auditors thereby ensuring regulatory compliance of various applicable statutes as well as internal guidelines and policies.

The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets. The Company policies are reviewed periodically in line with the dynamic business environment and regulatory requirements. The Board maintains a strong focus on internal controls by reviewing adherence to these systems and evaluating internal audit reports.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Secretarial and Information Systems Auditors and the reviews performed by management and the Audit Committee, Company has sound internal financial controls. These controls placed by the Company are commensurate with the nature and size of the business operations and are adequate and operating effectively.

The Audit Committee reviewed the Internal Financial Control and is of the opinion that internal financial controls with reference to the financial statements are adequate and operating effectively.

### **20. STATUTORY AUDITORS AND STATUTORY AUDIT REPORT**

Pursuant to the provisions of Section 139 and 141 of the Act read with rules made thereunder and the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by RBI dated April 27, 2021 ('RBI Guidelines'), the Company at the AGM held on June 15, 2024 appointed M/s T.R. Chadha & Co. LLP (Firm's Registration Number: 006711N/N500028) as Statutory Auditors of the Company to hold office for a period of 3 (three) consecutive years from the conclusion of 9<sup>th</sup> AGM till the conclusion of 12<sup>th</sup> AGM to be held in the calendar year 2027 subject to the firm satisfying the eligibility norms each year.

M/s T.R. Chadha & Co. LLP (Firm's Registration Number: 006711N/N500028), Chartered Accountants, have confirmed that they are not disqualified to continue as Statutory Auditors of the Company and have confirmed their eligibility in terms of Section 139 and 141 of the Act and RBI Guidelines for the Financial Year 2025-26.

The Audit Report on the Financial Statements for the Financial Year 2024-25 does not contain any qualifications, reservations or adverse remarks. The Notes to Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

## **21. INTERNAL AUDITORS**

Pursuant to the provisions of Section 138 of the Act, M/s Shah Patni & Co., Chartered Accountants, (Firm's Registration Number: 001055C) were re-appointed as Internal Auditors of the Company by the Board of Directors at its meeting held on April 30, 2024 to conduct Internal Audit for the Financial Year 2024-25.

The Internal Auditors reports directly to the Audit Committee of the Board. The Audit Committee quarterly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

Further, the Board in its Meeting held on April 29, 2025, has approved the re-appointment of M/s Shah Patni & Co., Chartered Accountants (Firm's Registration Number: 001055C) as Internal Auditors of the Company to carry out the Internal Audit for the Financial Year 2025-26.

## **22. SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Act, M/s V. M. & Associates, Company Secretaries (Firm's Registration Number: P1984RJ039200) were re-appointed as the Secretarial Auditors of the Company by the Board of Directors at their meeting held on April 30, 2024 to conduct Secretarial Audit for the Financial year 2024-25.

The Auditors have submitted their Secretarial Audit Report in Form MR-3 for the Financial Year ended on March 31, 2025 which is annexed herewith as **Annexure II**, forming part of this Annual Report and your Directors are pleased to inform that the report does not contain any reservation, qualification or adverse remark.

Further, the Board in its Meeting held on April 29, 2025, has approved the re-appointment of M/s V. M. & Associates, Company Secretaries (Firm's Registration Number: P1984RJ039200) as Secretarial Auditors of the Company to conduct Secretarial Audit for the Financial Year 2025-26.

## **23. COST RECORDS AND COST AUDIT**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148 of the Act are not applicable in respect of the business activities carried out by the Company and hence such accounts and records were not required to be maintained by the Company.

## **24. REPORTING OF FRAUD BY AUDITORS**

During the Financial Year 2024-25, neither the Statutory Auditors nor the Secretarial Auditors have reported under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which needs to be mentioned in the Board's Report.

## **25. CORPORATE GOVERNANCE**

In accordance with RBI SBR Master Direction, the Company falls under the category of NBFC-ML based on which the Company shall endeavour to make disclosure in accordance with the requirement of Paragraph C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



The Company is firmly committed to upholding the highest standards of corporate governance. This commitment goes beyond mere compliance with prescribed requirements; the Company actively endeavors to implement best practices that foster transparency, accountability, and sustainable value creation for all stakeholders.

The Report on Corporate Governance forms part of this Annual Report as **Annexure III**.

## 26. CORPORATE SOCIAL RESPONSIBILITY

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

The Company’s CSR initiatives are aligned with the mission of transforming rural lives and hence focus on areas such as Education, Environment, Health Care & Wellness, Sports, Preservation of Art & Culture, Women Empowerment, Welfare and protection of Senior citizen. All CSR initiatives are implemented in accordance with the Schedule VII of the Act, CSR Policy and Annual Action Plan of the Company.

### Composition of Corporate Social Responsibility Committee

The Company has constituted CSR Committee in accordance with the provisions of Section 135(1) of the Act read with Companies (Corporate Social Responsibility Policy) Rules 2014. The role of the CSR Committee inter alia is to review the CSR policy, recommend and monitor the CSR activities undertaken by the Company towards CSR. The composition of CSR Committee is as follows:

<b>Name of member</b>	<b>Designation</b>
Mr. Mohit Sahney	Chairperson
Mrs. Sunita Sahney	Member
Mr. Arjun Dan Ratnoo	Member

### Corporate Social Responsibility Policy

The Company’s CSR Policy sets out the objective, areas, activities and the manner in which the expenditure on CSR obligation would be carried out by the Company and the same is available on the website of the Company at <https://finova.in/public/uploads/policiescode-pdf/1721589816.pdf>. The Annual Report on CSR activities in terms of the requirements of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure IV**, forming part of this Annual Report. No changes were made during the Financial Year 2024-25 in the CSR Policy of the Company.

The Company’s CSR Policy articulates the Company’s philosophy for giving back to society as a corporate citizen. It lays down the guidelines and mechanisms for undertaking impactful social programmes that promote community well-being and sustainable development. The CSR Policy, inter alia, covers the following:

- Areas of focus;
- Effective Implementation of CSR Activities;
- Transparent Funding and robust Monitoring Process.

In terms of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has during the Financial Year 2024-25, spent two percent of the average net profits of your Company during the three preceding Financial Years in accordance with the CSR Policy and the Annual Action Plan approved by the Board of Directors, from time to time on the recommendation of the CSR Committee. Further, the Chief Financial Officer has certified that the funds disbursed for CSR activities have been used for the purpose and in the manner approved by the Board of Directors for Financial Year 2024-25.

## 27. ANNUAL RETURN

Pursuant to section 92(3) read with Section 134(3)(a) of the Act and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the draft Annual Return of the Company for the Financial Year ended on March 31, 2025 in the prescribed Form MGT-7 is available on the Company's website at <https://finova.in/public/uploads/annualreport-image/1748499041.pdf>.

## 28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUT-GO

Your Company continuously strives to conserve energy, adopt environment friendly practices and employ technology for more efficient operations.

The particulars relating to the energy conservation, technology absorption, foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 are given in the **Annexure V**, forming part of this Annual Report.

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

Your Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in upholding the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited.

In accordance with the POSH Act, the Company has formed a Policy on prevention, prohibition and redressal of sexual harassment of Women employees at workplace and redressal of complaints of sexual harassment and has complied with provisions relating to the constitution of Internal Committee. This policy offers comprehensive protection to all the employees (permanent, Contractual, temporary and trainees). The Internal Committee redresses the complaints pertaining to sexual harassment and any complaint which is received by the Committee is dealt with appropriate sensitivity and confidentiality in the most judicious and unbiased manner within the time frame as prescribed by the POSH Act.

During the Financial Year 2024-25 the Company has conducted various workshops and training sessions in relation to the awareness of the POSH Act amongst the employees.

Further, considering the steady increase in the size of Company, the Board re-constituted the Zonal Internal Committees to strengthen the accessibility of the grievance redressal mechanism and to ensure compliance with the spirit of POSH Act.

The following is a summary of sexual harassment complaints received and disposed of by the Company during the Financial Year 2024-25:

- No. of complaints at the beginning of the year: Nil
- No. of complaints received during the year: 1
- No. of complaints disposed of during the year: 1
- No. of complaints at the end of the year: Nil

## 30. RISK MANAGEMENT

The Company has formulated and implemented an effective risk management framework aligned with the Risk Management Policy which encompasses practices relating to identification, assessment, monitoring and mitigation of various risks to key business objectives. The Risk management framework of the Company seeks to minimize adverse impact of risks on our key business objectives and enables the Company to leverage market opportunities effectively.

The various key risks to key business objectives and their mitigation are as follows:

**Credit Risk:** Credit risk arises from business operations that give rise to actual, contingent, or potential claims against any counterparty, borrower, or obligor. The scope of the Credit Risk unit includes measuring, assessing, and monitoring credit risk within your Company through strengthening underwriting norms, and keeping a close watch on asset quality trends and concentrations at individual exposures as well as at the portfolio level.

The Company has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals.

**Operational Risk:** Operational Risk has been defined by the RBI as the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events. Operational Risk includes legal risk but excludes strategic and reputational risks.

The Company follows established, well-designed controls, which include maker-checker principles, effective delegation of authority, and segregation of duties, Code of conduct, reconciliation, exception reporting and periodic MIS.

**Liquidity Risk:** Liquidity risk arise because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances caused by a difference in the maturity profile of Company assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price.

The Company has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity. The Company has developed internal control processes and contingency plans for managing liquidity risk. The Company manages liquidity risk by maintaining adequate cash reserves and undrawn credit facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Interest Rate Risk:** It is the risk where changes in market interest rates might adversely affect the Company's financial condition. The short term/immediate impact of changes in interest rates are on the Company's Net Interest Income. On a longer term, changes in interest rates impact the cash flows on the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the Company arising out of all re-pricing mismatches and other interest rate sensitive positions.

The Company mitigates its interest rate risk by keeping a balanced mix of borrowings.

**Reputation Risk:** Reputation risk is the risk to earnings and capital arising from adverse perception of the image of the Company from the part of various stakeholders and regulators. This risk may arise from the Company's reputation getting impacted due to factors such as unethical practices, regulatory actions, customer dissatisfaction and complaints leading to negative publicity.

The Company manages this through a strict code of conduct policy for its employees, good corporate governance policies and an effective customer grievance mechanism. It communicates with its stakeholders regularly through appropriate engagement mechanisms to address stakeholder expectations and assuage their concerns, if any.

**Market Risk:** Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market variables. Such changes in the values of financial instruments may result from changes in the interest rates, credit, and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk and liquidity risk.

The Company regularly reviews its business model including interest rate risk and liquidity risk.

**Strategic Risk:** Strategic or business risk is the risk associated with the formulation and execution of an organization's strategy. Strategic risk is highly prevalent in current market conditions, with the entrance of online Fintech, and looming deregulations.

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

**Information Technology Risk:** IT risk termed as risk of loss resulting from exploitation of Information Technology (IT) vulnerabilities of an organization. The role of IT is of critical importance for the Company on account of the steady increase in the size of the Company. In this digital era, the Company use automated information technology (IT) systems to Process their information, risk management plays a critical role in protecting an organization's information assets, from IT-related risks.

Some of the key risk areas are given below:

- Cyber Security
- Security Threats and Vulnerabilities
- Data management and protection risk
- IT Architecture risk
- Technology vendor and third-party risk
- Ability to upskill or reskill existing individuals in fast changing technology landscape
- Regulatory and compliance risk

Your Company has established a robust IT risk management framework. An IT Strategy Committee has been constituted to oversee this framework, ensuring the identification and mitigation of IT-related risks. The Company conducts periodic IT risk assessments, IT disaster recovery (DR) drills and business continuity planning (BCP) testing to ensure the effectiveness of its policies and procedures. These measures enable the Company to stay protected from potential threats and maintain the integrity of its operations.

**Compliance Risk:** Compliance risk has been defined as "the risk of legal or regulatory sanctions, material financial loss, or loss to reputation a Company may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct as applicable."

There is a strong compliance culture with well-articulated policies concerning conduct, Vigil Mechanism, AML & KYC. The Compliance department update the status of compliance and controls to the Audit Committee of the Board regularly, to review and for advice on the implementation of measures for AML /KYC risk mitigation, along with effective transaction monitoring.

Your Company's management of this risk is guided by diversification in its business through products for MSME, geographies, balanced growth while maintaining a healthy asset liability mix and prudent provisioning policies.

### **31. LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY**

Pursuant to Section 186 (11) (a) of the Act read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by a NBFC registered with RBI are exempt from the applicability of the provisions of Section 186 of the Act. As such, the particulars of loans and guarantees have not been disclosed in this Report.

As regard to the details regarding the loans given and investments made by the Company are mentioned in the Note No. 4 and 5 of the Financial Statements for the Financial Year ended on March 31, 2025 in accordance with the Ind-AS.

### **32. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The Company has adopted a Policy on Related Party Transactions for the purpose of identification, approving and monitoring of such transactions.

All the related party transactions that were entered during the Financial Year 2024-25 were conducted in the ordinary course of business and on an arm's length basis. Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Act are provided in **Annexure VI** (Form AOC-2), forming part of this Annual Report. Further all the necessary details of transactions entered with the related parties are mentioned in the Note No. 38 of the Financial Statements for the Financial Year ended on March 31, 2025 in accordance with the Ind-AS.

Policy on dealing with Related Party Transactions can be accessed on website of the Company through weblink <https://finova.in/public/uploads/policiescode-pdf/1721386300.pdf> and also forming integral part of this Annual Report as **Annexure VII**.

### **33. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India. The Board has implemented a robust system to ensure ongoing compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

### **34. RBI GUIDELINES**

Your Company is registered as a non-deposit taking NBFC and in accordance with the RBI SBR Master Direction, your Company falls under the category of NBFC-ML.

The Company has complied with and continues to comply with all applicable laws, rules, circulars and regulations, including the RBI SBR Master Direction and guidelines notified thereunder.

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

During the Financial Year 2024-25, no significant and material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

### **36. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

As per Section 177(9) of the Act the Company has in place a Vigil Mechanism/ Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. A whistle blowing or reporting mechanism, as set out in the Policy, invites all Directors and employees to act responsibly to uphold the reputation of the Company. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognised as an enabling factor in administering good governance practices.

This Vigil Mechanism/ Whistle Blower Policy of the Company is overseen by the Audit Committee and provides adequate safeguard against victimisation of employees and directors and also provides direct access to the Chairperson of the Audit Committee in appropriate or exceptional circumstances. The Whistle Blower complaints are reviewed by the Audit Committee on a quarterly basis. The Vigil Mechanism/ Whistle Blower Policy has been placed on the website of the Company and can be accessed at <https://finova.in/policies>.

Further, no personnel have been denied access to the Chairperson of Audit Committee.

### **37. INFORMATION TECHNOLOGY**

The Company has invested into technologies to drive its core system modernization, digital and data initiatives. The Company has standardized its core systems. This is in line with the Company's endeavor to improve customer experience and operational efficiencies. The Information Technology ('IT') team in the Company has

continually focused on implementing a centralized and consolidated Information System to enable a smooth and swift flow of information and data across the system. This has enabled the Company to control the cost of operations and provide improved services to customers.

The Company's IT Strategy Committee has implemented robust policies governing IT governance, business continuity, outsourcing, information security and cybersecurity. To ensure a secure environment, the Company conducts regular vulnerability assessments and penetration testing to identify and mitigate potential threats.

During the Financial Year 2024-25, an independent audit of Company's information systems was conducted by PricewaterhouseCoopers Private Limited, providing valuable insights and assurance on the effectiveness of its IT controls and security measures.

Further RBI has notified the Implementation of Core Financial Services Solution by NBFCs vide its circular dated February 23, 2022 ('CFSS Circular') akin to the Core Banking Solution (CBS) adopted by banks. The CFSS will ensure seamless customer interface in digital offerings and transactions relating to products and services with anywhere / anytime facility, provide centralized database and accounting records and will enable generate suitable MIS, both for internal purposes and regulatory reporting.

Your Company has completed the implementation of CFSS within the prescribed time limits.

### **38. HUMAN RESOURCES**

Your Company believes that its employees are its biggest assets. The workforce at the Company has a right blend of youth and experience and the success of organization is based on the capabilities, passion and integrity of its people. The Company continues to attract and retain talent that focuses on sustained superior performance, provide them opportunities to learn, realize their true potential and contribute positively to the success of the Company.

Across all its business operations, your Company had a workforce of 4483 people on permanent role as on March 31, 2025.

Your Company has been consistently investing in the growth and development of its employees through regular in-house training programs. These initiatives cover a wide range of specialized functions, including lending practices, underwriting, KYC norms, risk management, information technology, recoveries, grievance redressal, and soft skills, ensuring that team remains equipped to excel in their roles.

### **39. OTHER DISCLOSURES AND REPORTING**

- I. During the Financial Year 2024-25, the Company has neither made any application nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.
- II. 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 are not applicable.
- III. Other disclosures with respect to Board's Report as required under the Companies Act, 2013 and the Rules notified thereunder are either Nil or not applicable.

### **40. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to clause (c) of sub-section (3) of Section 134 of the Act, the Board of Directors, to the best of their knowledge and belief, confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

- b) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f) the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **41. ACKNOWLEDGEMENT**

Your directors take this opportunity to place on record their gratitude for the support extended by the RBI, Registrar of Companies, and other regulatory and Government Bodies, Credit Rating Agencies, Company's Auditors, Customers, debenture holders, debenture trustees, Bankers, Promoters and Shareholders.

The Board of Directors also thank the employees of the Company for their exemplary dedication and excellence displayed in conducting all operations during the Financial Year 2024-25.

**Date: April 29, 2025**

**Place: Jaipur**

**For and on Behalf of the Board of Directors**

**For Finova Capital Private Limited**

**Sd/-**

**Mohit Sahney**

**Managing Director and CEO**

**DIN: 07280918**

**Sd/-**

**Sunita Sahney**

**Executive Director**

**DIN: 02395354**

**Registered Office: 702, Seventh Floor, Unique Aspire**

**Plot No. 13-14 Cosmo Colony, Amrapali Marg**

**Vaishali Nagar, Jaipur-302021 (Rajasthan)**

**CIN: U65993RJ2015PTC048340**

**Website: [www.finova.in](http://www.finova.in)**

**Email: [info@finova.in](mailto:info@finova.in)**



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Global economic review and outlook**

The global economy demonstrated resilience in 2024, despite lingering effects from previous shocks, including the Ukraine war and the Gaza-Israel conflict. However, the economic landscape has shifted significantly with the introduction of new tariff measures by the United States and corresponding countermeasures from its trading partners. The implementation of near-universal U.S. tariffs, effective April 2, has elevated tariff rates to levels not witnessed in a century, reshaping global trade dynamics.

The swift escalation of trade tensions and extremely high levels of policy uncertainty are expected to have a significant impact on global economic activity. Under the reference forecast that incorporates information as of April 4, global growth is projected to drop to 2.8 percent in 2025 and 3 percent in 2026 and much below the historical (2000–19) average of 3.7 percent.

In the reference forecast, growth in advanced economies is projected to be 1.4 percent in 2025. Growth in the United States is expected to slow to 1.8 percent on account of greater policy uncertainty, trade tensions, and softer demand momentum, whereas growth in the euro area at 0.8 percent. In emerging market and developing economies, growth is expected to slow down to 3.7 percent in 2025 and 3.9 percent in 2026, with significant downgrades for countries affected most by recent trade measures, such as China.

Intensifying downside risks dominate the outlook. Escalating trade tensions and heightened trade policy uncertainty could further reduce near- and long-term growth, while eroded policy buffers weaken resilience to future shocks. Divergent and rapidly shifting policy stances or deteriorating sentiment could trigger additional repricing of assets, beyond what occurred after the announcement of sweeping US tariffs on April 2, and lead to sharp adjustments in foreign exchange rates and capital flows. This is particularly concerning for economies already facing debt distress, and broader financial instability may ensue, including potential damage to the international monetary system. Demographic shifts and a shrinking foreign labor force may curb potential growth and threaten fiscal sustainability. The lingering effects of the recent cost-of-living crisis, coupled with depleted policy space and dim medium-term growth prospects, could reignite social unrest. While many large emerging market economies have shown resilience, servicing high debt levels may become more challenging in unfavourable global financial conditions. Limited international development assistance may increase pressure on low-income countries, potentially pushing them deeper into debt or necessitating significant fiscal adjustments with immediate consequences for growth and living standards. On the upside, a de-escalation from current tariff rates and new agreements providing clarity and stability in trade policies could lift global growth.



## Global Growth Projections:

### Overview of the world Economic Outlook Reference Forecast

	2024	Projections		Difference from January 2025 WEO Update <sup>1</sup>		Difference from October 2024 WEO <sup>1</sup>	
		2025	2026	2025	2026	2025	2026
<b>World Output</b>	<b>3.3</b>	<b>2.8</b>	<b>3.0</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-0.3</b>
<b>Advanced Economies</b>	<b>1.8</b>	<b>1.4</b>	<b>1.5</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-0.3</b>
United States	2.8	1.8	1.7	-0.9	-0.4	-0.4	-0.3
Euro Area	0.9	0.8	1.2	-0.2	-0.2	-0.4	-0.3
Germany	-0.2	0.0	0.9	-0.3	-0.2	-0.8	-0.5
France	1.1	0.6	1.0	-0.2	-0.1	-0.5	-0.3
Italy	0.7	0.4	0.8	-0.3	-0.1	-0.4	0.1
Spain	3.2	2.5	1.8	0.2	0.0	0.4	0.0
Japan	0.1	0.6	0.6	-0.5	-0.2	-0.5	-0.2
United Kingdom	1.1	1.1	1.4	-0.5	-0.1	-0.4	-0.1
Canada	1.5	1.4	1.6	-0.6	-0.4	-1.0	-0.4
Other Advanced Economies <sup>2</sup>	2.2	1.8	2.0	-0.3	-0.3	-0.4	-0.3
<b>Emerging Market and Developing Economies</b>	<b>4.3</b>	<b>3.7</b>	<b>3.9</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-0.5</b>	<b>-0.3</b>
Emerging and Developing Asia	5.3	4.5	4.6	-0.6	-0.5	-0.5	-0.3
China	5.0	4.0	4.0	-0.6	-0.5	-0.5	-0.1
India <sup>3</sup>	6.5	6.2	6.3	-0.3	-0.2	-0.3	-0.2
Emerging and Developing Europe	3.4	2.1	2.1	-0.1	-0.3	-0.1	-0.4
Russia	4.1	1.5	0.9	0.1	-0.3	0.2	-0.3
Latin America and the Caribbean	2.4	2.0	2.4	-0.5	-0.3	-0.5	-0.3
Brazil	3.4	2.0	2.0	-0.2	-0.2	-0.2	-0.3
Mexico	1.5	-0.3	1.4	-1.7	-0.6	-1.6	-0.6
Middle East and Central Asia	2.4	3.0	3.5	-0.6	-0.4	-0.9	-0.7
Saudi Arabia	1.3	3.0	3.7	-0.3	-0.4	-1.6	-0.7
Sub-Saharan Africa	4.0	3.8	4.2	-0.4	0.0	-0.4	-0.2
Nigeria	3.4	3.0	2.7	-0.2	-0.3	-0.2	-0.3
South Africa	0.6	1.0	1.3	-0.5	-0.3	-0.5	-0.2
<i>Memorandum</i>							
World Growth Based on Market Exchange Rates	2.8	2.3	2.4	-0.6	-0.4	-0.5	-0.3
European Union	1.1	1.2	1.5	-0.2	-0.2	-0.4	-0.2
ASEAN-5 <sup>4</sup>	4.6	4.0	3.9	-0.6	-0.6	-0.5	-0.6
Middle East and North Africa	1.8	2.6	3.4	-0.9	-0.5	-1.4	-0.8
Emerging Market and Middle-Income Economies	4.3	3.7	3.8	-0.5	-0.4	-0.5	-0.3
Low-Income Developing Countries	4.0	4.2	5.2	-0.4	-0.2	-0.5	-0.4
<b>World Trade Volume (goods and services)</b>	<b>3.8</b>	<b>1.7</b>	<b>2.5</b>	<b>-1.5</b>	<b>-0.8</b>	<b>-1.7</b>	<b>-0.9</b>
Imports							
Advanced Economies	2.4	1.9	2.0	-0.3	-0.4	-0.5	-0.5
Emerging Market and Developing Economies	5.8	2.0	3.4	-3.0	-1.1	-2.9	-1.2
Exports							
Advanced Economies	2.1	1.2	2.0	-0.9	-0.6	-1.5	-1.0
Emerging Market and Developing Economies	6.7	1.6	3.0	-3.4	-1.7	-3.0	-1.3

<sup>1</sup> Difference based on rounded figures for the current, January 2025 WEO Update, and October 2024 WEO forecasts.

<sup>2</sup> Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

<sup>3</sup> For India, data and forecasts are presented on a fiscal year basis, and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.

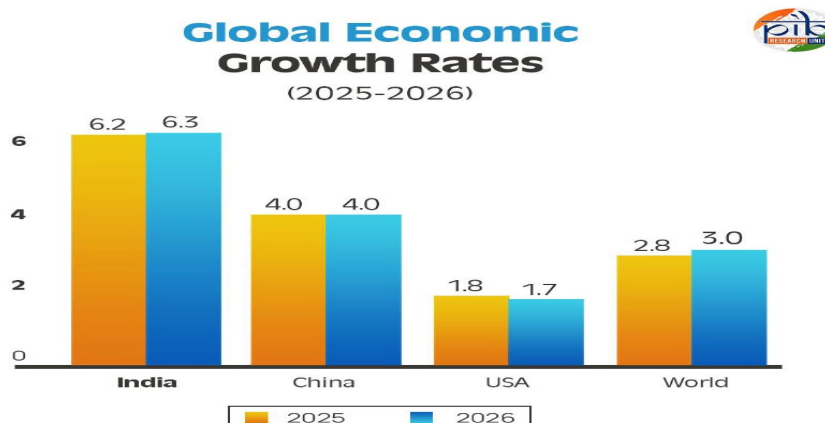
<sup>4</sup> Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

The path forward demands clarity and coordination. Countries should work constructively to promote a stable and predictable trade environment, facilitate debt restructuring, and address shared challenges. At the same time, they should address domestic policy and structural imbalances, thereby ensuring their internal economic stability. This will help rebalance growth-inflation trade-offs, rebuild buffers, and reinvigorate medium-term growth prospects, as well as reduce global imbalances. The priority for central banks remains fine-tuning monetary policy stances to achieve their mandates and ensure price and financial stability in an environment with even more difficult trade-offs.

Source – World economic outlook (International Monetary Fund)

### Indian economic review and outlook

India is projected to remain the fastest-growing large economy for 2025 and 2026, reaffirming its dominance in the global economic landscape. The country's economy is expected to expand by 6.2 per cent in 2025 and 6.3 per cent in 2026, outpacing many of its global counterparts. In contrast, the IMF projects global economic growth to be much lower, at 2.8 per cent in 2025 and 3.0 per cent in 2026, highlighting India's exceptional outperformance.



Despite global uncertainties and downward revisions in growth forecasts for other large economies, India is set to maintain its leadership in global economic growth. Supported by strong fundamentals and strategic government initiatives, the country is well-positioned to navigate the challenges ahead. With reforms in infrastructure, innovation, and financial inclusion, India continues to enhance its role as a key driver of global economic activity. The IMF's projections reaffirm India's resilience, further solidifying its importance in shaping the global economic future.

The Asian Development Bank (ADB) forecasts India's gross domestic product (GDP) to expand by 6.7% in fiscal year (FY) 2025 (ending 31 March 2026) spurred by higher domestic demand, rising rural incomes, a strong services sector, and moderating inflation that will boost consumer confidence. Favourable monetary and fiscal policies are expected to sustain the growth momentum, with GDP projected to increase by 6.8% in FY2026, according to the Asian Development Outlook (ADO) April 2025.

The report underscores that consumption will be a major growth driver, fueled by rising rural incomes and increased demand from urban middle-class and affluent households thanks to reductions in personal income tax rates. Additionally, moderating inflation is expected to further boost consumer sentiment with rates projected at 4.3% in FY2025 before declining slightly to 4.0% in FY2026. Falling inflation would create policy space for more cuts to repo rate even with global financial uncertainty. The services sector will remain a key growth driver, supported by the expansion of business services exports, education, and health services. The agriculture sector is expected to maintain strong growth in FY2025, driven by robust winter crop sowing, particularly wheat and pulses. Meanwhile, the manufacturing sector is anticipated to rebound after experiencing tepid growth in FY2024. Investment in urban infrastructure will increase, supported by a new government fund with an initial allocation of 100 billion Indian rupees (\$1.17 billion). While global economic uncertainties may hinder private investment prospects in the short term, they are expected to improve with the gradual lowering of borrowing costs and planned regulatory reforms aimed at spurring investment.

The report notes a range of near-term growth risks, including uncertainties created by the recent increase in US tariffs on Indian exports and broader global developments that could lead to higher commodity prices. However, some of these risks are expected to be mitigated by India's relatively stable macroeconomic position.

Source – Asian Development Outlook April 2024 and World economic outlook (International Monetary Fund)

### **NBFC Sector**

Non-Banking Financial Companies (NBFCs) have become a vital source of finance for millions of individuals and Micro, Small, and Medium Enterprises (MSMEs), particularly those in underserved and unserved segments. By leveraging their extensive geographical reach, nuanced understanding of local financial needs, and rapid turnaround times, NBFCs have efficiently catered to the diverse requirements of borrowers. Moreover, they have played a pivotal role in promoting financial inclusion by empowering MSMEs and generating employment opportunities, thereby contributing significantly to the growth and development of the economy.

The NBFC sector has witnessed remarkable growth, driven by the emergence of diverse players with unique business models. Over the past few years, the Indian financial services landscape has undergone a significant transformation, fueled by the rising adoption of neo-banking, digital authentication, UPI, and mobile internet.

#### **Retail segment to support NBFCs overall credit growth**

NBFC credit stood at about Rs. 52 trillion in December 2024 and it is set to exceed Rs. 60 trillion in FY2026. Within this, the retail assets, which accounted for 58% of the overall NBFC credit in December 2024, have been the key growth drivers, while other wholesale and infrastructure credit expanded at a stable rate of 10-12% during FY2023-FY2025. The retail assets of NBFCs expanded at compounded annual growth rate (CAGR) of 23% during FY2023-FY2024. ICRA Limited (Rating agency) expects this segment to grow at a relatively slower 16-18% CAGR during FY2025-FY2026, given the high base created in the post-Covid expansion of this segment, amid concerns of borrower overleveraging, which has impacted loan quality in some asset segments within this space.

A series of regulatory tightening and entity-specific actions in 2023 and 2024, had a sentimental impact on the various stakeholders and the NBFCs themselves, who began scaling down their growth ambitions and undertook various process-related and borrower-centric initiatives. The recent draft proposal from the regulator on co-lending is expected to expand the scope of such arrangements and improve transparency for borrowers, when implemented. However, it shall require significant changes for the existing arrangements. Similarly, the proposal for gold loans could impact near-term growth and increase competitive pressures for the NBFCs in the space, although it is a step towards improving borrower protection and harmonisation of regulations across players in this segment. Thus, while most of the regulatory actions are expected to have some near-term impact on growth, they augur well for the sector in the long term and most entities have the ability to absorb the near-term impact, if any, considering their strong balance sheets and healthy earnings profile.

#### **Funding Profile**

Bank funding constitutes the largest share of the overall funding to NBFCs, thus a slower bank credit expansion shall warrant diversification to other sources. Entities leveraged the overseas funding route in the last fiscal and external commercial borrowing (ECB) approvals in FY2025 is estimated to be nearly twice as high as the previous fiscal. Debt issuances also improved in FY2025 and are expected to remain healthy in the current fiscal, supported by a favourable outlook on interest rate cuts. Moderate loan growth expectations, along with limited dependence on short-term funding at present, bodes well for sectoral liquidity, which is expected to remain adequate, but access to the commensurate funding remains key. ICRA Limited projects the capital profile to remain adequate too; however, some large entities shall be raising capital for meeting regulatory listing requirements, while a few others may explore opportunities to raise capital for managing higher growth expectations.

Source – Press release of ICRA

## Company's Performance Review – FY 2024-25

### Financial and Operational Performance

#### Financial Performance

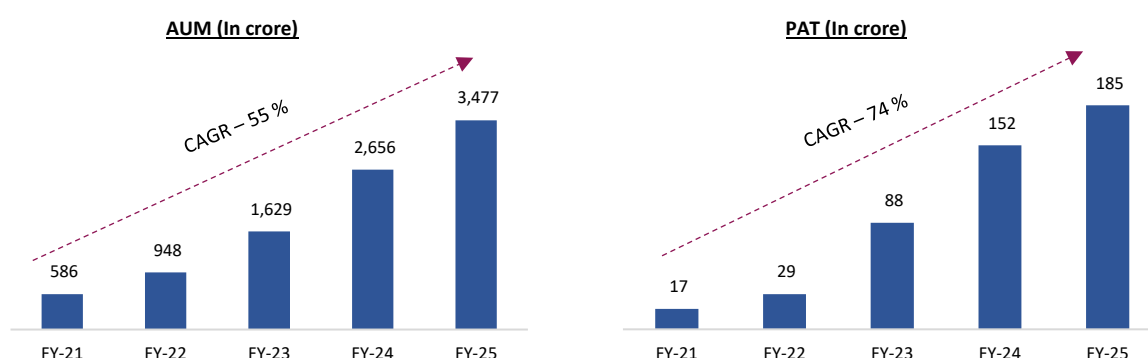
Particulars	(Rs. in lakh)	
	2024-25	2023-24
<b>Income:</b>		
Revenue from operations	76,226.85	52,928.70
Other Income	6.86	47.97
<b>Total Income</b>	<b>76,233.71</b>	<b>52,976.67</b>
<b>Total Expenditure</b>	<b>51,381.10</b>	<b>32,687.05</b>
Profit / (Loss) before Tax	24,852.61	20,289.62
Less: Tax expenses	6,352.29	5,138.78
<b>Profit after Tax</b>	<b>18,500.32</b>	<b>15,150.84</b>
Other Comprehensive Income	8.78	4.66
<b>Total Comprehensive Income for the year</b>	<b>18,509.10</b>	<b>15,155.50</b>

These results reflect the Company's resilience and ability to drive growth in revenue from operations and Net Profit even in a complex and challenging external environment.

#### Asset Under Management and Profit After Tax

During the Financial Year 2024-25, your Company has achieved impressive growth in Gross Asset Under Management (AUM). The Gross Asset Under Management as on March 31, 2025 stood at Rs. 3,47,698.60 lakh as against Rs. 2,65,604.57 lakh as on March 31, 2024 with an annual growth of 31%. While the Profit after Tax (PAT) was 22% higher at Rs. 18,500.32 lakh in the Financial Year 2024-25 as compared to Rs. 15,150.84 lakh in the Financial Year 2023-24.

Over the past five years, AUM and PAT have demonstrated a strong Compound Annual Growth Rate (CAGR) of 55% and 74% respectively.



#### Disbursements

During the Financial Year 2024-25, your Company has disbursed Rs. 1,39,692.81 lakh of loans as compared to 1,34,897.42 lakh in the Financial Year 2023-24 depicting a growth of 4%.

#### Net worth

Your Company's Net worth stood at Rs. 1,94,436.33 lakh as on March 31, 2025.

#### The Earnings per share

The Earnings per share (Basic) was Rs. 99.32/- in Financial Year 2024-25 as against Rs. 85.86/- in Financial Year 2023-24.

### Non-performing Asset (NPA)

Your Company is in strict adherence to the provisions of Guidelines issued by Reserve Bank of India ("RBI") along with the Indian Accounting Standards (Ind AS) with respect to computation of NPA. Your Company's assets have been classified based on the expected performance. The Gross NPA and Net NPA as on March 31, 2025 were respectively 2.39% and 1.41% as against 1.79% and 0.99% respectively as on March 31, 2024.

### Capital Adequacy

As on March 31, 2025 the Capital adequacy ratio stood at 47.15% comprising of Tier I Capital Ratio of 47.08% and Tier II Capital Ratio of 0.07% exceeding the minimum regulatory requirement of 15%.

### Resource Mobilization

#### 1. Loans from Banks and financial institutions

During the Financial Year 2024-25, the Company received aggregate fresh loan sanctions amounting to Rs. 1,21,684.74 lakh and has availed loans aggregating to Rs. 1,04,184.74 lakh. The outstanding amount of borrowings inclusive of associated liabilities in respect of securitisation transactions as at March 31, 2025 were Rs. 2,35,335.09 lakh.

#### 2. Non-Convertible Debentures (NCDs)

During the Financial Year 2024-25, the Company has not raised any funds from issuance of NCDs and has redeemed all its outstanding NCDs.

#### 3. Securitisation/ Assignment of Loan Portfolio

During the Financial Year 2024-25, the Company securitised its loan portfolio having principal value of Rs. 15,269.81 lakh through issue of Pass Through Certificates.

### Branch Network

The Company further expanded its geographical presence by reaching out to underserved/unserved semi urban and rural areas and increased its footprint by opening new branches and making it more accessible to its customers. During the Financial year 2024-25, the Company has strengthened its presence across 15 States and 1 Union Territory with a network of more than 400 branches.

### SCOT Analysis of the Company

Strengths	Challenges	Opportunities	Threats
Ability to appraise the informal segment with better asset quality	Overall economic downturn	Credit gap in rural and semi-urban regions	Economic vulnerability owing to global challenge due to tariff war along with policy uncertainties by Central Banks
Strong liquidity cushion		Large unserved and underserved markets	Inflation pressure
Positive ALM and no short-term borrowing			
Support of marquee Investors			

### Human Resources

The Company believes that its competitive advantage lies in its people. The Company's people bring to the stage multi-sectoral experience, technological experience and domain knowledge.

The Company always takes decisions in alignment with the professional and personal goals of employees, achieving an ideal work-life balance and enhancing pride in association. The Company's employee count (on roll) stood at 4483 as on March 31, 2025.

### Risk Management

The Company operates in a financial services business, inherently exposed to various risks. To mitigate these risks, the Company has formulated and implemented a robust risk management framework, guided by a Board-approved Risk Management Policy. This framework enables identification, assessment, monitoring, and mitigation of risks to key business objectives.

The Board of Directors provides oversight on all risks, supported by specialized committees. The Risk Management Committee assists the Board in overseeing risk identification, evaluation, and mitigation, while the Asset Liability Management Committee (ALCO) ensures effective management of liquidity and interest-rate risks within defined limits.

The Company's risk management framework involves proactive identification and monitoring of key risks, including operational, liquidity, credit, interest rate, compliance, market, reputation, strategic, information technology risks. By closely tracking these risks, the Company maintains its stability and resilience. This framework ensures disciplined risk assessment, measurement, and continuous monitoring, enabling the Company to navigate the complexities of the financial services industry.

Pursuant to RBI Scale based framework, NBFCs are required to have an Internal Capital Adequacy Assessment Process ('ICAAP') in place. The objective of ICAAP is to ensure availability of adequate capital to support all risks in business as also to encourage NBFCs to develop and use better internal risk management techniques for monitoring and managing their risks. Accordingly, the Company has framed a ICAAP policy.

### Internal Control Systems and their Adequacy

The Company believes that internal control is a necessary prerequisite of Governance and that freedom should be exercised within a framework of checks and balances. Therefore, the Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. Periodic audit of all functions is carried out by the internal auditors thereby ensuring regulatory compliance of various applicable statutes as well as internal guidelines and policies.

The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets. The Company policies are reviewed periodically in line with the dynamic business environment and regulatory requirements. The Board reviews adherence to internal control systems and internal audit reports.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Secretarial and IS Auditors and the reviews performed by management and the Audit Committee, Company has sound internal financial controls and are commensurate with the nature and size of the business operations and are adequate and operating effectively with no material weakness.

The Audit Committee reviewed the Internal Financial Control and is of the opinion that internal financial controls with reference to the financial statements are adequate and operating effectively.

### Credit Rating

During the Financial Year 2024-25, Acuite Ratings & Research Limited, in a press release dated March 17, 2025, upgraded the Company's outlook on its long-term bank facilities from 'Stable' to 'Positive', reflecting a strengthened financial position and enhanced credit profile.

The ratings continue to reflect your Company's healthy earning profile, adequate capitalization, strong net worth base and steady improvement in its scale of operations. The Credit Rating details of the Company as on March 31, 2025 are as follows:

Type of instrument	Rating	Name of credit rating agency
Long term Bank Facilities	ACUITE A+   Positive	Acuite Ratings & Research Limited
Bank Overdraft	CARE A   Stable	CARE Ratings Limited
Long term Bank Facilities	CARE A   Stable	CARE Ratings Limited

**Note:** During the Financial Year 2024-25, the Company has fully repaid the Non-Convertible Debentures with no remaining outstanding balances. As a result, the credit rating previously assigned to Non-Convertible Debentures by Acuite Ratings & Research Limited has been withdrawn.

### Cautionary Statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

**Date: April 29, 2025**

**Place: Jaipur**

**For and on Behalf of the Board of Directors**

**For Finova Capital Private Limited**

**Sd/-**

**Mohit Sahney**

**Managing Director and CEO**

**DIN: 07280918**

**Sd/-**

**Sunita Sahney**

**Executive Director**

**DIN: 02395354**

**Registered Office: 702, Seventh Floor, Unique Aspire**

**Plot No. 13-14 Cosmo Colony, Amrapali Marg**

**Vaishali Nagar, Jaipur-302021 (Rajasthan)**

**CIN: U65993RJ2015PTC048340**

**Website: [www.finova.in](http://www.finova.in)**

**Email: [info@finova.in](mailto:info@finova.in)**



**Annexure II**

## Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

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

To,  
 The Members,  
 Finova Capital Private Limited  
 702, Seventh Floor, Unique Aspire  
 Plot No. 13-14 Cosmo Colony  
 Amrapali Marg, Vaishali Nagar  
 Jaipur- 302021 (Rajasthan)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Finova Capital Private Limited** (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2025 ('**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**Not applicable to the Company during the Audit Period**);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Overseas Direct Investment and External Commercial Borrowing not applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (**Not applicable to the Company during the Audit Period**);
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (**Not applicable to the Company during the Audit Period**);



- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during the Audit Period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable to the Company during the Audit Period);**
  - (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, 2021 **(Not applicable to the Company during the Audit Period);**
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);** and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Not applicable to the Company during the Audit Period).**
- (vi) As confirmed, following other laws are specifically applicable to the Company for which the Management has confirmed that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively:
- (a) The Reserve Bank of India Act, 1934;
  - (b) Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023;
  - (c) Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs and guidelines notified thereunder;
  - (d) Master Direction- Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 **(repealed w.e.f. July 15, 2024);**
  - (e) Master Direction- Reserve Bank of India (Fraud Risk Management in NBFCs) Directions, 2024 **(effective from July 15, 2024);**
  - (f) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;
  - (g) Master Direction- Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024;
  - (h) Master Direction- Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023;
  - (i) Master Direction- Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023;
  - (j) Master Direction- Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021;
  - (k) Master Direction- Know your Customer (KYC) Directions, 2016.
  - (l) Master Direction- Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021; and
  - (m) Master Direction- Reserve Bank of India (Treatment of Wilful Defaulters and Large Defaulters) Directions, 2024.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with Stock Exchange **(Not Applicable to the Company during the Audit Period)**

During the Audit Period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the Audit Period.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Further, independent directors were present at Board Meetings which were called at shorter notice to transact business which were considered urgent by the management in compliance of section 173(3) of the Act. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report** that during the Audit Period the company has: -

- (i) Duly passed the resolution pursuant to Section 42 and 71 of the Act for approving the issue of Non-Convertible Debentures for an amount not exceeding Rs. 500,00,00,000/- (Rupees Five Hundred Crores Only) on a private placement basis in one or more tranches;
- (ii) Amended the Employees Stock Option Plan 2018, Employees Stock Option Plan 2020 and Employees Stock Option Plan 2022 thereby extending the exercise period from the current maximum period of 5 (Five) years to a period of 10 (Ten) years from the date of respective vesting of the options;
- (iii) Increased the Authorized Share Capital of the Company from Rs. 1,41,00,00,000/- (Rupees One Hundred and Forty One Crore only) to Rs. 1,55,10,00,000/- (Rupees One Hundred Fifty Five Crores and Ten Lakh only) divided into 61,00,000 (Sixty One Lakh) Equity shares of Rs. 10/- (Rupees Ten only) each and 1,49,00,000 (One Crore and Forty Nine Lakh) Preference Shares of Rs. 100/- (Rupees One Hundred only) each by creating additional 1,00,000 (One Lakh) Equity Shares of Rs. 10/- (Rupees Ten only) each and 14,00,000 (Fourteen Lakh) Preference Shares of Rs. 100/- (Rupees Hundred only) each;
- (iv) Issued and allotted 500 (Five Hundred) fully paid up equity shares having face value of Rs. 10/- (Rupees Ten Only) each, for cash, at an issue price of 2,854.54/- (Rupees Two Thousand Eight Hundred Fifty Four and Fifty Four Paise Only) per share which includes a premium of Rs. 2,844.54/- (Rupees Two Thousand Eight Hundred Forty Four and Fifty Four Paise Only) per share and 21,01,415 (Twenty One Lakh One Thousand Four Hundred and Fifteen) fully paid-up

0.0001% Series E Compulsorily Convertible Cumulative Preference Shares ("Series E CCCPS") having face value of Rs. 100/- (Rupees One Hundred only) each, for cash, at an issue price of Rs. 2,854.54/- (Rupees Two Thousand Eight Hundred Fifty Four and Fifty Four Paise Only) per share which includes a premium of Rs. 2,754.54/- (Rupees Two Thousand Seven Hundred Fifty Four and Fifty Four Paise Only) per share aggregating to an amount of Rs. 6,00,00,00,444.10/- (Rupees Six Hundred Crore Four Hundred Forty Four and Ten Paise only) on a preferential basis through private placement offer;

- (v) Issued and allotted 3,85,192 (Three Lakh Eighty Five Thousand One Hundred and Ninety Two) partly paid-up 0.0001% Series E1 Compulsorily Convertible Cumulative Preference Shares ("Series E1 CCCPS") having face value of Rs. 100/- (Rupees One Hundred only) each, for cash, at an issue price of Rs. 2,854.54/- (Rupees Two Thousand Eight Hundred Fifty Four and Fifty Four Paise Only) per share which includes a premium of Rs. 2,754.54/- (Rupees Two Thousand Seven Hundred Fifty Four and Fifty Four Paise Only) per share aggregating to an amount of Rs. 1,09,95,45,971.68/- (Rupees One Hundred Nine Crore Ninety Five Lakh Forty Five Thousand Nine Hundred Seventy One and Sixty Eight Paise Only) preferential basis through private placement offer. The Company has received an amount of Re. 1.00/- (Rupee One Only) per Series E1 CCCPS on such partly paid-up shares;
- (vi) Allotted 876 (Eight Hundred and Seventy-Six) equity shares having face value of Rs. 10/- (Rupees Ten only) each, to its employee upon exercise of vested options under Employees Stock Option Plan 2018;
- (vii) Adopted amended and restated Articles of Association of the Company; and
- (viii) Redeemed remaining face value amount of Rs. 6,250 (Rupees Six Thousand Two Hundred and Fifty Only) per debenture on 2,500 (Two Thousand and Five Hundred) Unlisted Non-Convertible Debentures of the Company having original face value of Rs. 1,00,000/- (Rupees One Lakh only) each, on maturity.

**Place: Jaipur**  
**Date: 29<sup>th</sup> April, 2025**  
**UDIN: F003355G000226622**

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

**Sd/-**  
**CS Manoj Maheshwari**  
**Partner**  
**Membership No.: FCS 3355**  
**C P No.: 1971**

Note: This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

**Annexure A**

To,  
The Members,  
Finova Capital Private Limited  
702, Seventh Floor, Unique Aspire  
Plot No. 13-14 Cosmo Colony  
Amrapali Marg, Vaishali Nagar  
Jaipur– 302021 (Rajasthan)

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place: Jaipur**  
**Date: 29<sup>th</sup> April, 2025**  
**UDIN: F003355G000226622**

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

**Sd/-**  
**CS Manoj Maheshwari**  
**Partner**  
**Membership No.: FCS 3355**  
**C P No.: 1971**

## Annexure III

## CORPORATE GOVERNANCE REPORT

### 1. Our Philosophy on Code of Governance

Your Company has a firm conviction that good Corporate Governance practices are powerful enablers, which infuse trust and confidence, that attract and retain financial and human capital, thereby your Company adheres to the highest standards of governance and is committed to ethical values, sustainable business practices, driving positive change in the areas in which it operates and committed to transparency in all its dealings and creating shared value for all its stakeholders.

Your Company's philosophy of corporate governance places high emphasis on integrity and transparency to generate long-term value for its stakeholders and retain investor trust. The governance processes and practices ensure that the interest of all stakeholders is taken into account in a balanced and transparent manner and are firmly embedded into the culture and ethos of the organisation.

Your Company has an active, dynamic, experienced and a well-informed Board. Through its governance mechanism, the Board supported by its committees, fulfils its fiduciary duties towards all its stakeholders that support ethical leadership, sustainability and good corporate citizenship.

The corporate governance is reinforced through the Companies Act, 2013 (the "Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") to the extent applicable, and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("RBI SBR Master Direction"). Even so, your Company has not only committed to follow the Corporate Governance practices embodied in various regulatory provisions but also constantly strives to adopt and adhere to the emerging best practices and benchmarks itself against such practices.

Besides, in accordance with RBI SBR Master Direction, the Company falls under the category of Middle Layer (hereinafter referred to as "NBFC-ML") based on which the Company shall endeavour to make full disclosure in accordance with the requirement of Paragraph C of Schedule V of SEBI LODR. Accordingly, this report is prepared in accordance with the relevant provisions of Paragraph C of Schedule V of SEBI LODR to the extent applicable.

### Our Corporate Governance Framework

#### Board of Directors

Ensures that long-term interests of stakeholders are being served  
Provides strategic direction, evaluates overall performance and maintains oversight



#### Committee(s) of Board of Directors

Makes informed decisions in the best interest of the Company  
Monitors the activities as per the scope defined in their respective Charter

Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Asset Liability Management Committee	IT Strategy Committee	Corporate Social Responsibility Committee	Executive Committee	Consumer Protection Committee	Identification Committee	Review Committee	Committee of Executives for Monitoring and Follow-Up of Cases of Frauds
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#### Core Management Team

Ensures effective implementation of decisions taken by Board/Board Committee across all functions and teams  
Provides progress updates to Board/Board Committees regularly

## 2. Board of Directors

The Board of Directors (“Board”) of the Company plays a significant role in upholding and furthering the principles of good governance which translates into ethical business practices, transparency and accountability in creating long term stakeholder value.

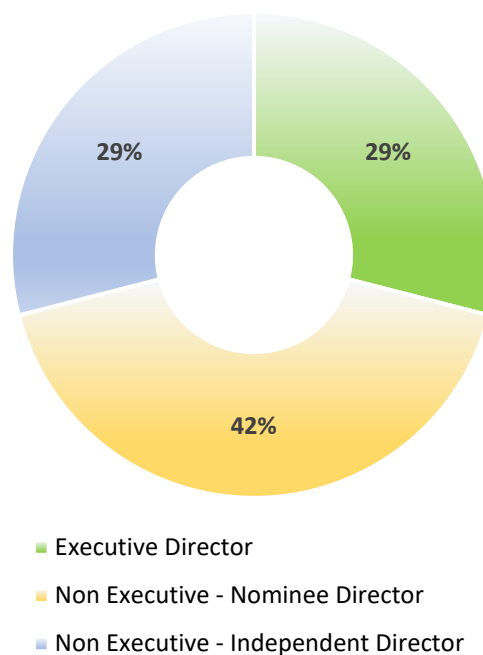
The Board of the Company consists of leaders and visionaries who provide strategic direction and guidance to the Company. The day-to-day affairs of your Company is led by the Management of your Company which includes Managing Director and CEO, Executive Director and functional heads, who function under the overall supervision and guidance of the Board.

### Composition of Board

Your Company recognizes and fully embraces the importance of a diverse Board in its success. Your Company’s Board consist of highly experienced professionals from diverse backgrounds, which consists of values of collaborative spirit, unrelenting dedication, expert thinking and a primary role of trusteeship to protect and enhance stakeholders’ value through strategic supervision. The Board provides direction and exercises appropriate controls.

The Board of your Company has an optimum combination of Executive and Non-Executive Directors. As on March 31, 2025, the Board comprised of 7 (Seven) Directors with 2 (Two) Executive Directors and 5 (Five) Non-Executive Directors which includes 3 (Three) Nominee Directors and 2 (Two) Independent Directors.

Board Composition as on March 31, 2025



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

Name of Directors, Designation and DIN	Category	Director Since	No. of Shares and convertible instruments held	Total no. of Directorships and Committee Positions held			Directorships in other listed Companies	
				Directorship	Committee Membership	Committee Chairpersonship	Name of Equity Listed Companies	Category of Directors hip
Mr. Mohit Sahney Managing Director and CEO DIN: 07280918	Promoter Executive Director	September 24, 2015	<sup>III</sup> 28,22,751	NIL	NIL	NIL	NIL	NIL
Mrs. Sunita Sahney Executive Director DIN: 02395354	Promoter Executive Director	September 24, 2015	<sup>III</sup> 8,09,176	NIL	NIL	NIL	NIL	NIL
Mr. Arjun Dan Ratnoo Independent Director DIN: 00802613	Non-Executive Independent Director	November 24, 2018	NIL	NIL	NIL	1	NIL	NIL
Mr. Sathyan David Independent Director DIN: 08386521	Non-Executive Independent Director	March 30, 2023	NIL	3	2	NIL	NIL	NIL
<sup>IV</sup> Mr. Ravi Shankar Venkataraman Ganapathy Agraharam Nominee Director DIN: 02604007	Non-Executive Non-Independent Director	April 11, 2018	NIL	5	NIL	NIL	NIL	NIL
<sup>V</sup> Mr. Aditya Deepak Parekh Nominee Director DIN: 02848538	Non-Executive Non-Independent Director	March 26, 2019	NIL	4	1	NIL	NIL	NIL
<sup>IV</sup> Mr. Ishaan Mittal Nominee Director DIN: 07948671	Non-Executive Non-Independent Director	April 11, 2018	NIL	2	2	NIL	Honasa Consumer Limited	Non-Executive - Nominee Director

**Notes:**

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

<sup>II</sup> Audit Committee and Stakeholders Relationship Committee have been considered for Chairpersonship/ Membership of Directors.

<sup>III</sup> Mr. Mohit Sahney holds 28,22,751 shares as on March 31, 2025 out of which 5,57,443 are Compulsorily Convertible Cumulative Preference Shares and Mrs. Sunita Sahney holds 8,09,176 shares as on March 31, 2025 out of which 3,43,889 are Compulsorily Convertible Cumulative Preference Shares.

<sup>IV</sup> Mr. Ishaan Mittal and Mr. Ravi Shankar Venkataraman Ganapathy Agraharam, Nominee Directors of the Company are representing Peak XV Partners Growth Investments III and Peak XV Partners Investments V, Equity Investors of the Company.

<sup>V</sup> Mr. Aditya Deepak Parekh, Nominee Director of the Company is representing Faering Capital India Evolving Fund II and Faering Capital India Evolving Fund III, Equity Investors of the Company.



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

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with the rules framed thereunder.

Based on disclosures received from all the Independent Directors, the Board after taking these declarations/disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise, proficiency and experience to qualify and continue as Independent Directors of the Company and are Independent of the Management.

Further, the Independent Directors has declared that they are not appointed as an Independent Director on the Board of more than 3 (Three) NBFCs (NBFC-ML or NBFC-UL) pursuant to the RBI SBR Master Direction.

None of the Independent Directors of the Company have resigned during the Financial Year 2024-25.

Further, there is no relationship between the Directors inter-se except Mrs. Sunita Sahney, Executive Director being spouse of Mr. Mohit Sahney, Managing Director and CEO of the Company.

#### Change in Composition of Board

The Board periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company. There were no changes in the composition of Board of Directors during the Financial Year 2024-25.













































#### Board Meetings



The Board meetings are pre-scheduled and an annual calendar of the meetings is circulated to all the Directors well in advance to help them plan their schedules and ensure meaningful participation. The Board meetings are convened by giving appropriate notice well in advance and the Directors are provided with appropriate information in the form of detailed agenda notes in a timely manner, to enable them to deliberate on each agenda item and make an informed decision. The Board meets at least once in every quarter to review the quarterly results and other items on the agenda and additional meetings are held to address specific needs and business requirements of your Company. In case of business exigencies, the Board approvals are taken either by passing resolutions through circulation or convening meetings at shorter notice, as permitted by the law.

The participation in the Board and Committee meetings was also facilitated through video conferencing, to encourage effective and active involvement in the Board deliberations by Directors situated in different locations, as permitted by the law. The functional heads and other executives attend the Board and Committee meetings upon invitation on need basis.

During the Financial Year 2024-25, your Board met 6 (Six) times on April 30, 2024, July 31, 2024, September 19, 2024, October 18, 2024, October 23, 2024 and January 30, 2025. The requisite quorum was present at all the meetings and the maximum time gap between any 2 (Two) Board meetings was not more than 120 (One hundred and twenty) days.

The attendance of each Director at Board meetings held during the Financial Year 2024-25 and the previous Annual General Meeting ("AGM") held on June 15, 2024 are as below:

Name of Directors	Date of Board meetings						No. of meetings which director was entitled to attend	No. of meetings attended	Whether attended AGM held on
	1	2	3	4	5	6			
	April 30, 2024	July 31, 2024	September 19, 2024	October 18, 2024	October 23, 2024	January 30, 2025			June 15, 2024
Mr. Mohit Sahney							6	6	
Mrs. Sunita Sahney							6	6	
Mr. Arjun Dan Ratnoo							6	6	
Mr. Sathyan David							6	6	X
Mr. Ravi Shankar Venkataraman Ganapathy Agraharam							6	6	X
Mr. Aditya Deepak Parekh		LOA					6	5	X
Mr. Ishaan Mittal							6	6	X

  = Present; X = Absent; LOA = Leave of Absence

#### Core Skills/ Expertise/ Competencies of the Board of the Company

The Board possess requisite qualifications, experience and competence that allow them to contribute effectively by actively participating in the Board and Committee meetings. Having this framework, below mentioned is the matrix of core skills/expertise/competencies as required in the context of the business and sector for Company to function effectively and those actually available with the Board:

Core Skills/ Expertise/ Competencies	Board of Directors						
	1	2	3	4	5	6	7
	Mr. Mohit Sahney	Mrs. Sunita Sahney	Mr. Arjun Dan Ratnoo	Mr. Sathyan David	Mr. Ravi Shankar Venkataraman Ganapathy Agraharam	Mr. Aditya Deepak Parekh	Mr. Ishaan Mittal
<b>Technical Skills</b>							
Accounting and Finance	✓	✓	✓	✓	✓	✓	✓
ALM and Risk Management	✓	✓	✓	✓			
Legal and Compliance				✓			
Information Technology and Digital	✓			✓			✓
Strategic Development and Execution	✓	✓	✓	✓	✓	✓	✓
Product and Sales Management	✓						
<b>Industry Experience</b>							
Financial Services sector in India	✓		✓	✓		✓	
Knowledge of NBFC Sector	✓	✓	✓	✓	✓	✓	✓
<b>Personal Attribute</b>							
Analytical skills to diagnose situation	✓	✓	✓	✓	✓	✓	✓
Innovative thinker/ Visionary	✓	✓	✓		✓	✓	✓
Mentor	✓	✓	✓	✓	✓	✓	✓



The detailed profile of the Board is available on the Company's website and can be accessed at <https://finova.in/directors>.


### Meeting of Independent Directors

As stipulated by the Code for Independent Directors under the Act and rules made thereunder, a separate meeting of Independent Directors was held during the Financial Year 2024-25. The meeting was conducted to enable Independent Directors, discuss matters relating to Company's affairs and put forth their views without the presence of Non-Independent Directors and members of the Management.

At meeting, the Independent Directors inter-alia evaluated the performance of the Non-Independent Directors, Board as a whole and the performance of the Chairperson of the Company and discussed aspects relating to the quality, quantity and timeliness of flow of information between the Company management and the Board. The evaluation was carried on broad parameters such as Board Composition and quality, Board meetings and procedures, Knowledge and Skills, Strategy formulation and execution, Personal Attributes and such other relevant factors. The Independent Directors expressed their satisfaction towards the performance of the Non-Independent Directors, the Board as a whole, the Chairperson and flow of information of the Company.

The details of separate meeting of Independent Directors held during the Financial Year 2024-25 is given below:

Name of Independent Directors	Category	Designation	Meeting Date	No. of meetings	
			April 30, 2024	Entitled to Attend	Attended
Mr. Arjun Dan Ratnoo	Non- Executive Independent Director	Chairperson		1	1
Mr. Sathyan David	Non- Executive Independent Director	Independent Director		1	1

 = Present

### 3. Committees of the Board

In order to have more focused attention on specific areas and take informed decisions within the framework of delegated authority and make specific recommendations to the Board on matters within their areas or purview, the Board has constituted various Committees. The decisions and recommendations of these Committees are placed before the Board for information or approval, as required.

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

As on March 31, 2025, the Company has the following Committees of Board:

<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>• Mr. Arjun Dan Ratnoo <sup>(c)</sup></li> <li>• Mr. Sathyan David</li> <li>• Mr. Ishaan Mittal</li> </ul>
<b>Nomination and Remuneration Committee</b>	<ul style="list-style-type: none"> <li>• Mr. Arjun Dan Ratnoo <sup>(c)</sup></li> <li>• Mr. Sathyan David</li> <li>• Mr. Aditya Deepak Parekh</li> </ul>
<b>Risk Management Committee</b>	<ul style="list-style-type: none"> <li>• Mr. Arjun Dan Ratnoo <sup>(c)</sup></li> <li>• Mr. Mohit Sahney</li> <li>• Mrs. Sunita Sahney</li> <li>• Mr. Ravi Sharma</li> </ul>
<b>Asset Liability Management Committee</b>	<ul style="list-style-type: none"> <li>• Mr. Mohit Sahney <sup>(c)</sup></li> <li>• Mrs. Sunita Sahney</li> <li>• Mr. Ravi Sharma</li> <li>• Mr. Rakesh Tailor</li> </ul>
<b>IT Strategy Committee</b>	<ul style="list-style-type: none"> <li>• Mr. Arjun Dan Ratnoo <sup>(c)</sup></li> <li>• Mr. Mohit Sahney</li> <li>• Mrs. Sunita Sahney</li> <li>• Mr. Arpit Gupta</li> </ul>
<b>Corporate Social Responsibility Committee</b>	<ul style="list-style-type: none"> <li>• Mr. Mohit Sahney <sup>(c)</sup></li> <li>• Mr. Arjun Dan Ratnoo</li> <li>• Mrs. Sunita Sahney</li> </ul>
<b>Executive Committee</b>	<ul style="list-style-type: none"> <li>• Mr. Ravi Sharma <sup>(c)</sup></li> <li>• Mr. Mohit Sahney</li> <li>• Mrs. Sunita Sahney</li> </ul>
<b>Consumer Protection Committee</b>	<ul style="list-style-type: none"> <li>• Mr. Arpit Gupta <sup>(c)</sup></li> <li>• Mrs. Pooja Godara</li> <li>• Mr. Vipul Tambi</li> </ul>
<b>Identification Committee</b>	<ul style="list-style-type: none"> <li>• Mr. Rahul Sahney <sup>(c)</sup></li> <li>• Mr. Ravi Sharma</li> <li>• Mr. Sandeep Garg</li> </ul>
<b>Review Committee</b>	<ul style="list-style-type: none"> <li>• Mr. Mohit Sahney <sup>(c)</sup></li> <li>• Mr. Arjun Dan Ratnoo</li> <li>• Mr. Ishaan Mittal</li> </ul>
<b>Committee of Executives for Monitoring and Follow-Up of Cases of Frauds</b>	<ul style="list-style-type: none"> <li>• Mrs. Sunita Sahney <sup>(c)</sup></li> <li>• Mr. Rakesh Tailor</li> <li>• Mr. Jaidev Singh</li> </ul>

(C) = Chairperson

### Audit Committee


The Audit Committee (“AC” or “Committee”) of the Board is constituted in compliance with the requirements of RBI SBR Master Direction and provides an oversight of the Company’s accounting and financial reporting processes and assist the Board with an oversight of (1) the Company’s compliance with legal and regulatory requirements; (2) the integrity, transparency and credibility of the Company’s financial statements; (3) the auditor’s independence, performance and effectiveness of the audit process; and (4) the Company’s internal financial controls and risk management systems.

### **Composition and Attendance**

As on March 31, 2025, the Committee consists of 3 (Three) members out of which 2 (Two) are Non - Executive Independent Directors and 1 (One) is Non - Executive Nominee Director. All the members of the Committee are financially literate and possess strong accounting and related financial management expertise. The Chairperson of the Committee is an Independent Director and was present at the 09<sup>th</sup> AGM of the Company to address the Shareholders’ queries pertaining to annual accounts of the Company.

The composition and attendance of the Committee members at the Committee meetings held during the Financial Year 2024-25 are as follows:

Name of Committee members	Member of Committee since	Designation	Date of Committee meetings				No. of meetings		No. of shares held
			1	2	3	4	Entitled to Attend	Attended	
			April 30, 2024	July 31, 2024	October 23, 2024	January 30, 2025			
Mr. Arjun Dan Ratnoo Independent Director	June 01, 2021	Chairperson					4	4	NIL
Mr. Sathyan David Independent Director	March 30, 2023	Member					4	4	NIL
Mr. Ishaan Mittal Nominee Director	June 01, 2021	Member					4	4	NIL

 = Present

#### Brief Terms of reference of the Committee:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examine the financial statement and the auditors' report thereon;
- Review and approve related party transactions, including the material related party transactions;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutinize inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Monitor the end use of funds raised through public offers and related matters;
- Evaluate internal financial controls and risk management systems;
- Review the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Review of financial statements/financial results before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- Establish a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- Review the functioning of the whistle blower policy/vigil mechanism;
- Oversee the implementation and ensure compliance of Know Your Customer and Anti Money Laundering Policy;
- Review and recommend changes in accounting policies of the Company from time to time;
- Review ageing analysis of entries pending reconciliation with outsourced vendors on a periodic basis;
- Ensure that an Information Systems Audit of the internal systems and processes is conducted as per Policy on Information Systems Audit to assess operational risks faced by the Company;
- Approve a Policy on Information Systems Audit of the Company and review the same at least on annual basis;
- Monitor a system of internal audit of all outsourced activities;
- Oversee and approve any adjustments in the Expected Credit Losses model output (i.e. a management overlay);
- Review critical issues highlighted related to IT / information security / cyber security and provide appropriate direction and guidance to the Company's Management;
- Review of incidents of fraud periodically;
- Initiate examination of accountability and place it before the Board of Directors, in cases involving very senior executives (MD & CEO/ Executive Director/ Executives of equivalent rank); and
- Review periodically the cases of wilful default and recommend steps to be taken to prevent such occurrences and their early detection should these occur.

### Nomination and Remuneration Committee


The Nomination and Remuneration Committee ("NRC" or "Committee") of the Board is constituted in compliance with the requirements of RBI SBR Master Direction and is tasked to ensure transparency, fairness, and accountability in the processes related to the nomination of Directors, Key Managerial Personnel and Senior Management Personnel and determination of their remuneration.

#### **Composition and Attendance**

As on March 31, 2025, the Committee consists of 3 (Three) members out of which 2 (Two) are Non - Executive Independent Directors and 1 (One) is Non - Executive Nominee Director. The Committee comprises of all Non-Executive Directors and is headed by a Non-Executive Independent Director of the Company.

The composition and attendance of the Committee members at the Committee meetings held during the Financial Year 2024-25 are as follows:

Name of Committee members	Member of Committee since	Designation	Date of Committee meetings			No. of meetings		No. of Shares held
			1	2	3	Entitled to	Attended	
			April 30, 2024	July 31, 2024	January 30, 2025	Attend		
Mr. Arjun Dan Ratnoo Independent Director	June 01, 2021	Chairperson				3	3	NIL
Mr. Sathyan David Independent Director	March 30, 2023	Member	LOA			3	2	NIL
Mr. Aditya Deepak Parekh Nominee Director	June 01, 2021	Member		LOA		3	2	NIL

 = Present; LOA = Leave of Absence

#### **Brief Terms of reference of the Committee:**

- Identify persons who are qualified to become directors and who may be appointed in senior management personnel in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- Specify the manner for effective evaluation of performance of Board, its committees and individual directors and review its implementation and compliance;
- Review and carry out every Director's performance, the structure, size and composition including skills, knowledge and experience required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- Ensure 'Fit and Proper' status of the proposed /existing directors and that there is no conflict of interest in appointment of directors on Board of the Company, Key Managerial Personnel and Senior Management;
- Oversee the framing, review and implementation of Compensation Policy of the Company;
- Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel and Senior Management Personnel;
- Determining whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Recommend to the Board, all remuneration, in whatever form, payable to Directors, Key Managerial Personnel and Senior Management Personnel;
- Administer, review and supervise the implementation of the Stock option plans approved by the Company; and
- Ensure establishment of orderly succession for appointment to the Board and Senior Management Personnel.

### Risk Management Committee



The Risk Management Committee ("RMC" or "Committee") of the Board, constituted in compliance with the requirements of RBI SBR Master Direction and is entrusted to ensure that appropriate methodology, processes and systems are in place to monitor, evaluate and manage risks associated with the business of the Company and is responsible for evaluating the overall risks faced by the Company including liquidity risk.

## Composition and Attendance

As on March 31, 2025, the Committee comprises of 4 (Four) members, including 1 (One) Non-Executive Independent Director, 2 (Two) Executive Directors and 1 (One) Key Managerial Personnel. The Committee is headed by the Non-Executive Independent Director of the Company.

The composition and attendance of the Committee members at the Committee meetings held during the Financial Year 2024-25 are as follows:

Name of Committee members	Member of Committee since	Designation	Date of Committee meetings				No. of meetings		No. of shares held
			1	2	3	4	Entitled to Attend	Attended	
			April 30, 2024	July 31, 2024	October 23, 2024	January 30, 2025			
Mr. Arjun Dan Ratnoo Independent Director	July 31, 2024	Chairperson	-	-			2	2	NIL
Mr. Mohit Sahney Managing Director and CEO	September 21, 2020	Member					4	4	28,22,751
Mrs. Sunita Sahney Executive Director	September 21, 2020	Member					4	4	8,09,176
Mr. Ravi Sharma Chief Financial Officer	September 21, 2020	Member					4	4	NIL

  = Present

<sup>1</sup> Mr. Arjun Dan Ratnoo was appointed as Chairperson of the Committee effective from July 31, 2024. Consequently, Mr. Mohit Sahney stepped down as Chairperson and continued as Member of the Committee.

<sup>2</sup> Mr. Mohit Sahney holds 28,22,751 shares as on March 31, 2025 out of which 5,57,443 are Compulsorily Convertible Cumulative Preference Shares and Mrs. Sunita Sahney holds 8,09,176 shares as on March 31, 2025 out of which 3,43,889 are Compulsorily Convertible Cumulative Preference Shares.

## Brief Terms of reference of the Committee:

- Evaluate the overall risks faced by the Company including liquidity risk;
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Formulate a detailed risk management policy which shall include a framework for identification of internal and external risks including financial, operational, sectoral, information, cyber security risks or any other risk, measures for risk mitigation, processes for internal controls of identified risks and Business Continuity Plan;
- Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Review the Limits as per Risk Appetite Statement of the Company;
- Review the Interest Rate Sensitivity Statement and Earnings at Risk;
- Assess and recommend to the Board acceptable levels of risk;
- Review the Internal Capital Adequacy Assessment Process;
- Review the central records of material financial outsourcing on a periodic basis;
- Review of Money Laundering and Terrorist Financing risk assessment;
- Review the extant sectoral exposure limits for consumer credit;
- Oversee the effectiveness of the framework for Early Warning Signals;
- Approve a framework to evaluate the risks and materiality of all existing and prospective outsourcing and the policies that apply to such arrangements;
- Undertake periodic review of outsourcing arrangements to identify new material outsourcing risks as they arise;
- Undertake regular review of outsourcing strategies and arrangements for their continued relevance, and safety and soundness; and
- Deciding on business activities of a material nature to be outsourced, and approving such arrangements.



### Asset Liability Management Committee



The Asset Liability Management Committee ("ALCO" or "Committee") of the Board is constituted in compliance with the requirements of RBI SBR Master Direction, to ensure adherence to the risk tolerance/ limits set by the Board as well as implementing the liquidity risk management strategy of the Company. The role of the Committee with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of all branches.

### Composition and Attendance

As on March 31, 2025, the Committee comprises of 4 (Four) members, including 2 (Two) Executive Directors, 1 (One) Key Managerial Personnel and Senior Vice President – Credit of the Company. The Committee is headed by the Managing Director and CEO of the Company.

The composition and attendance of the Committee members at the Committee meetings held during the Financial Year 2024-25 are as follows:

Name of Committee members	Member of Committee since	Designation	Date of Committee meetings				No. of meetings		No. of shares held
			1	2	3	4	Entitled	Attended	
			April 30, 2024	July 31, 2024	October 23, 2024	January 30, 2025	to Attend		
Mr. Mohit Sahney Managing Director and CEO	June 12, 2019	Chairperson					4	4	<sup>II</sup> 28,22,751
Mrs. Sunita Sahney Executive Director	June 12, 2019	Member					4	4	<sup>II</sup> 8,09,176
Mr. Ravi Sharma Chief Financial Officer	June 12, 2019	Member					4	4	NIL
<sup>I</sup> Mr. Rakesh Tailor Senior Vice President – Credit	July 31, 2024	Member	-	-			2	2	NIL

  = Present

<sup>I</sup> Mr. Rakesh Tailor was appointed as member of the Committee effective from July 31, 2024.

<sup>II</sup> Mr. Mohit Sahney holds 28,22,751 shares as on March 31, 2025 out of which 5,57,443 are Compulsorily Convertible Cumulative Preference Shares and Mrs. Sunita Sahney holds 8,09,176 shares as on March 31, 2025 out of which 3,43,889 are Compulsorily Convertible Cumulative Preference Shares.

### Brief Terms of reference of the Committee:

- Ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the Company;
- Funding and capital resource planning to review the effectiveness of the Asset Liability Management control;
- Review the statement of short-term dynamic liquidity, structural liquidity and interest rate sensitivity of the Company;
- Management of market risks through articulation on current interest rate view and its future direction;
- Forecasting and analysing future business/economic environment and preparation of Contingency Funding Plan of the Company;
- Conduct periodic reviews relating to the liquidity position of the Company and stress test assuming various what if scenarios;
- Provide comprehensive and dynamic framework for measuring, monitoring and managing liquidity and interest rate risk;
- To monitor cumulative mismatches across all time buckets;
- Review and monitor the critical ratios under liquidity risk measurement - stock approach; and
- Review statement of collateral position of assets differentiating between encumbered and unencumbered assets.

### IT Strategy Committee



The IT Strategy Committee ("ITSC" or "Committee") is constituted in compliance with the requirements of Master Direction – Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023 dated on November 07, 2023 issued by the Reserve Bank of India, and assumes a pivotal role within the Board's structure. The Committee is responsible for overseeing the IT Governance of the Company and to assist the Board in evaluating and finalizing the technology-related investments, operations, strategies and ensuring their alignment with the Company's overall strategy and objectives.

### Composition and Attendance

As on March 31, 2025, the Committee comprises of 4 (Four) members, including 2 (Two) Executive Directors, 1 (One) Non-Executive Independent Director and 1 (One) Senior Management Personnel. The Committee is headed by the Non-Executive Independent Director of the Company.

The composition and attendance of the Committee members at the Committee meetings held during the Financial Year 2024-25 are as follows:

Name of Committee members	Member of Committee since	Designation	Date of Committee meetings				No. of meetings		No. of shares held
			1	2	3	4	Entitled to Attend	Attended	
			April 30, 2024	July 31, 2024	October 23, 2024	January 30, 2025			
Mr. Arjun Dan Ratnoo Independent Director	June 01, 2021	Chairperson					4	4	NIL
Mr. Mohit Sahney Managing Director and CEO	January 30, 2024	Member					4	4	28,22,751
Mrs. Sunita Sahney Executive Director	June 01, 2021	Member					4	4	8,09,176
Mr. Arpit Gupta Chief Technology Officer and Chief Information Officer	June 01, 2021	Member					4	4	NIL

  = Present

<sup>1</sup> Mr. Mohit Sahney holds 28,22,751 shares as on March 31, 2025 out of which 5,57,443 are Compulsorily Convertible Cumulative Preference Shares and Mrs. Sunita Sahney holds 8,09,176 shares as on March 31, 2025 out of which 3,43,889 are Compulsorily Convertible Cumulative Preference Shares.

### Brief Terms of reference of the Committee:

- Ensuring that the management has put an effective strategic planning process in place;
- Guide in preparation of IT Strategy and ensuring that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives;
- Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;
- Ensuring that the processes for assessing and managing IT and cybersecurity risks are in place;
- Ensuring that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives;
- Ensuring that the Company has in place, documented standards and procedures for administering need-based access to an information system;
- Review the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company on a periodic basis;
- Reviewing the assessment of IT capacity requirements and measures taken to address the issues;

- i) Instituting an appropriate governance mechanism for outsourced processes, comprising of risk-based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end-to-end manner;
- j) Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;
- k) Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements;
- l) Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;
- m) Evaluate the risks and materiality of all existing and prospective IT outsourcing arrangements;
- n) Ensuring that contingency plans have been developed and tested adequately;
- o) Communicating significant risks in outsourcing to the company's Board on a periodic basis; and
- p) Ensuring an independent review and audit in accordance with approved policies and procedures.

### Corporate Social Responsibility Committee



The Corporate Social Responsibility Committee ("CSR" or "Committee") of the Board is constituted in compliance with the requirements of Section 135 of the Act and is vested with the authority to make contributions to CSR projects or programs to be implemented directly or through eligible executing agency(ies), of at least two percent of the Company's average net profits during the three immediately preceding Financial Years in pursuance of its CSR Policy. The Committee is responsible for monitoring CSR policy, CSR initiatives, and progress on approved projects.

### **Composition and Attendance**

As on March 31, 2025, the Committee comprises of 3 (Three) members, including 2 (Two) Executive Directors and 1 (One) Non-Executive Independent Director. The Committee is headed by the Managing Director and CEO of the Company.

The composition and attendance of the Committee members at the Committee meetings held during the Financial Year 2024-25 are as follows:

Name of Committee members	Member of Committee since	Designation	Meeting Date	No. of meetings		No. of shares held
			April 30, 2024	Entitled to Attend	Attended	
Mr. Mohit Sahney Managing Director and CEO	April 29, 2022	Chairperson		1	1	'28,22,751
Mr. Arjun Dan Ratnoo Independent Director	April 29, 2022	Member		1	1	NIL
Mrs. Sunita Sahney Executive Director	April 29, 2022	Member		1	1	'8,09,176

  = Present

<sup>1</sup> Mr. Mohit Sahney holds 28,22,751 shares as on March 31, 2025 out of which 5,57,443 are Compulsorily Convertible Cumulative Preference Shares and Mrs. Sunita Sahney holds 8,09,176 shares as on March 31, 2025 out of which 3,43,889 are Compulsorily Convertible Cumulative Preference Shares.

### **Brief Terms of reference of the Committee:**

- a) Formulate and recommend to the Board, a policy on CSR and identifying the areas of CSR activities to be undertaken by the Company;
- b) Recommending the annual budget for identified CSR activities;
- c) Formulate and recommend to the Board, an annual action plan consisting of list of approved projects or programs to be undertaken within the purview of Schedule VII of the Act, manner of execution of such projects, modalities of fund utilization and implementation schedules, monitoring and reporting mechanism for the projects, and details of need and impact assessment, if any, for the projects to be undertaken; and
- d) Recommend to the Board, the excess amount available for setting off against CSR Obligations of the financial year(s) following the year of excess spend.

### Executive Committee

The Executive Committee (“EC” or “Committee”) oversees the day-to-day business and operational affairs of the Company. It is entrusted with discharging the Board’s responsibilities pertaining to routine, administrative, finance, borrowings, banking and other relevant matters that arise between regularly scheduled meetings of Board. This structure helps streamline decision-making processes and allows for timely actions to be taken when needed.

### **Composition and Attendance**

As on March 31, 2025, the Committee comprises of 3 (Three) members, including 2 (Two) Executive Directors and 1 (One) Key Managerial Personnel. The Committee is headed by Key Managerial Personnel of the Company.

During the Financial Year 2024-25, 15 (Fifteen) Committee meetings were held on April 24, 2024, May 30, 2024, June 20, 2024, July 18, 2024, August 20, 2024, September 23, 2024, October 07, 2024, November 11, 2024, December 13, 2024, December 27, 2024, January 25, 2025, March 06, 2025, March 21, 2025, March 26, 2025 and March 28, 2025.

The composition and attendance of the Committee members at the Committee meetings held during the Financial Year 2024-25 are as follows:

Name of Committee members	Member of Committee since	Designation	No. of meetings		No. of shares held
			Entitled to Attend	Attended	
Mr. Ravi Sharma Chief Financial Officer	February 21, 2018	Chairperson	15	15	NIL
Mr. Mohit Sahney Managing Director and CEO	February 21, 2018	Member	15	15	28,22,751
Mrs. Sunita Sahney Executive Director	February 21, 2018	Member	15	15	8,09,176

<sup>1</sup> Mr. Mohit Sahney holds 28,22,751 shares as on March 31, 2025 out of which 5,57,443 are Compulsorily Convertible Cumulative Preference Shares and Mrs. Sunita Sahney holds 8,09,176 shares as on March 31, 2025 out of which 3,43,889 are Compulsorily Convertible Cumulative Preference Shares.

### **Brief Terms of reference of the Committee:**

- Managing the day-to-day business and operational affairs of the Company;
- Borrow money and exercise all powers to borrow moneys (subject to overall limit of borrowing as approved by the Board of Directors and permitted by law) in Indian Rupees or equivalent thereof in any foreign currency(ies) in aggregate at any time and taking all necessary actions connected therewith within the limit prescribed under law and authorize employees of the Company for execution;
- Issuance of Non-Convertible Debentures/Subordinated Debentures on Private Placement basis;
- Securitization or Direct Assignment of Company’s loan portfolio;
- Investment of surplus funds as per Board approved Investment Policy of the Company;
- Opening, operating and closing of bank accounts;
- Review of banking arrangement/facilities and taking all necessary actions connected therewith;
- Authorizing official of the Company to appear on behalf of the Company before various regulatory and law enforcing authorities/government department/local administration or authority under applicable laws, rules and regulations and submitting documents undertaking, affidavits, papers etc.; and
- Ensure connectivity with the depositories with respect to dematerialization/rematerialisation of securities of the Company.

### Consumer Protection Committee






The Consumer Protection Committee (“CPC” or “Committee”) has been constituted by the Board at their meeting held on July 31, 2024 in compliance with the requirements of the RBI SBR Master Direction and the Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025 dated January 06, 2025 issued by the Reserve Bank of India. The Committee is responsible for overseeing the management of consumer complaints and grievances, and for reviewing key customer service metrics such as the number and nature of complaints, root cause analysis, adherence to defined turnaround times (TATs), and the top categories of


complaints. The CPC also focuses on initiatives to reduce complaints and monitors the implementation of corresponding action plans.

### Composition and Attendance

As on March 31, 2025, the Committee comprises of 3 (Three) Senior Management Personnels. The Committee is headed by the Chief Technology Officer and Chief Information Officer of the Company.

The composition and attendance of the Committee members at the Committee meetings held during the Financial Year 2024-25 are as follows:

Name of Committee members	Member of Committee since	Designation	No. of meetings		No. of meetings		No. of shares held
			1	2	Entitled to Attend	Attended	
			November 15, 2024	March 11, 2025			
Mr. Arpit Gupta Chief Technology Officer and Chief Information Officer	July 31, 2024	Chairperson			2	2	NIL
Mrs. Pooja Godara Vice President – Customer Services and Operations	July 31, 2024	Member			2	2	NIL
<sup>I</sup> Mr. Naveen Agarwal Vice President - Operations	July 31, 2024	Member		-	1	1	NIL
<sup>II</sup> Mr. Vipul Tambi Senior Vice President – People and Culture	January 30, 2025	Member	-	LOA	1	0	NIL

 = Present; LOA = Leave of Absence

<sup>I</sup> Mr. Naveen Agarwal was ceased as member of the Committee effective from November 30, 2024.

<sup>II</sup> Mr. Vipul Tambi was appointed as member of the Committee effective from January 30, 2025.

### Brief Terms of reference of the Committee:

- Review and monitor the effective implementation of customer service-related policies, procedures, systems and processes.
- Review the statement of complaints along with an analysis of the complaints received with an objective to address the following: (i) to identify customer service areas in which the complaints are frequently received; (ii) to identify frequent sources of complaint; (iii) to identify systemic deficiencies by analysing trends and patterns in customer complaints;
- Oversee the implementation of service enhancement initiatives across the Company and fostering a culture of customer-centricity.
- Ensure that customer complaints are addressed promptly and fairly, aiming for quick resolution and customer satisfaction;
- Review the effectiveness of grievance redressal mechanism within the Company;
- Evolve the innovative measures for enhancing the quality of customer service and improving the overall satisfaction level of customers;
- Ensure implementation of directives received from RBI or other relevant regulatory authorities with respect to rendering customer services;
- Identify and assess risks related to customer service and grievance redressal & implement measures for such risk mitigation;
- Review and monitor the steps and remedial actions taken by the Company to reduce the customer complaints; and
- Ensure adequate staff training on customer service standards.

### Identification Committee

The Identification Committee ("Committee") has been constituted by the Board at their meeting held on October 23, 2024 in compliance with the requirements of the Reserve Bank of India (Treatment of Wilful Defaulters and Large Defaulters) Directions, 2024 dated July 30, 2024. The Committee is responsible to examine the evidence of wilful default and to make a proposal to the Review Committee for classification as a wilful defaulter by explaining the reasons in writing.

As on March 31, 2025, the Committee comprises of following members:

<b>Name of Committee members</b>	<b>Member of Committee since</b>	<b>Designation</b>	<b>No. of shares held</b>
Mr. Rahul Sahney Chief Operating Officer	October 23, 2024	Chairperson	NIL
Mr. Ravi Sharma Chief Financial Officer	October 23, 2024	Member	NIL
Mr. Sandeep Garg Senior Vice President – Recovery	October 23, 2024	Member	NIL

During the Financial Year 2024–25, there were no instances of any borrower being identified as a wilful defaulter. Further, no Committee meetings were convened during the year.

### **Brief Terms of reference of the Committee:**

- Examine evidence of wilful default. If the Identification Committee satisfied that an event of wilful default has occurred, it shall issue a show-cause notice (SCN) to borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity, and call for the submissions from them within 21 days of SCN issuance disclosing all materials and information on which SCN is based;
- After considering the submissions and where satisfied, the Identification Committee shall propose the Review Committee for classification of borrower as a wilful defaulter by explaining the reasons in writing;
- The borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity shall thereafter be suitably advised about the proposal to classify them as wilful defaulter along with the reasons therefor;
- An opportunity shall be provided to borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity for making a written representation to Review Committee within 15 days of such a proposal from the Identification Committee. Accordingly, letter to be sent to the borrower for representing before review committee;
- If the Identification Committee concludes that the borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity, do not qualify for classification as a wilful defaulter, such cases need not be referred to the Review Committee; and
- In case where 'wilful default' is not observed during the initial examination of NPA accounts, the aspects regarding 'wilful default' shall be subsequently re-examined at such periodicity as may be decided by Identification Committee.

### Review Committee

The Review Committee ("Committee") has been constituted by the Board at their meeting held on October 23, 2024 in compliance with the requirements of the Reserve Bank of India (Treatment of Wilful Defaulters and Large Defaulters) Directions, 2024 dated July 30, 2024. The Committee is responsible to consider and review the proposal along with the written representation made by the Identification Committee and to strengthen the governance around identification of wilful defaulters.

As on March 31, 2025, the Committee comprises of following members:

Name of Committee members	Member of Committee since	Designation	No. of shares held
Mr. Mohit Sahney Managing Director and CEO	October 23, 2024	Chairperson	128,22,751
Mr. Arjun Dan Ratnoo Independent Director	October 23, 2024	Member	NIL
Mr. Ishaan Mittal Nominee Director	October 23, 2024	Member	NIL

<sup>1</sup> Mr. Mohit Sahney holds 28,22,751 shares as on March 31, 2025 out of which 5,57,443 are Compulsorily Convertible Cumulative Preference Shares.

During the Financial Year 2024–25, there were no instances of any borrower being identified and classified as a wilful defaulter. Further, no Committee meetings were convened during the year.

#### Brief Terms of reference of the Committee:

- The Review Committee shall consider the proposal received from Identification Committee along with written representation;
- The Review Committee shall also provide an opportunity for a personal hearing to the borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity. However, if the opportunity is not availed or if the personal hearing is not attended by the borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity, the Review Committee shall, after assessing the facts/ material on record, including written representation, if any, consider the proposal of the Identification Committee and take a decision;
- As the above classification process is an in-house proceeding, the borrower/ guarantor/promoter/ director/ persons in charge and responsible for the management of affairs shall not have the right to be represented by a lawyer; and
- The Review Committee shall pass a reasoned order which shall be communicated to the wilful defaulter.

#### Committee of Executives for Monitoring and Follow-Up of Cases of Frauds

The Committee of Executives for Monitoring and Follow-Up of Cases of Frauds (“CoE” or “Committee”) has been constituted by the Board at their meeting held on October 23, 2024 in compliance with the requirements of the Reserve Bank of India (Fraud Risk Management in NBFCs) Directions, 2024 dated July 15, 2024, The Committee oversees the effectiveness of the fraud risk management and establish a robust framework for the effective identification, assessment, and mitigation of fraud risks within the Company.

As on March 31, 2025, the Committee comprises of following members:

Name of Committee members	Member of Committee since	Designation	No. of shares held
Mrs. Sunita Sahney Executive Director	October 23, 2024	Chairperson	18,09,176
Mr. Rakesh Tailor Senior Vice President - Credit	October 23, 2024	Member	NIL
Mr. Jaidev Singh Vice President – RCU	October 23, 2024	Member	NIL

<sup>1</sup> Mrs. Sunita Sahney holds 8,09,176 shares as on March 31, 2025 out of which 3,43,889 are Compulsorily Convertible Cumulative Preference Shares.

During the Financial Year 2024–25, there were no cases of frauds. Further, no Committee meetings were convened during the year.

#### Brief Terms of reference of the Committee:

- Oversee the effectiveness of the fraud risk management;
- Review and monitor cases of frauds, including root cause analysis, and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds; and
- To review among others, categories/trends of frauds, industry/sectoral/ geographical concentration of frauds, delay in detection/classification of frauds and delay in examination/conclusion of staff accountability, etc.



### Performance Evaluation

Pursuant to the provisions of Section 178 of the Act, Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India and Guide to Board Evaluation issued by the Institute of Company Secretaries of India and basis the criteria for evaluation of performance of Board, its committees and individual directors as approved by the Nomination and Remuneration Committee, an annual performance evaluation exercise was carried out.

A structured questionnaire for the evaluation of the Board, its committees and the individual directors including for the Chairperson (i.e., Managing Director and CEO who is generally elected as Chairperson of the Board) has been designed covering various aspects of the performance of the Board and its Committees.

The parameters assessed included various aspects of the Board's functioning such as: effectiveness, information flow between Board members and management, quality and transparency of Board discussions, Board dynamics, Board composition and understanding of roles and responsibilities, succession and evaluation, and possession of required experience and expertise by Board members, among other matters.

The performance of the Committees was evaluated on the basis of their effectiveness in carrying out their respective mandates. Further, the performance evaluation of Directors was based on parameters such as participation and contribution to Board deliberations, keeping oneself abreast of organizational matters, trends, knowledge and understanding of relevant areas, among other matters and was reviewed by the Board for individual feedback. Furthermore, the performance evaluation of Chairperson was based on parameters such as leadership, decisiveness, impartial and commitment to Board and its meetings and the performance evaluation of Independent Directors was based on parameters as to their Independence, their judgements and views and compliance of code of conduct.

In this context, the parameters evaluation framework and outcome of performance evaluation were discussed by the Nomination and Remuneration Committee and the Board at their respective meetings. The Board expressed their satisfaction on the parameters of evaluation, the implementation of the evaluation exercise and the outcome of the evaluation process.

### Senior Management

The Senior Management of the Company comprises Senior Executives from different functions who operates under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of Management to ensure that the long-term objectives of enhancing stakeholders' value are met.

The particulars of Senior Management including the changes therein since the close of the previous Financial Year are outlined hereinbelow:

Sr. No.	Name of Senior Management	Designation	Nature of Change	Effective Date
1.	Mr. Rahul Sahney	Chief Operating Officer	No Change	-
2.	Mr. Vipul Tambi	Senior Vice President – People and Culture	No Change	-
3.	Mr. Arpit Gupta	Chief Technology Officer and Chief Information Officer	No Change	-
4.	Mr. Mahesh Sankhla	Chief Compliance Officer	No Change	-
5.	Mr. Bhagwan Singh	Chief Information Security Officer	Appointed	April 01, 2024
6.	Mr. Naveen Agarwal	Vice President - Operations	Ceased	November 30, 2024
7.	Mrs. Pooja Godara	Vice President – Customer Services and Operations	Appointed	January 30, 2025

### Remuneration to Directors

The Non-Executive Independent Directors of the Company are entitled to receive sitting fees for each meeting of the Board or its Committees that they attend. In addition, they are eligible for commission, as may be approved by the Board from time to time based on the recommendation of the Nomination and Remuneration Committee and in accordance with the provisions of the Act.

The Non-Executive Directors are also reimbursed for expenses incurred in the performance of their official duties. Further, during the Financial Year 2024-25, none of the Non-Executive Directors had any other pecuniary relationship/ transaction with the Company.

The Executive Directors of the Company were paid remuneration as approved by the Board, basis on the recommendation of Nomination and Remuneration Committee. The elements of remuneration package of Executive Directors include salary, perquisites, allowances, benefits, amenities, retiral, viz. superannuation including gratuity and provident fund (being fixed component) and commission viz. performance linked incentive (being variable component), given basis the performance evaluation of the Executive Directors.

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

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

							(Amount in lakh)
Sr. No.	Name of Directors	Designation	Gross Salary	Commission	Stock Options	Others	Total Amount
<b>Executive Directors</b>							
1.	Mr. Mohit Sahney	Managing Director and CEO	345.47	-	-	265.75	<b>611.22</b>
2.	Mrs. Sunita Sahney	Executive Director	119.96	-	-	92.27	<b>212.23</b>
<b>Non-Executive Independent Directors</b>							
3.	Mr. Arjun Dan Ratnoo	Independent Director	-	2.65	-	4.50	<b>7.15</b>
4.	Mr. Sathyan David	Independent Director	-	2.65	-	3.90	<b>6.55</b>
<b>Non-Executive Non-Independent Directors</b>							
5.	Mr. Ravi Shankar Venkataraman Ganapathy Agraharam	Nominee Director	-	-	-	-	-
6.	Mr. Aditya Deepak Parekh	Nominee Director	-	-	-	-	-
7.	Mr. Ishaan Mittal	Nominee Director	-	-	-	-	-

<sup>1</sup> The tenure of office of the Executive Directors is for 5 (Five) years from their respective dates of appointments and can be terminated by either party by giving prior 90 (Ninety) days' notice in writing. There is no separate provision for payment of severance fees.

The Nomination, Remuneration and Compensation Policy is available on the Company's website and can be accessed at <https://finova.in/public/uploads/policiescode-pdf/1725280693.pdf>.

#### 4. General Meetings

The details of last three AGMs and Special Resolutions passed thereat are outlined below:

For the FY	Date	Time	Venue	Special Resolutions passed
2023-24	June 15, 2024	11:00 A.M. (IST)	702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021 (Rajasthan)	1. To approve the limit for issuance of Non-Convertible Debentures on private placement basis. 2. To approve the amendment in Employees Stock Option Plan 2018 3. To approve the amendment in Employees Stock Option Plan 2020 4. To approve the amendment in Employees Stock Option Plan 2022
2022-23	June 15, 2023	11:00 A.M. (IST)	702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021 (Rajasthan)	1. To approve the limit for issuance of Non-Convertible Debentures on private placement basis under Section 42 and 71 of the Companies Act, 2013. 2. To approve the re-appointment of Mr. Arjun Dan Ratnoo (DIN: 00802613) as an Independent Director of the Company. 3. To approve alteration in Articles of Association of the Company.
2021-22	May 20, 2022	11:00 A.M. (IST)	Fourth Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021 (Rajasthan)	1. To approve the limit for issuance of Non-Convertible Debentures on private placement basis under Section 42 and 71 of the Companies Act, 2013. 2. To approve amendment in Employees Stock Option Plan, 2022. 3. To approve issuance of compulsorily convertible cumulative preference shares on private placement basis to Mr. Rahul Sahney, Chief Operating Officer of the Company.

Further, the details of Extra-Ordinary General Meetings (“EGM”) held in the Financial Year 2024-25 and Special Resolutions passed thereat are outlined below:

For the FY	Date	Time	Venue	Special Resolutions passed
2024-25	September 19, 2024	05:00 P.M. (IST)	702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021 (Rajasthan)	1. To approve the issuance of Partly paid-up Series E1 Compulsorily Convertible Cumulative Preference Shares on Preferential basis through Private Placement Offer. 2. To approve the issuance of Equity Shares and Series E Compulsorily Convertible Cumulative Preference Shares on Preferential basis through Private Placement offer.
	October 18, 2024	05:00 P.M. (IST)	702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021 (Rajasthan)	1. To approve the adoption of the amended and restated Articles of Association of the Company

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

#### Postal Ballot

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

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

## 5. Means of Communication

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

**Website Disclosure:** The Company's website, <https://www.finoval.in/>, features a dedicated "Investor Relations" section. This section provides stakeholders with convenient access to a wide range of information, including financial results, audited financial statements, corporate announcements, annual reports, credit ratings, and other statutory disclosures ensuring transparency and easy availability of key information.

Further, as the Company is not listed on any stock exchange, the statutory requirements for publishing quarterly and annual financial results do not apply.

## 6. General Shareholder Information

1.	Annual General Meeting	Date: June 20, 2025 Time: 11:00 A.M. (IST) Venue: 702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021 (Rajasthan)																														
2.	Financial Year	The Company follows the Financial Year starting from 01 <sup>st</sup> April to 31 <sup>st</sup> March every year																														
3.	Dividend payment date	The Board has not recommended any dividend for the Financial Year 2024-25																														
4.	Listing on Stock Exchange	The Company is not listed on any Stock Exchange																														
6.	Registrar and Share Transfer Agent	<b>MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)</b> C-101, 1 <sup>st</sup> Floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400083 (Maharashtra) Tel No.: +91 22 4918 6200   Fax: +91 22 49186195 Website: <a href="https://in.mpms.mufg.com/">https://in.mpms.mufg.com/</a> E-mail Id: <a href="mailto:linkcs@linkintime.co.in">linkcs@linkintime.co.in</a>																														
7.	Share Transfer System	As of March 31, 2025, all Equity Shares and Compulsorily Convertible Cumulative Preference shares of the Company are held in dematerialized form. Thus, there were no physical share transfers.																														
8.	Distribution of Shareholding	<p>Distribution of Shareholding of the Company on fully diluted basis as at March 31, 2025:</p> <table> <tr> <th>Category</th><th><sup>1</sup> No. of shares</th><th>% of shareholding</th></tr> <tr> <td>Promoter and Promoter Group</td><td>3,631,927</td><td>17.50</td></tr> <tr> <td>Resident Individuals</td><td>777,436</td><td>3.75</td></tr> <tr> <td>Body Corporate</td><td>12,865,275</td><td>62.01</td></tr> <tr> <td>Mutual Funds/Financial Institutions/Banks</td><td>-</td><td>-</td></tr> <tr> <td>Foreign Institutional Investor/ Foreign Portfolio Investor</td><td>-</td><td>-</td></tr> <tr> <td>Non-Resident Individuals/Foreign National</td><td>-</td><td>-</td></tr> <tr> <td>Alternate Investment Funds</td><td>2,444,564</td><td>11.78</td></tr> <tr> <td>Others (Limited Partnership and Trust)</td><td>1,029,518</td><td>4.96</td></tr> <tr> <td><b>Total</b></td><td><b>2,07,48,720</b></td><td><b>100.00</b></td></tr> </table> <p><sup>1</sup> No. of Shares includes Equity Shares and Compulsorily Convertible Cumulative Preference Shares.</p>	Category	<sup>1</sup> No. of shares	% of shareholding	Promoter and Promoter Group	3,631,927	17.50	Resident Individuals	777,436	3.75	Body Corporate	12,865,275	62.01	Mutual Funds/Financial Institutions/Banks	-	-	Foreign Institutional Investor/ Foreign Portfolio Investor	-	-	Non-Resident Individuals/Foreign National	-	-	Alternate Investment Funds	2,444,564	11.78	Others (Limited Partnership and Trust)	1,029,518	4.96	<b>Total</b>	<b>2,07,48,720</b>	<b>100.00</b>
Category	<sup>1</sup> No. of shares	% of shareholding																														
Promoter and Promoter Group	3,631,927	17.50																														
Resident Individuals	777,436	3.75																														
Body Corporate	12,865,275	62.01																														
Mutual Funds/Financial Institutions/Banks	-	-																														
Foreign Institutional Investor/ Foreign Portfolio Investor	-	-																														
Non-Resident Individuals/Foreign National	-	-																														
Alternate Investment Funds	2,444,564	11.78																														
Others (Limited Partnership and Trust)	1,029,518	4.96																														
<b>Total</b>	<b>2,07,48,720</b>	<b>100.00</b>																														
9.	Dematerialization of shares and liquidity	The Equity Shares of the Company are identified by the ISIN INEODT001015. Further, as of March 31, 2025, all Equity Shares and																														

		Compulsorily Convertible Cumulative Preference Shares are held in dematerialized form.																
10.	Branch Locations	The Company has strengthened its presence across the 15 states and 1 Union Territory.																
11.	Address for Correspondence	<b>Mr. Jaikishan Premani</b> <b>Company Secretary and Compliance Officer</b> Finova Capital Private Limited Address: 702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur - 302021 (Rajasthan) Tel No.: 0141 4118 233   Email Id: <a href="mailto:jaikishan.premani@finova.in">jaikishan.premani@finova.in</a> Website: <a href="https://www.finova.in/">https://www.finova.in/</a>																
12.	Credit Ratings	<p>The details of credit ratings obtained by the Company and outstanding as on March 31, 2025 along with outlook is provided hereinbelow:</p> <table><tr><th>S. No</th><th>Name of credit rating agency</th><th>Type of instrument</th><th>Rating</th></tr><tr><td>1.</td><td><sup>1</sup> Acuite Ratings &amp; Research Limited</td><td>Long term Bank Facilities</td><td>ACUITE A+ I Positive</td></tr><tr><td>2.</td><td>CARE Ratings Limited</td><td>Long term Bank Facilities</td><td>CARE A I Stable</td></tr><tr><td>3.</td><td>CARE Ratings Limited</td><td>Bank Overdraft</td><td>CARE A I Stable</td></tr></table> <p><sup>1</sup> Acuite Ratings &amp; Research Limited has revised the Company's outlook on its long-term bank facilities from "Stable" to "Positive" as per its press release dated March 17, 2025.</p> <p>During the Financial Year 2024-25, the Company has fully repaid the Non-Convertible Debentures (ISIN INE0DTO07038), with no remaining outstanding balance under this ISIN. As a result, the credit rating previously assigned by Acuite Ratings &amp; Research Limited has been withdrawn.</p>	S. No	Name of credit rating agency	Type of instrument	Rating	1.	<sup>1</sup> Acuite Ratings & Research Limited	Long term Bank Facilities	ACUITE A+ I Positive	2.	CARE Ratings Limited	Long term Bank Facilities	CARE A I Stable	3.	CARE Ratings Limited	Bank Overdraft	CARE A I Stable
S. No	Name of credit rating agency	Type of instrument	Rating															
1.	<sup>1</sup> Acuite Ratings & Research Limited	Long term Bank Facilities	ACUITE A+ I Positive															
2.	CARE Ratings Limited	Long term Bank Facilities	CARE A I Stable															
3.	CARE Ratings Limited	Bank Overdraft	CARE A I Stable															

## 7. Other Disclosures

### a) Related Party Transactions

The related party transactions entered during the Financial Year were in the ordinary course of business and on an arm's length basis. There were no materially significant transactions made by the Company with the related parties either individually or taken together with the previous transactions which may have a potential conflict with the interest of the Company at large. All the related party transactions are placed before the Audit Committee and subsequently before the Board and/or Shareholders, as may be applicable for approval and are placed before the Audit Committee for review on quarterly basis. Further, as per the requirements of Ind-AS, the transactions with related parties are disclosed in the Note No. 38 of the Financial Statements.

The policy on dealing with related party transactions is available on the Company's website and can be accessed at <https://finova.in/public/uploads/policiescode-pdf/1721386300.pdf>.

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

There were no instances of non-compliance by the Company for which any penalties or strictures were imposed on the Company by the Stock Exchange, SEBI or any statutory authority on any matter related to capital markets during the last three years.

During the Financial Year 2024-25, there were no instances of non-compliance by the Company for which any penalties or strictures were imposed on the Company by the Reserve Bank or any other statutory authority or regulator.

c) Whistle Blower Policy/Vigil Mechanism

Pursuant to the provisions of Section 177(9) of the Act, your Company has established a Whistle Blower Policy/Vigil Mechanism to deal with the cases of unethical behaviour in all its business activities, fraud, mismanagement and violation of Code of Conduct of the Company. The policy provides for systematic mechanism to report the concerns and adequate safeguards against the victimization of Directors and Employees, who avail the mechanism, if any.

The identity of the Whistle Blower is kept confidential so that he/she is not subjected to any discriminatory practice. Further none of the personnel of the Company were denied access to the Chairperson of Audit Committee.

The Vigil Mechanism/Whistle Blower Policy is available on the Company's website and can be accessed at <https://finova.in/policies>.

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

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

e) Disclosure of commodity price risks and commodity hedging activities

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

f) Details of utilization of funds

During the Financial Year 2024-25, the Company has raised approximately Rs. 600 Crore by way of issuance of securities on a preferential basis through private placement offer. The proceeds from the issue have been utilized to support the Company's growth initiatives and meet its working capital requirements.

g) Remuneration to Statutory Auditors

The details of total fees paid to M/s T.R. Chadha & Co. LLP, Chartered Accountants (FRN: 006711N/N500028), Statutory Auditors of the Company during the Financial Year 2024-25 is given below:

Particulars	Amount (Rs. In lakh)
Statutory Audit Fees	27.25
Non- audit service (Mandatory Certificates)	2.18
Reimbursement of expenses	-
<b>Total</b>	<b>29.43</b>

h) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

In accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "POSH Act"), the Company has formed a Policy on prevention, prohibition and redressal of sexual harassment of Women employees at workplace and redressal of complaints of sexual harassment and has complied with provisions relating to the constitution of Internal Committee. All employees (permanent, temporary, trainees) are covered under this policy. The Internal Committee redresses the complaints pertaining to sexual harassment and any complaint which is received by the Committee is dealt with appropriate sensitivity and confidentiality in the most judicious and unbiased manner within the time frame as prescribed in the POSH Act.

During the Financial Year 2024-25 the Company has conducted several workshops and training sessions to promote awareness and understanding of the POSH Act among employees.

Further, considering the steady increase in the size of Company, the Board re-constituted the Zonal Internal Committees to strengthen the accessibility of the grievance redressal mechanism and to ensure compliance with the spirit of POSH Act.

The following is a summary of sexual harassment complaints received and disposed of during the Financial Year 2024-25:

Particulars	Number of complaints
Number of complaints filed during the Financial Year	1
Number of complaints disposed of during the Financial Year	1
Number of complaints pending as on the end of the Financial Year	0

- i) The Company has not provided any Loans and Advances in the nature of loans to firms/companies in which directors are interested.
- j) The Company has not defaulted in compliance with the requirements of the Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.
- k) The Company adheres to the Fair Practices Code ("FPC") recommended by sector regulator, the Reserve Bank of India ("RBI") and seeks to promote good and fair practices by setting minimum standards in dealing with customers while doing lending business. Moreover, the comprehensive Know Your Customer (KYC) Guidelines and Anti Money Laundering Standards, issued by the RBI, are also strictly followed.

Date: April 29, 2025

Place: Jaipur

For and on Behalf of the Board of Directors  
For Finova Capital Private Limited

Sd/-  
Mohit Sahney  
Managing Director and CEO  
DIN: 07280918

Sd/-  
Sunita Sahney  
Executive Director  
DIN: 02395354

Registered Office: 702, Seventh Floor, Unique Aspire  
Plot No. 13-14 Cosmo Colony, Amrapali Marg  
Vaishali Nagar, Jaipur-302021 (Rajasthan)  
CIN: U65993RJ2015PTC048340  
Website: [www.finova.in](http://www.finova.in)  
Email: [info@finova.in](mailto:info@finova.in)



## **ANNUAL REPORT** **ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

### **1. Brief outline on Corporate Social Responsibility Policy of the Company**

The Company has a Board adopted Corporate Social Responsibility ("CSR") Policy, in accordance with the provisions of Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Act. The Company has prioritized CSR initiatives on such areas, where it could provide significant positive impact to the society at large and is committed to fostering sustainable solutions that promote Education, healthcare and wellness, environmental sustainability, maximize human and social development and leverage the aspirations of youth, women and vulnerable sections of society. The CSR Policy reflects the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programme for the welfare & sustainable development of the community.

Further, guided by the CSR Committee of the Board and in line with its CSR Policy, the Company has identified CSR thrust areas for undertaking CSR projects/ programs. The Company gives preference to the areas around which the Company operates and the areas with identified needs for CSR spending.

Key highlights of the CSR Projects undertaken by the Company during the Financial Year 2024-25 are listed below:

Sl. No.	Sector	CSR Projects
1	Education	Promoting education by extending infrastructure facilities at educational institutions and Promotion of Road Safety and awareness
2	Environment	Plantations of Trees and plants and their maintenance, Green projects and Solar Ambassador workshop for environment sustainability
3	Health Care & Wellness	Installation and maintenance of water coolers at various appropriate places at which Company is operating its business operations, for making available safe drinking water to general public and organizing medical camps.
4	Sports	Providing sports infrastructure facilities and equipment, Sports scholarships and activities for promotion of sports.
5	Art & Culture	Project for protection and preservation of Art and Culture
6	Women Empowerment	Extend livelihood infrastructure to Women
7	Welfare and protection of Senior citizens	Extending facilities for senior Citizens at community center

The Company believes that CSR is a strategic approach for creating shared value and contributing to positive social and environmental impact. Our endeavour is to reach out to different sections of the society, fostering positive change through socially relevant projects, that address the needs of these communities and in small ways enhance the quality of their lives.

### **2. Composition of CSR Committee**

The Board has constituted a CSR Committee in accordance with the requirements of Section 135(1) of the Act read with rules made thereunder. The composition and attendance of the committee members at the CSR Committee Meeting held during the Financial Year 2024-25 are as follows:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Mohit Sahney	Chairperson, Managing Director and CEO	1	1

2.	Mr. Arjun Dan Ratnoo	Member, Independent Director	1	1
3.	Mrs. Sunita Sahney	Member, Executive Director	1	1

The Composition of the CSR Committee remained unchanged throughout the year.

**3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:**

The composition of the CSR Committee of the Company, CSR Policy and List of CSR Projects approved by the Board has been disclosed on the Company's website and can be accessed at <https://finova.in/csr>.

**4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: Rs. 12,000.21 lakh  
(b) Two percent of average net profit of the company as per sub-section (5) of section 135: Rs. 240.00 lakh  
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil  
(d) Amount required to be set-off for the financial year, if any: Rs. 0.66 lakh  
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 239.34 lakh
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 235.18 lakh  
(b) Amount spent in Administrative Overheads: Rs. 4.32 lakh  
(c) Amount spent on Impact Assessment, if applicable: Not Applicable  
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 239.50 lakh  
(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in lakh.)	Amount Unspent (in lakh)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
239.50	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(f) Excess amount for set off, if any: Rs. 0.15 lakh

Sl. No.	Particular	Amount (in lakh)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	239.34*
(ii)	Total amount spent for the Financial Year	239.50
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.15
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.15

\*Note: The amount includes the impact of setting off the excess amount of expenditure i.e., Rs. 0.66 lakh

**7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:** Not Applicable, since no amount is unspent for the preceding three Financial Years.

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-	Balance Amount Unspent in CSR	Amount Spent in the Financial Year (in	Amount transferred to a Fund as specified under Schedule VII as per second proviso to	Amount remaining to be spent in succeeding	Deficiency, if any

	section (6) of section 135 (in lakh)	Account under sub-section (6) of section 135 (in lakh)	Rs.)	sub- section (5) of section 135, if any		Financial Years (in lakh)
				Amount (in lakh)	Date of Transfer	
1	FY 2021-22					
2	FY 2022-23					
3	FY 2023-24					

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



Yes



No

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

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

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries).

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:** Not Applicable, since the company has spent its obligation amount.

Date: April 29, 2025

Place: Jaipur

For and on Behalf of the Board of Directors  
For Finova Capital Private Limited

Sd/-

Mohit Sahney

Managing Director and CEO  
and Chairperson of CSR Committee

DIN: 07280918

Sd/-

Sunita Sahney  
Executive Director

DIN: 02395354

Registered Office: 702, Seventh Floor, Unique  
Aspire Plot No. 13-14 Cosmo Colony, Amrapali  
Marg Vaishali Nagar, Jaipur-302021 (Rajasthan)  
CIN: U65993RJ2015PTC048340  
Website: [www.finoval.in](http://www.finoval.in)  
Email: [info@finoval.in](mailto:info@finoval.in)

**Annexure V**

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUT-GO**

### **A. Conservation of Energy:**

(i) **The steps taken or impact on conservation of energy:** Your Company's operations being financial services related, doesn't require intense consumption of energy. However, adequate measures have been initiated across all branches of the Company to reduce energy consumption as your Company is committed to sustainable business practices by contributing to environment protection and considers energy conservation as one of the strong pillars of preserving natural resources.

In alignment with this commitment, a range of energy-saving measures has been implemented across all branches. Leveraging technology has played a central role in this initiative. The adoption of cloud-based virtual servers has enhanced both energy efficiency and data security. Further, the introduction of scan-based disbursements and paperless loan application logins has significantly reduced reliance on physical resources.

Additional initiatives include the strategic selection and design of office spaces to maximize the use of natural light, the deployment of video-conferencing facilities across all locations to minimize employee travel, and the promotion of digital learning platforms. Operational efficiencies have also been achieved through optimized lighting usage, continuous monitoring and control of air conditioning systems, and the elimination of non-recyclable plastics within office premises.

Through these collective efforts, the Company not only demonstrates its commitment to energy conservation and environmental stewardship but also reinforces its broader dedication to sustainable and responsible business practices.

(ii) **The steps taken by the company for utilizing alternate sources of energy:** Nil

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

The Company remains at the forefront for constantly pursuing its goal of technological up-gradation in a cost-effective manner for delivering exceptional quality customer service.

### **B. Technology Absorption:**

(i) **The efforts made towards technology absorption:** The Company has made significant steps in leveraging technology to enhance operational efficiency and customer experience. It has automated multiple processes, such as digital collections through dynamic QR codes, which enables customers to make payments seamlessly, with funds being directly credited to their loan accounts and eliminating manual interventions. Additionally, the Company has developed a customer application, enabling customers to directly access their loan account details and make service requests. Furthermore, the Company has developed a new-age Customer Onboarding System and Loan Origination System with enhanced features and configurations, streamlining processes and improving accuracy.

The Company has also leveraged Robotic Process Automation (RPA) to automate multiple MIS circulated to the team, facilitating better monitoring and control.

(ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:** The benefits derived from these digital transformation initiatives improved overall operational efficiency. Additionally, the enhanced Customer Onboarding System and Loan Origination System have contributed to product improvement, while the overall automation of processes has led to better monitoring and control, driving efficiency gains.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not applicable

(a) The details of technology imported: Not applicable

(b) The year of import: Not applicable

(c) Whether the technology been fully absorbed: Not applicable

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

(iv) The expenditure incurred on Research and Development: Not applicable

### C. Foreign Exchange Earnings and Outgo:

There were no foreign exchange earnings and outgo during the Financial Year 2024-25. The aforesaid details are shown in the Note No. 40(I) of the Financial Statements.

Date: April 29, 2025

Place: Jaipur

For and on Behalf of the Board of Directors

For Finova Capital Private Limited

Sd/-

Mohit Sahney

Managing Director and CEO

DIN: 07280918

Sd/-

Sunita Sahney

Executive Director

DIN: 02395354

Registered Office: 702, Seventh Floor, Unique Aspire

Plot No. 13-14 Cosmo Colony, Amrapali Marg

Vaishali Nagar, Jaipur-302021 (Rajasthan)

CIN: U65993RJ2015PTC048340

Website: [www.finova.in](http://www.finova.in)

Email: [info@finova.in](mailto:info@finova.in)

**Annexure VI**
**FORM NO. AOC.2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013  
and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

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

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

(a)	(b)	(c)	(d)	(e)	(f)
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts /arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Mr. Rahul Sahney (Brother of Mr. Mohit Sahney, Managing Director and CEO of the Company)	Appointment at office or place of Profit	Regular	Appointment of Mr. Rahul Sahney as Chief Operating Officer on gross monthly remuneration upto Rs. 25,00,000 (Rupees twenty five lakh only) and overall annual remuneration upto Rs. 3,00,00,000 (Rupees three crore only) (inclusive of all the benefits) as approved by the Board of Directors and Shareholders of the Company.  The gross fixed remuneration of Rs. 1,71,16,531 (Rupees one crore seventy one lakh sixteen thousand five hundred and thirty one only) was paid during the Financial Year 2024-25.	Board Approval: April 30, 2024  Shareholders' Approval: May 20, 2022	--
Mr. Aryaman Sahney (Son of Mr. Mohit Sahney, Managing Director and CEO and Mrs. Sunita Sahney, Executive Director of the Company)	Appointment at office or place of Profit	Regular	Appointment of Mr. Aryaman Sahney as Assistant Vice President – Strategy at a gross fixed remuneration of Rs. 1,94,311 (Rupees one lakh ninety four thousand three hundred and eleven only) per month as approved by the Board of Directors.  The gross fixed remuneration of Rs. 16,89,574 (Rupees sixteen lakh eighty-nine thousand five hundred and seventy-four only) was paid during the Financial Year 2024-25.	Board Approval: July 31, 2024	--

Date: April 29, 2025

Place: Jaipur

For and on Behalf of the Board of Directors

For Finova Capital Private Limited

Sd/-

Mohit Sahney  
Managing Director and CEO  
DIN: 07280918

Sd/-

Sunita Sahney  
Executive Director  
DIN: 02395354

Registered Office: 702, Seventh Floor, Unique Aspire

Plot No. 13-14 Cosmo Colony, Amrapali Marg

Vaishali Nagar, Jaipur-302021 (Rajasthan)

CIN: U65993RJ2015PTC048340

Website: [www.finova.in](http://www.finova.in)

Email: [info@finova.in](mailto:info@finova.in)



# **POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS OF FINOVA CAPITAL PRIVATE LIMITED**

## POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

### PREFACE

The board of directors (the “Board”) of Finova Capital Private Limited (“Company”) has adopted the following policy and procedures with regard to Related Party Transactions (as defined hereinafter) at its meeting held on June 01, 2021 to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable on the Company. The Company may enter into transactions with related parties to leverage scale, size and drive operational synergies while ensuring that such transactions are in compliance with the applicable legal requirements.

### OBJECTIVE & PURPOSE OF POLICY

This Policy on dealing with Related Party Transactions is framed in consonance with the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (“Master Direction DNBR. PD. 008/03.10.119/2016-17”) dated September 01, 2016 (as updated from time to time) and is intended to ensure proper reporting, approval and disclosure of the concerned transactions between the Company and its Related Parties.

This policy deals with the review and approval mechanism of related party transactions keeping in mind the potential or actual conflict of interest that may arise because of such transactions.

### DEFINITIONS

- 1) “Act” means the Companies Act, 2013 and shall include all rules, regulations, sub-ordinate legislations made thereunder, amendments, modifications and re-enactments of the.
- 2) “Audit Committee or Committee” means a Committee of the Board of Directors of the Company constituted in terms of the Guidelines issued by RBI, Listing Regulations and the Act.
- 3) “Arm’s Length Basis” means a transaction between two Related Parties that is conducted as if they were unrelated so that there is no conflict of interest. For determining Arm’s Length Basis, reliance shall be placed on Indian Accounting Standard (Ind AS) 24.
- 4) “Articles” or “AOA” means the Articles of Association of the Company as may be amended from time to time as prescribed under the Transaction Documents.
- 5) “Board of Directors” or “Board” means the Board of Directors of the Company, as constituted from time to time.
- 6) “Director” shall mean a director on the Board;
- 7) “Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013 and includes:-

- a. Managing Director, or Chief Executive Officer or Manager
- b. Whole-time Director;
- c. Company Secretary;
- d. Chief Financial Officer;
- e. such other officer as may be prescribed

**8) “Material Related Party Transaction”** means a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

Further, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the company as per the last audited financial statements of the company shall be considered material.

**9) “Person(s)”** shall mean an individual, corporation, partnership, limited liability partnership, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

**10) “Policy”** means this policy on dealing with Related Party Transactions of the Company.

**11) “Related Party”** means such party with reference to a company as defined in Section 2(76) of the Act and under the applicable accounting standards.

**12) “Related Party Transaction”** means any transaction involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

Explanation – A “*transaction*” with a related party shall be construed to include single transaction or a group of transactions in a contract.

**13) “Relative”** means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under

## **APPROVAL OF RELATED PARTY TRANSACTIONS**

### • **Approval of the Audit Committee**

All Related Party transactions require prior approval of the Audit Committee whether entered in the ordinary course of business and at arm’s length basis or not.

Each proposed Related Party Transaction or any modifications thereof, shall be placed before the Audit Committee for prior approval in accordance with this Policy.

The Company may obtain omnibus approval from the Audit Committee for related party transactions, proposed to be entered into by the company subject to the following conditions, as

mentioned below, except for transactions in respect of selling or disposing of the undertaking of the company:

- a) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:-
  - (i) Repetitiveness of the transactions (in past or in future);
  - (ii) Justification for the need of omnibus approval;
- b) The Audit Committee shall satisfy itself on the need for such omnibus approval and that such approval is in the interest of the Company;
- c) Such omnibus approval shall specify:
  - (i) The name/s of the related part(ies),
  - (ii) nature and duration of transaction(s),
  - (iii) maximum amount of transaction that can be entered into;
  - (iv) The indicative base price / current contracted price and the formula for variation in the price if any and;
  - (v) The material terms of the contract or arrangement including the value, if any;
  - (vi) Such other conditions as the Audit Committee may deem fit.

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding INR 1 Crore per transaction.

- d) Audit Committee shall review, atleast on a half yearly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.
- e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- f) In exceptional circumstances, where it is not feasible to seek prior approval of the Audit Committee, Board of Directors and / or shareholders, as the case may be, in respect of any Related Party Transaction, then it shall be ratified by the Audit Committee, Board of Directors and / or shareholders, as the case may be, within a period of three months of entering into Related Party Transaction.

In case, the same is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any Director, or is authorized by any other Director, the Directors concerned shall indemnify the company against any loss incurred by it.

- **Approval of the Board of Directors of the Company**

As per the provisions of Section 188 of Companies Act, 2013, all kinds of transactions specified under the said Section and which are not in the ordinary course of business and at arm's length basis shall be placed before the Board for its approval on the recommendation of the Audit Committee.

In addition to the above, the following kinds of transactions with Related Parties are also placed before the Board for its approval:

- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
- Transactions meeting the materiality thresholds laid down in the Policy, which are intended to be placed before the shareholders for approval.

- **Approval of the Shareholders of the Company**

Any such Related Party Transactions that exceeds the thresholds as prescribed under the Companies Act, 2013 and the Rules framed there under shall also be placed for prior approval of shareholders at the general meeting.

- **Material Related Party Transaction**

All Material Related Party Transactions shall be placed for prior approval of shareholders through a Resolution. However, the Material Related Party Transactions entered into between the Company and its wholly owned subsidiaries, if any, shall not require prior approval of the shareholders.

## **REVIEW OF RELATED PARTY TRANSACTIONS**

All the related party transactions entered into by the Company shall be reviewed by the Audit committee as well as Board atleast once in every financial year and as many times as it may deem fit.

To review a Related Party Transaction, the Committee and the Board will be provided with all relevant material information of the Related Party Transaction viz:

- The name of the Related Party and nature of relationship;
- The nature, duration of the contract and particulars of the contract or arrangement;
- The material terms of the contract or arrangement including the value, if any;

- d. Any other information relevant or important for the Audit Committee/Board to take a decision on the proposed transaction.

**\* NOTE:**

*If a member of the Audit Committee/Board or any member of company is interested in an item of business which is a Related Party Transaction under Section 188 of the Act proposed to be entered into by the company, he/she shall recuse himself and abstain from discussion and voting on the approval or ratification of such of the Related Party transaction. Further, such interested member shall also not be reckoned for the purpose of counting quorum of the meeting.*

**ASCERTAINING WHETHER RELATED PARTY TRANSACTIONS ARE IN THE ORDINARY COURSE OF BUSINESS**

1. In order to determine whether a transaction is within the ordinary course of business or not, some of the principles that may be adopted to assess are as follows:
  - a) whether the transaction is in line with the usual transactions, customs and practices undertaken by the company to conduct its business operations and activities;
  - b) whether it is permitted by the Memorandum and Articles of Association of the company; and
  - c) whether the transaction is such that it is required to be undertaken in order to conduct the routine or usual transactions of a company.
2. The Company may also consider whether the transaction contemplated under the proposed contract or arrangement is either similar to contracts or arrangements which have been undertaken in the past, or, in the event that such transaction is being undertaken for the first time, whether the Company intends to carry out similar transactions in the future.
3. Whether the transaction value is within the reasonable range for similar types of other transactions, will also be an important consideration. An exceptionally large value transaction should invite closer scrutiny.

**DISCLOSURE OF INTEREST OR CONCERN**

1. All Related Party Transactions in which Directors are interested as defined in Section 184/188 of the Act shall be entered in with all the relevant particulars in register maintained in Form MBP 4 as prescribed in Rule 16 of the Companies (Meetings of Board and its Powers) Rules, 2014.
2. Further, every member / director of Audit Committee or Board who is interested in an item of business which is a Related Party Transaction under Section 188 of the Act proposed to be entered into by the company and transacted/approved at the meeting shall disclose in advance his/her interest / concern.
3. In accordance with provisions of Section 184(2) of the Act, if any director of a company is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into:

- a. with a body corporate in which such director or such director in association with any other director, holds more than two per cent shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
- b. with a firm or other entity in which, such director is a partner, owner or member, as the case may be;

Then, he/she shall disclose the nature of his/her concern or interest at the meeting of the Board in which such contract or arrangement is discussed and shall not participate in such meeting during the discussion of such contract or arrangement:

Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

**\* NOTE:**

*A contract or arrangement entered into by the company without disclosure under section 184 (2) of the Act or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company.*

#### **POLICY ON GRANT OF LOANS TO DIRECTORS, SENIOR OFFICERS AND THEIR RELATIVES AND TO ENTITIES IN WHICH DIRECTORS OR THEIR RELATIVES ARE INTERESTED**

In terms of para 3.2.3(c) of the circular on Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs issued on October 22, 2021 and further notified under circular on Loans and Advances – Regulatory Restrictions – NBFCs issued on April 19, 2022 by Reserve Bank of India, the Company shall have a Board approved policy on grant of loans to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding.

Summary of the guidelines as prescribed by the RBI on middle layer NBFCs are as follows

Sr. No.	Loans, Advances and Contracts	Description
1	<ol style="list-style-type: none"> <li>1. To Directors or their relatives;</li> <li>2. Any firm in which any of their directors or their relatives is interested as a partner, manager, employee or guarantor;</li> <li>3. Any company in which any of their directors, or their relatives is interested as a major shareholder, director, manager, employee or guarantor.</li> </ol>	<p>Rs. 5 Crores and above – With the approval of Board</p> <p>Less than Rs. 5 Crores – Without approval of Board but to be reported to the Board</p>
2	<b>To Senior Officers</b>	To be reported to the Board
3	<b>To the relative of Senior Officer</b>	<p>- Shall not be sanctioned by the Senior Officer or Committee where he/ she is a member</p> <p>- To be sanctioned by the next</p>



		higher sanctioning authority
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In context to the above and pursuant to the said RBI guidelines, subsequent amendment is required to be made in the existing “Policy on dealing with Related Party Transactions” to incorporate the referencing of the “Policy on loan to Directors and senior officer”. The detailed policy is provided in Annexure.

#### **DISCLOSURE / REPORTING**

The Company shall disclose this Policy on its website and provide the web link in the Annual Report.

Further, in accordance with Section 134 (3) (h) of the Companies Act, 2013 and Master Direction DNBR. PD. 008/03.10.119/2016-17 issued by RBI, the company shall disclose in its Board’s report, the complete particulars/details of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form.

#### **SCOPE LIMITATION**

In the event of any conflict between the provisions of this Policy and Companies Act, 2013 or any other statutory enactments, rules, the provisions of the Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

#### **REVIEW AND AMENDMENTS**

The Audit Committee, in its meeting, will oversee the implementation of the policy and review its functioning at the intervals as it may deem necessary.

Further, this policy may be amended subject to the approval of Board of directors on recommendation of Audit Committee of the Company, from time to time in line with the business requirement of the Company or any statutory enactment or amendment thereto.

*This policy has been approved and adopted at the Board meeting held on October 31, 2022.*

## ANNEXURE

### **Policy on grant of loans to directors, senior officers and their relatives and to entities in which directors or their relatives are interested**

#### **PREFACE**

The Board of Directors (the “Board”) of Finova Capital Private Limited (“Company”) has adopted the following policy and procedures with regard to grant of loans to directors, senior officers and their relatives and to entities in which directors or their relatives are interested (as defined hereinafter) at its meeting held on October 31, 2022 to regulate transactions of granting loans and advances by the Company to its directors, senior officers and their relatives and to entities in which directors or their relatives are interested, based on the laws and regulations applicable on the Company. The Company may consider granting loans and advances by the Company to its directors, senior officers and their relatives and to entities in which directors or their relatives are interested while ensuring that such transactions are in compliance with the provision of this policy and applicable legal requirements.

#### **OBJECTIVE & PURPOSE OF POLICY**

This “Policy on grant of loans to directors, senior officers and their relatives and to entities in which directors or their relatives are interested” is framed in consonance with the RBI notification on Loans and Advances – Regulatory Restrictions – NBFCs dated April 19, 2022 (RBI/2022-23/29 DOR.CRE.REC.No.25/03.10.001/2022-23) (“RBI Guidelines”).

This policy deals with the review and approval mechanism of granting loans and advances by the Company to its directors, senior officers and their relatives and to entities in which directors or their relatives are interested keeping in mind the potential or actual conflict of interest that may arise because of such transactions.

#### **DEFINITIONS**

- 1) “Act” means the Companies Act, 2013 and shall include all rules, regulations, sub-ordinate legislations made thereunder, amendments, modifications and re-enactments of the.
- 2) “Audit Committee or Committee” means a Committee of the Board of Directors of the Company constituted in terms of the Guidelines issued by RBI, Listing Regulations and the Act.
- 3) “Board of Directors” or “Board” means the Board of Directors of the Company, as constituted from time to time.
- 4) “Control” means Control as defined under Clause (27) of Section 2 of the Companies Act, 2013.;
- 5) “Director” shall mean a director on the Board;
- 6) The term ‘loans and advances’ will not include loans or advances against -
  - a) Government securities
  - b) Life insurance policies
  - c) Fixed deposits

- d) Stocks and shares
- e) Housing loans, car advances, etc. granted to an employee of the Company under any scheme applicable generally to employees.

Provided that Company's interest/lien is appropriately marked with legal enforceability.

- 7) **"Major shareholder"** means a person holding 10 % or more of the paid-up share capital or five crore rupees in paid-up shares, whichever is lower.
- 8) **"Policy"** means this Policy on grant of loans to directors, senior officers and their relatives and to entities in which directors or their relatives are interested;
- 9) **"Relative"** means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.
- 10) **"Senior Officer"** shall have the same meaning as assigned to "Senior Management" under Section 178 of the Companies Act, 2013.

## **LOANS AND ADVANCES TO DIRECTORS**

### **Guiding Principles**

- I. Unless sanctioned by the Board of Directors on the basis of recommendation of Audit Committee, the Company shall not grant any loans and advances aggregating Rs. 5.00 crore (Rupees Five crores) and above to -
  - (i) its Directors (including the Chairman/ Managing Director, if any) or relatives of the directors;
  - (ii) any firm in which any of the Directors of the Company or their relatives are interested as a partner, manager, employee or guarantor; and
  - (iii) any company in which any of the Directors of the Company, or their relatives are interested as a major shareholder, director, manager, employee or guarantor.

Provided that Director or his/her relatives shall be deemed to be interested in a Company, being the subsidiary or holding company, if they are major shareholder or in control of the respective holding or subsidiary company.

Provided that the Director who is directly or indirectly concerned or interested in any proposal should disclose the nature of his/her interest to the Audit Committee and Board of Directors when any such proposal is discussed.

The Directors concerned shall recuse themselves from the meeting unless their presence is required by the other directors for the purpose of eliciting information and the Director so required to be present, shall not vote on any such proposal.

The proposals for credit facilities of an amount less than Rs. 5.00 crore (Rupees Five crores) to the borrowers may be sanctioned by the Sanctioning Authority in the Company under powers vested in such authority, but the matter should be reported to the Audit Committee and Board of Directors of the Company.

## **LOANS AND ADVANCES TO THE SENIOR OFFICERS**

### **Guiding Principles**

The Company shall abide by the following when granting loans and advances to their Senior Officers:

- (iv) Loans and advances sanctioned to the Senior Officers of the Company shall be reported to the Audit Committee and Board of Directors of the Company.
- (v) No Senior Officer or any Committee comprising, *inter alia*, a Senior Officer as member, shall, while exercising powers of sanction of any credit facility, sanction any credit facility to a relative of that Senior Officer. Such a facility shall be sanctioned by the next higher Sanctioning Authority under the delegation of powers.

## **DISCLOSURE REQUIREMENTS**

In respect of grant of aforementioned loans to Directors and senior officers

- I. The Company shall obtain a declaration from the borrower giving details of the relationship of the borrower to directors/ senior officers of the Company for loans and advances aggregating Rupees five crore and above. The Company shall recall the loan if it comes to its knowledge that the borrower has given a false declaration.
- II. The Company shall disclose in their Annual Financial Statement, aggregate amount of such sanctioned loans and advances as per template provided in RBI Guidelines.

The above norms with respect to granting the loans to Directors and Senior officers will equally apply to awarding of contracts.

## **SCOPE LIMITATION**

In the event of any conflict between the provisions of this Policy and Companies Act, 2013 or any other statutory enactments, rules, the provisions of the Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

## **REVIEW AND AMENDMENTS**

The Audit Committee, in its meeting, will oversee the implementation of the policy and review its functioning at the intervals as it may deem necessary.

Further, this policy may be amended subject to the approval of Board of directors on recommendation of Audit Committee of the Company, from time to time in line with the statutory enactment or amendment thereto.

## **Independent Auditors' Report**

### **To the Members of Finova Capital Private Limited**

#### **Report on the Audit of the Financial Statements**

##### **1. Opinion**

We have audited the accompanying Financial Statements of Finova Capital Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the 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 31 March 2025, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### **2. Basis for Opinion**

We conducted our audit of financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the 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 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

##### **3. Information other than the Financial Statements and auditor's report thereon**

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

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

#### **4. Management's Responsibility for the financial statements**

The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. 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, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **5. Auditor's Responsibilities for the Audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of 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 judgment 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

## 6. Other Matter

The Financial Statement also includes figures of the Company for the year ended March 31, 2024, audited by the predecessor firm of statutory auditor vide its report dated April 30, 2024, in which the predecessor auditor has expressed an unmodified opinion. Accordingly, we do not express any conclusion on aforesaid financial statement for the said year and have relied upon the said reports for the purpose of our report on these financial statements.

## 7. Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. As required by section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statement.
- g) With respect to the matter to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended: in our opinion and according to the information and explanations given to us, the Company being a private Company, Section 197 of the Act related to the managerial remuneration is not applicable.
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its financial statements - Refer Note 28 of financial statements;
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 40(c) of the financial statements.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

- iv) (a) The Management has represented that, to the best of its (knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) During the year, the company has not paid or declared any dividend and has not proposed final dividend for the year.
- vi) Based on our examination which included test checks, the company has used accounting softwares (SynoFin Loan Management System and Microsoft Dynamics 365 financial accounting package) which is operated by a third-party software service provider for maintaining its books of account. Based on SOC1TYPE2 and SOC2TYPE2 report for Microsoft Dynamics 365 financial accounting package softwares provided by the third-party software service provider and other information provided to us by the company for both the softwares, we report that the audit trail (edit log) facility in the above softwares was enabled and operated throughout the year for all relevant transactions at the user level.

The third-party service provider has confirmed to the management of the company that once transaction posted in the application it cannot be modified and deleted by user and backend hence, the question of maintenance of audit trail at data base level for direct data change does not arise.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with during the period in which audit trail was enabled. Audit trail has been preserved by the Company as per the statutory requirements for record retention to the extent enabled.

Our examination of the audit trail was in the context of an audit of financial statements carried out in accordance with the Standard of Auditing and only to the extent required by Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014. We have not carried out any audit or examination of the audit trail beyond the matters required by the aforesaid Rule 11(g) nor have we carried out any standalone audit or examination of the audit trail.

**For T R Chadha & Co LLP**  
**Chartered Accountants**  
**Firm's Reg. No-: 006711N/N500028**

**Place: Gurugram**  
**Date: April 29, 2025**

**Sd/-**  
**Aashish Gupta**  
**(Partner)**  
**Membership No. 097343**  
**UDIN: 25097343BMOGCA3008**

### **Annexure A to the Independent Auditor's Report of even date**

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

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment 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 a regular program of physical verification of these Property, Plant and Equipment whereby all these assets are verified in a phased manner, over a period of two years. In our opinion, the periodicity of the physical verification is reasonable having regard to the size of the Company and the nature of its assets. For the assets where physical verification exercise was completed, no material discrepancies were noticed on such verification;
  - (c) The Company does not hold any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) Accordingly, the provision of 3(i)(c) of the order is not applicable.
  - (d) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year; being under cost model. Accordingly, the provision of 3(i)(d) of the order is not applicable.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder;
- ii.
  - (a) The Company is primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus, the provision of clause 3(ii)(a) of the Order is not applicable to the Company;
  - (b) The Company has been sanctioned loans in excess of Rs.5 crores in aggregate during the year from banks and financial institutions on the basis of security of current assets and the quarterly returns/statements filed by the company with such banks and financial institutions. As disclosed by the management in Note 11(j) of the financial statements and as verified by us, the same are in agreement with the unaudited books of accounts of the company for the respective period;
- iii. The Company has not made investments in and provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties. However, the Company has granted secured and unsecured loans to companies, firms, Limited Liability Partnerships and to others parties during the year in respect of which;
  - (a) Since the Company is principally engaged in providing loans reporting under clause 3(iii)(a) of the Order is not applicable;

- (b) In our opinion, the terms and conditions of the Investment made, security given and conditions of loans and advance granted in nature of loans during the year are prima facie not prejudicial to the Company's interest; According to the information and explanations given to us, the company has not provided any guarantee during the year.
  - (c) In respect of the loans/advances in nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a non-banking financial company engaged in the business of granting loans, the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 4 and 44 to the Financial Statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.
  - (d) In respect of loans granted by the Company, the overdue amount remaining outstanding as at the balance sheet date is as reported in Note 4 and 40(g)(vii) of notes of the Financial Statements. The total amount overdue for more than 90 days amounts to Rs. 8,300.01 Lakhs with respect to 2802 borrowers (2861 loan accounts). The Company has generally taken reasonable steps in its normal course of business for recovery of overdue principal and interest in respect of such loans;
  - (e) As Company is principally engaged in providing loans, hence the reporting under clause 3(iii)(e) of the Order is not applicable;
  - (f) The Company has not granted any loans or advances, in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.
- iv The Company has not granted any loans, made investments, or provided guarantees and securities which attract the provisions of section 185 and section 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company;
  - v The Company has not accepted any deposits or amounts which are deemed to be deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under apply. Accordingly, the provision of clause 3(v) of the Order is not applicable to the Company;
  - vi The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company;
  - vii (a) The amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income tax, cess and other applicable statutory dues have been regularly

deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, service tax, value added tax, duty of customs and duty of excise;

There were no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income tax, cess and other applicable statutory dues which were in arrears as at 31 March 2025 for a period of more than six months from the date they become payable.

- (b) There are no amounts in respect of income tax, goods & service taxes etc. that have not been deposited with the appropriate authorities on account of any dispute

**(Rs. In lakhs)**

<b>Nature of Act</b>	<b>Forum</b>	<b>Nature of the Due</b>	<b>Period (Assessment year)</b>	<b>Demand Amount excluding interest and Penalty</b>	<b>Amount not deposited</b>
Goods and Service Tax Act, 2017	Commissioner of Goods and Service Tax	Goods and Service Tax	2020-21	7.81	-
Goods and Service Tax, 2017	Commissioner of Goods and Service Tax	Goods and Service Tax	2021-22	35.00	-

- 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 (43 of 1961);
- ix (a) The Company has not defaulted in the repayment of loans or other borrowings to or in the payment of interest thereon to any lender, during the year;
- (b) The Company has not been declared as willful defaulter by any bank or financial institution or other lender;
- (c) Term loans availed by the Company during the year have been generally applied for the purpose for which they were obtained other than temporary deployment in liquid assets which are recoverable on demand;
- (d) On an overall examination of financial statements of the company, we report that no funds have been raised on short term basis. Accordingly, the provision of clause 3(ix)(d) of the Order is not applicable to the Company;
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the provisions of clause 3(ix)(e) of the Order is not applicable;
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the provisions of clause 3(ix)(f) of the Order is not applicable;
- x (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable;

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) except for the following:

- 1) 500 Equity Shares having face value of Rs.10 per share fully paid up at a premium of Rs. 2,844.54 per share issued during the year.
- 2) 21,01,415, 0.0001% Series E Compulsorily Convertible Cumulative Preference Shares having face value of Rs. 100/- per share fully paid up at a premium of Rs. 2,754.54 per share issued during the year
- 3) 3,85,192, 0.0001% Series E1 Compulsorily Convertible Cumulative Preference Shares having face value of Rs. 100/- per share partly paid up of Rs. 1.00 at a premium of Rs. 2,754.54 per share issued during the year

The company has complied with the requirement of section 42 and section 62 of the Companies Act 2013 and the funds raised has been used for the purpose for which the funds were raised.

xi

**Fraud**

- (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, no fraud by the Company or on the Company has been noticed or reported during the course of our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures;

xii

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

xiii

In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards. Since, the Company is a Private Limited Company, therefore, the provisions of Section 177 of the Act are not applicable to the Company;

xiv

- (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the internal audit reports issued to the Company for the period under audit;

xv

The company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of Companies Act are not applicable to the company.



- xvi (a) The Company is required to be registered under Section 45-IA of the RBI Act, 1934 and such registration has been obtained by the Company.
- (b) The Company has conducted non-banking financial activities during the year and the Company holds valid Certificate of Registration from the RBI as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a core investment company and hence reporting under clause (xvi)(c) of the Order is not applicable;
- (d) There are no core investment company as a part of the group;
- xvii The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year;
- xviii As per RBI circular no. RBI/2021-22/25 Ref No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 the Statutory Auditors have resigned upon completion of their term of appointment as per the requirement of the said circular. There has not been any issues, concerns or objections raised by the outgoing auditors, based on our communication with outgoing auditor as required under ICAI Code of Ethics.
- xix According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due;
- xx As disclosed by management in Note 24.2 of the financial statements and as verified by us, the gross amount required to be spent by company towards Corporate Social Responsibility (CSR) during the year has been duly spent during the year. Hence reporting under clause (xx)(a) and clause (xx)(b) of the Order is not applicable;

**For T R Chadha & Co LLP**  
**Chartered Accountants**  
**Firm's Reg. No-:**  
**006711N/N500028**

**Sd/-**  
**Aashish Gupta**  
**(Partner)**  
**Membership No. 097343**  
**UDIN: 25097343BMOGCA3008**

**Place: Gurugram**  
**Date: April 29, 2025**

## **ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FINOVA CAPITAL PRIVATE LIMITED-**

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to financial statements of **FINOVA CAPITAL PRIVATE LIMITED** (“the Company”) as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to financial statements 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 with reference to financial statements, both applicable to an audit of Internal Financial controls with reference to financial statements. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements 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 T R Chadha & Co LLP**  
**Chartered Accountants**  
**Firm's Reg. No-: 006711N/N500028**

**Sd/-**  
**Aashish Gupta**  
**(Partner)**  
**Membership No. 097343**  
**UDIN: 25097343BMOGCA3008**

**Place: Gurugram**  
**Date: April 29, 2025**

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**BALANCE SHEET AS AT 31 MARCH, 2025**

	Note No.	As at 31 March , 2025 Rs. /Lakhs	As at 31 March , 2024 Rs. /Lakhs
<b>ASSETS</b>			
<b>1 Financial assets</b>			
(a) Cash and cash equivalents	2	9,980.08	8,570.99
(b) Bank balance other than cash and cash equivalents	3	17,744.56	21,199.90
(c) Loans	4	3,42,966.87	2,62,381.51
(d) Investments	5	58,838.47	15,882.70
(e) Other financial assets	6	1,189.09	888.64
<b>Subtotal - financial assets (A)</b>		<b>4,30,719.07</b>	<b>3,08,923.74</b>
<b>2 Non-financial assets</b>			
(a) Current tax assets		1,123.08	5.46
(b) Deferred tax assets (net)	27	1,841.68	1,192.02
(c) Property, plant and equipment	7(a)	1,728.32	1,526.74
(d) Capital-work-in progress	7(b)	63.50	-
(e) Right of use assets	7(b)	403.23	432.35
(f) Intangible assets under development	7(c)	28.35	16.31
(g) Other intangible assets	7(e)	185.46	148.49
(h) Other non- financial assets	8	152.76	91.85
<b>Subtotal - non-financial assets (B)</b>		<b>5,526.38</b>	<b>3,413.22</b>
<b>Total - assets (A+B)</b>		<b>4,36,245.45</b>	<b>3,12,336.96</b>
<b>LIABILITIES AND EQUITY</b>			
<b>1 Financial liabilities</b>			
(a) Payables			
1) Trade payables	9		
- total outstanding dues of micro enterprises and small enterprises		19.39	1.81
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,170.33	513.87
2) Other payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		165.55	648.30
(b) Debt securities	10	-	468.82
(c) Borrowings (other than debt securities)	11	2,35,335.09	1,90,030.90
(d) Lease liabilities	7(f)	478.84	490.36
<b>Subtotal - financial liabilities (C)</b>		<b>2,37,169.20</b>	<b>1,92,154.06</b>
<b>2 Non-financial liabilities</b>			
(a) Current tax liabilities		-	19.20
(b) Provisions	12	647.54	335.11
(c) Other non-financial liabilities	13	3,992.38	3,561.86
<b>Subtotal - non-financial liabilities (D)</b>		<b>4,639.92</b>	<b>3,916.17</b>
<b>3 Equity</b>			
(a) Equity share capital	14	590.10	589.96
(b) Preference share capital	14	13,851.47	11,746.20
(c) Other equity	15	1,79,994.76	1,03,930.57
<b>Subtotal - equity (E)</b>		<b>1,94,436.33</b>	<b>1,16,266.73</b>
<b>Total - liabilities and equity (C+D+E)</b>		<b>4,36,245.45</b>	<b>3,12,336.96</b>

The accompanying notes are forming part of financial statements

In terms of our report attached

**For T R Chadha & CO LLP**

Chartered Accountants

Firm's Registration No. 006711N/500028

sd/-

**Aashish Gupta**

Partner

Membership No. 097343

Place: Gurugram

Date: 29 April, 2025

**For and on behalf of Board of Directors of  
FINOVA CAPITAL PRIVATE LIMITED**

sd/-

**Mohit Sahney**

Managing Director & CEO

DIN: 07280918

Place: Jaipur

Date: 29 April, 2025

sd/-

**Sunita Sahney**

Executive Director

DIN: 02395354

Place: Jaipur

Date: 29 April, 2025

sd/-

**Ravi Sharma**

Chief Financial Officer

Place: Jaipur

Date: 29 April, 2025

sd/-

**Jaikishan Premani**

Company Secretary

M. No: A42043

Place: Jaipur

Date: 29 April, 2025

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2025**

	Note No.	Year ended 31 March, 2025	Year ended 31 March, 2024
		Rs. /Lakhs	Rs. /Lakhs
<b>Revenue from operations</b>			
(a) Interest income	16	74,126.11	50,110.45
(b) Fees and commission income	17	1,189.95	1,585.91
(c) Net gain on fair value changes	18	910.79	1,232.34
<b>Total Revenue from operations (A)</b>		<b>76,226.85</b>	<b>52,928.70</b>
Other income (B)	19	6.86	47.97
<b>Total income (A+B)</b>		<b>76,233.71</b>	<b>52,976.67</b>
<b>Expenses</b>			
(a) Finance costs	20	20,037.60	13,100.99
(b) Impairment on financial instruments	21	4,200.47	1,808.34
(c) Employee benefits expense	22	21,893.25	14,325.09
(d) Depreciation, amortization and impairment	23	707.50	511.83
(e) Other expenses	24	4,542.28	2,940.80
<b>Total expenses (C)</b>		<b>51,381.10</b>	<b>32,687.05</b>
<b>Profit before tax (A+B-C)</b>		<b>24,852.61</b>	<b>20,289.62</b>
<b>Tax expense:</b>			
(1) Current tax	26	7,006.47	5,454.28
(2) Deferred tax	27	(654.18)	(315.50)
		<b>6,352.29</b>	<b>5,138.78</b>
<b>Profit for the year</b>		<b>18,500.32</b>	<b>15,150.84</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
(i) Re-measurement of net defined benefit plans	29	11.73	6.23
(ii) Income tax relating to items that will not be reclassified to profit and loss	27	(2.95)	(1.57)
<b>Total other comprehensive income</b>		<b>8.78</b>	<b>4.66</b>
<b>Total comprehensive income for the year</b>		<b>18,509.10</b>	<b>15,155.50</b>
<b>Earnings per equity share</b>	25		
Basic (Rs.)		<b>99.32</b>	<b>85.86</b>
Diluted (Rs.)		<b>93.70</b>	<b>82.49</b>
Nominal value per share (Rs.)		<b>10.00</b>	<b>10.00</b>

The accompanying notes are forming part of financial statements

In terms of our report attached

**For T R Chadha & Co LLP**

Chartered Accountants

Firm's Registration No. 006711N/500028

**For and on behalf of Board of Directors of**

**FINOVA CAPITAL PRIVATE LIMITED**

sd/-

**Aashish Gupta**

Partner

Membership No. 097343

Place: Gurugram

Date: 29 April, 2025

sd/-

**Mohit Sahney**

Managing Director & CEO

DIN: 07280918

Place: Jaipur

Date: 29 April, 2025

sd/-

**Sunita Sahney**

Executive Director

DIN: 02395354

Place: Jaipur

Date: 29 April, 2025

sd/-

**Ravi Sharma**

Chief Financial Officer

Place: Jaipur

Date: 29 April, 2025

sd/-

**Jaikishan Premani**

Company Secretary

M. No: A42043

Place: Jaipur

Date: 29 April, 2025

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2025**

**A. Equity Share Capital**

Particulars	Rs. /Lakhs
As at 1 April, 2023	511.01
Converted from preference shares	78.95
As at 31 March, 2024	589.96
Issue of share capital	0.14
As at 31 March, 2025	590.10

**B. Preference Share Capital**

Particulars	Rs. /Lakhs
As at 1 April, 2023	12,535.80
Conversion of preference shares to equity shares	(789.60)
As at 31 March, 2024	11,746.20
Issue of share capital	2,105.27
As at 31 March, 2025	13,851.47

**C. Other Equity**

	Reserves and surplus				Total
	Statutory reserves as per section 45 (IC) of the RBI Act. 1934	Share based payment reserve	Securities Premium	Retained earnings	
	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
As at 1 April, 2023	3,148.31	262.69	72,469.90	12,010.77	87,891.67
Profit for the year (i)	-	-	-	15,150.84	15,150.84
Other comprehensive income for the year (ii)	-	-	-	4.66	4.66
<b>Total Comprehensive Income for the year (i+ii)</b>	-	-	-	15,155.50	15,155.50
Addition during the year	3,031.10	-	-	-	3,031.10
Transfer to reserve from retained earnings during the year	-	-	-	(3,031.10)	(3,031.10)
Share premium on issue of share capital	-	-	710.64	-	710.64
Premium utilised during the year for issue of shares	-	-	-	-	-
Share based payments	-	172.76	-	-	172.76
As at 31 March, 2024	6,179.42	435.45	73,180.54	24,135.16	1,03,930.57
Profit for the year (iii)	-	-	-	18,500.32	18,500.32
Other comprehensive income for the year (iv)	-	-	-	8.78	8.78
<b>Total Comprehensive Income for the year (iii+iv)</b>	-	-	-	18,509.10	18,509.10
Addition during the year	3,701.82	-	-	-	3,701.82
Transfer to reserve from retained earnings during the year	-	-	-	(3,701.82)	(3,701.82)
Share premium on issue of share capital	-	-	57,899.98	-	57,899.98
Share premium utilised for Expenses on issue of shares	-	-	(440.09)	-	(440.09)
Share based payments	-	95.20	-	-	95.20
As at 31 March, 2025	9,881.24	530.65	1,30,640.43	38,942.44	1,79,994.76

**Note:**

i. During the year there has been no change in equity share capital and other equity on account of prior period errors

The accompanying notes are forming part of financial statements

In terms of our report attached  
**For T R Chadha & CO LLP**  
Chartered Accountants  
Firm's Registration No. 006711N/500028

**For and on behalf of Board of Directors of**  
**FINOVA CAPITAL PRIVATE LIMITED**

sd/-  
**Aashish Gupta**  
Partner  
Membership No. 097343  
Place: Gurugram  
Date: 29 April, 2025

sd/-  
**Mohit Sahney**  
Managing Director & CEO  
DIN: 07280918  
Place: Jaipur  
Date: 29 April, 2025

sd/-  
**Sunita Sahney**  
Executive Director  
DIN: 02395354  
Place: Jaipur  
Date: 29 April, 2025

sd/-  
**Ravi Sharma**  
Chief Financial Officer  
Place: Jaipur  
Date: 29 April, 2025

sd/-  
**Jaikishan Premani**  
Company Secretary  
M. No: A42043  
Place: Jaipur  
Date: 29 April, 2025

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2025**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	Rs./Lakhs	Rs./Lakhs
<b>A Cash flow from operating activities:</b>		
Net profit before tax as per statement of profit and loss	24,852.61	20,289.62
Depreciation and amortisation of Property plant equipments, right of use assets and other intangible asset	707.50	511.83
Net gain on sale of current investments	(1,018.84)	(1,169.15)
Amortization of ancillary cost	150.33	678.49
(Reversal)/Provision for expected credit loss (ECL)	1,484.19	1,487.78
Employee stock option expense	95.20	172.76
Loss on sale of property, plant and equipment	29.44	14.71
Fair value change of investments	108.05	(63.19)
<b>Operating profit before working capital changes</b>	<b>26,408.48</b>	<b>21,922.85</b>
<b>Changes in working capital</b>		
(Increase)/decrease in loans	(82,069.55)	(1,02,757.94)
(Increase)/decrease in bank balance other than cash and cash equivalents	3,455.34	14,045.89
(Increase)/decrease in other financial assets	(300.45)	(685.52)
(Increase)/decrease in non financial assets	(10.01)	(40.42)
(Increase)/decrease in trade and other payables	191.29	1,221.05
(Increase)/decrease in lease liabilities	(11.52)	216.37
(Increase)/decrease in provisions	324.16	136.49
(Increase)/decrease in other non-financial liabilities	430.52	171.83
<b>Total of changes in working capital</b>	<b>(77,990.22)</b>	<b>(87,692.23)</b>
Direct taxes paid	(8,141.72)	(5,549.59)
<b>Net cash flow (used in) operating activities (A)</b>	<b>(59,723.46)</b>	<b>(71,318.97)</b>
<b>B Cash flow from investing activities:</b>		
<b>Inflow (outflow) on account of :</b>		
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(1,136.19)	(1,386.15)
Sale of Property, plant and equipment (including capital work-in-progress)		
Purchase of Investments	(2,05,732.57)	(1,27,460.44)
Sale of property, plant and equipment	63.38	32.05
Sale of Investments	1,63,687.59	1,19,817.96
Fixed deposit		
Credit Substitutes		
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(43,117.79)</b>	<b>(8,996.58)</b>
<b>C Cash flow from financing activities:</b>		
Issue of equity shares (including share premium)	60,005.38	-
Share issue expenses	(440.09)	-
<b>Proceeds from borrowings</b>		
Bank Borrowings (bank borrowings other than debt securities)	90,900.00	1,14,800.00
Borrowings under securitisation	13,284.74	16,227.09
<b>Repayment of borrowings</b>		
Debt securities	(468.36)	(4,460.46)
Bank Borrowings (bank borrowings other than debt securities)	(68,438.26)	(38,772.23)
Associated liabilities in respect of securitisation transactions	9,406.91	(196.73)
<b>Net Cash flow from financing activities (C)</b>	<b>1,04,250.33</b>	<b>87,597.67</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,409.08</b>	<b>7,282.12</b>
Cash and cash equivalents as at the beginning of the year	8,570.99	1,288.87
Cash and cash equivalents at the end of the year	<b>9,980.07</b>	<b>8,570.99</b>

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2025**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	<b>Rs./Lakhs</b>	<b>Rs./Lakhs</b>
Cash on hand	297.74	137.51
Balance with banks		
In current accounts	2,178.18	2,025.21
In deposit account	7,504.16	6,408.27
<b>Total cash and cash equivalents</b>	<b>9,980.08</b>	<b>8,570.99</b>
<b>Operational Cash Flow from Interest</b>		
Interest Received	69,133.45	48,026.11
Interest Paid	19,526.49	12,952.39

Note:-

- 1 Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".
- 2 Previous year figures have been regrouped/reclassified wherever applicable.
- 3 For change in liabilities arises from financial activities. Refer Note 33(a).

The accompanying notes are forming part of financial statements

In terms of our report attached

**For T R Chadha & Co LLP**  
Chartered Accountants  
Firm's Registration No. 006711N/500028

**For and on behalf of Board of Directors of  
FINOVA CAPITAL PRIVATE LIMITED**

sd/-

**Aashish Gupta**  
Partner  
Membership No. 097343  
Place: Gurugram  
Date: 29 April, 2025

sd/-

**Mohit Sahney**  
Managing Director & CEO  
DIN: 07280918  
Place: Jaipur  
Date: 29 April, 2025

sd/-

**Sunita Sahney**  
Executive Director  
DIN: 02395354  
Place: Jaipur  
Date: 29 April, 2025

sd/-

**Ravi Sharma**  
Chief Financial Officer  
Place: Jaipur  
Date: 29 April, 2025

sd/-

**Jaikishan Premani**  
Company Secretary  
M. No: A42043  
Place: Jaipur  
Date: 29 April, 2025



**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

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### **1.1 Corporate Information**

Finova Capital Private Limited is a Private Limited Company ("The Company") and incorporated under the provisions of the Companies Act, 2013 having Corporate Identification No. is (CIN) U65993RJ2015PTC048340 on September 24, 2015.

The Company engaged in lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The Company had obtained its licence from Reserve Bank of India (RBI) to operate as Non deposit Accepting Non Banking Financial Company (NBFC-ND) on March 02, 2016 vide registration No. B.10.00236.

The registered office of the Company is located at 702, Seventh Floor, Unique Aspire, Plot No. 13-14, Cosmo Colony, Amrapali Marg, Vaishali Nagar, Jaipur-302021 (Rajasthan).

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 29 April, 2025.

### **1.2 Statement of compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of Companies Act, 2013 (the Act) along with other relevant provisions of the Act and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by RBI.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the lakhs (with two digit), except when otherwise indicated.

The regulatory disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by Reserve Bank of India ('RBI Master Directions') to be included as a part of the Notes forming part of the financial statements as prepared as per the requirements.

### **1.3 Basis of preparation and presentation**

The financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention except for the assets and liabilities measured at fair value as follows:

- certain financial assets and liabilities and contingent consideration is measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments – measured at fair value.

For information on the measurement of fair value and other policies refer note 1.6.13.3 and 1.6.

### **1.4 Presentation of financial statements**

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 35.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

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

## 1.5 Use of estimates

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

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

### 1.5.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principle and Interest ('SPPI') and the business model test. The Company determines the business model at a level that reflects how Company's 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 been a change in business model and so a prospective change to the classification of those assets.

### 1.5.2 Impairment of financial assets

The measurement of impairment losses across all categories, except asset valued at fair value through profit and loss account (FVTPL), of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's Expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include:

- The Company's internal model, which assigns Probability of defaults ('PDs') to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime ECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on Probability of defaults ('PDs'), Exposure at Default ('EADs') and Loss given Defaults ('LGDs')

Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

### 1.5.3 Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

#### 1.5.4 Fair value measurement 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. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

#### 1.5.5 Effective Interest Rate ('EIR') method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

### 1.6 Material accounting policies

#### 1.6.1 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### 1.6.2 Revenue recognition

##### 1.6.2.1 Interest and similar income

Interest income is recorded using the effective interest rate ('EIR') method for all financial instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income ('FVOCI') and debt instruments designated at fair value through profit and loss ('FVPTL').

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

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

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets, other than credit-impaired assets under stage 3. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3,' the Company recognises interest income on receipts basis.

##### 1.6.2.2 Income other than interest

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - "Revenue from contracts with customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

#### **1.6.2.3 Fee and commission income**

All other financial charges such as cheque return charges, legal charges, collection charges etc. are recognized on receipt basis. These charges are treated to accrue on realization, due the uncertainty of their realization.

#### **1.6.2.4 Other Income**

Income on units of mutual funds is recognized on receipt basis as and when redeemed in cash based on the NAV of redemption date. The company also recognises gain on fair value change of mutual fund measured at FVTPL. All Other income is recognized on accrual basis of accounting principle.

### **1.6.3 Property, plant and equipment**

Property, plant and equipment are stated at acquisition cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, non-refundable taxes or levies, borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

### **1.6.4 Intangible Assets**

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably. Computer software which is not an integral part of the related hardware is classified as an intangible asset. Intangible assets are measured and recorded at cost and carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life as determined by management. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

### **1.6.5 Depreciation and amortization**

#### **1.6.5.1 Depreciation**

Depreciation on property, plant and equipment's is calculated on straight line basis. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 as under:

Particular	Useful Life (years)
Leasehold	3-5
Furniture and Fixtures	10
Vehicle	8-8
Computer, printers	3-6
Electrical installations	10
Office Equipment	5-10

Salvage Value of the assets has been taken @5% of Original Cost (except intangible assets) as prescribed in Schedule II.

Depreciation on assets acquired/ sold during the period is recognized on a pro-rata basis to the statement of profit and loss from/ upto the date of acquisition/ sale.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate.

#### **1.6.5.2 Amortization**

The Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company estimates the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds five years, the Company amortizes the intangible asset over the best estimate of its useful life.

#### **1.6.6 Impairment of non-financial assets**

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

#### **1.6.7 Leases**

##### **1.6.7.1 Company as a lessee:**

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

- The contract involves the use of an identified asset
- The Company has substantially all the economic benefits from use of the asset through the period of the lease and
- The Company has the right to direct the use of the asset

##### **1.6.7.2 Measurement and recognition:**

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short term Lease:

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of less than 12 months and where the value of rent is less than Rs. 0.50 lakh per month. The Company recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

Under Ind AS 17: In the comparative period, as a lessee the Company classified leases that transfer substantially all the risk and reward of ownership as finance leases. Assets held under other leases are classified as operating lease and were not recognised in Company Balance sheet. Payment made under operating lease were recognised in profit and loss on a straight-line basis over the term of lease.

**1.6.7.3 Company as a lessor:**

As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

**1.6.8 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement, pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**1.6.9 Contingent liabilities and assets**

**1.6.9.1 Contingent liabilities**

The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date.

**1.6.9.2 Contingent assets**

Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

**1.6.10 Employee benefits**

**1.6.10.1 Defined contribution plan**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. 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 recognized 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 recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

**1.6.10.2 Defined benefit plan**

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'. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit Method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability 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 year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in Profit or Loss on the earlier of: The date of the plan amendment or curtailment, and The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss: Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income.

#### **1.6.10.3 Compensated absences**

Compensated absences are recognized as a liability and an expense when employees have rendered service that increases their entitlement to future compensated absences and the obligation can be estimated reliably. The liability is measured as the amount of the benefit that employees have earned at the reporting date that is expected to be paid out after the reporting period, using the remuneration rates that are expected to apply at the time the absence is taken.

#### **1.6.11 Taxes**

Tax expense comprises current and deferred tax. The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

##### **1.6.11.1 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 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

##### **1.6.11.2 Deferred tax**

Deferred taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

#### **1.6.12 Earning per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders of the company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as shared based payments, bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 1.6.13 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.

#### 1.6.13.1 Financial assets

##### Initial recognition and measurement

The financial asset is held within a business model with the objective to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them.

Accordingly, the Company measures bank balances, loans and advances, trade receivables and other financial instruments at amortised cost.

##### Classification and subsequent measurement

The financial asset at amortised cost subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gain and losses and impairment are recognised in statement of profit and loss. Any gain and loss on derecognition is recognised in statement of profit and loss.

For the purpose of subsequent measurement, financial assets are classified in three categories:

- Debt instrument at amortised cost
- Debt instrument and equity instruments at fair value through profit or loss (FVTPL)

##### Debt instruments at amortised costs

A debt instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised 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 amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

##### Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.



**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 the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**Derecognition due to modification of terms and conditions**

The Company de-recognizes a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchase Oriented Credit Impaired ("POCI").

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

#### **1.6.13.2 Financial Liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

The Company's financial liabilities include loans, debentures and borrowings including bank overdrafts and trade & other payables.

##### **Loans, Debenture and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the Statement of profit and loss.

##### **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

##### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

##### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### **1.6.13.3 Reclassification of financial assets and liabilities**

The Company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

#### 1.6.13.4 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows,

based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

#### 1.6.13.5 Impairment of financial assets

##### Overview of the impairment principles ('ECL')

The Company records allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL, (in this section all referred to as 'financial instruments'). Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined further in notes.

The 12months ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on individual basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, whether credit risk of a financial asset has increased significantly since initial recognition and while determining this & estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available with the company. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.

Based on the above process, the Company group its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECLs.

#### 1.6.13.6 Calculation of ECLs

The Company calculates ECLs based on a probability weighted scenarios and historical data to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The key elements of the ECL calculations are as follows:

- PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognised and is still in the portfolio.
- EAD - The Exposure at Default is the current exposure as on the reporting date.
- LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on actual cash flows received from the financial asset, including from the realisation of any collateral and discounted by EIR. It is usually expressed as a percentage of the EAD.

The maximum year for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1:

The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3:

For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

#### 1.6.13.7 Definition of Default

The Company considers a financial instrument as defaulted and considered it as Stage 3 (credit-impaired) for ECL calculations in all cases, when the borrower account becomes overdue for more than 90 days..

Loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower

#### Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

#### 1.6.13.8 Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like WPI, Consumer Price Index etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships to reflect such macro-economic trends reasonably.

#### 1.6.13.9 Write-offs

##### Collateral repossessed

Based on operational requirements, the Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category for capitalisation at their fair market value. The Company generally does not use the assets repossessed for the internal operations.

These repossessed assets which are intended to be realised by way of sale are considered equivalent to Stage 3 assets and the ECL allowance is determined based on the estimated net realisable value of the repossessed asset. The Company resorts to regular repossession of collateral provided against vehicle loans.

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

#### **1.6.14 Share based payments**

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting year, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

#### **1.7 Other accounting policies**

Non-material accounting policies encompass those that hold importance for the Company's financial statements without being material in terms of their impact on the financial statements.

##### **1.7.1 Foreign currencies**

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

##### **1.7.2 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.

#### **1.8 Recent accounting pronouncements**

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendment to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements based on its evaluation has determined that it does not have any significant impact in its financial statements.

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31 March , 2025 Rs. /Lakhs	As at 31 March , 2024 Rs. /Lakhs
<b>2 CASH AND CASH EQUIVALENTS</b>		
a. Cash in hand	297.74	137.51
b. Balance with banks		
- In current accounts	2,178.18	2,025.21
- In deposits where original maturity is less than 3 months	7,504.16	6,408.27
	<b>9,980.08</b>	<b>8,570.99</b>

**Notes**

- a. There are no cash and cash equivalents which is not available for use by the company

**3 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

a. In deposit where original maturity is more than 12 months (Refer Note i and ii below)	17,744.56	21,199.90
b. In deposit where original maturity is more than 3 months less than 12 months (Refer Note ii below)	-	-
	<b>17,744.56</b>	<b>21,199.90</b>

**Notes**

- i. In deposit where original maturity is more than 12 months include deposit under lien mark aggregating to 5,603.65 1,559.96
- ii. Cash collateral for securitisation 1,732.52 650.44

**4 LOANS**  
**(At amortised cost)**

Term loans - gross	3,47,717.46	2,65,647.92
Less: Impairment loss allowance	4,750.59	3,266.41
	<b>3,42,966.87</b>	<b>2,62,381.51</b>

**Summary of term loans based upon security**

Secured by tangible assets (Refer note 'a' below)	3,47,019.01	2,65,108.19
Unsecured	698.45	539.73
<b>Term loans - Gross</b>	<b>3,47,717.46</b>	<b>2,65,647.92</b>
Less: Impairment loss allowance	4,750.59	3,266.41
<b>Term loans - Net</b>	<b>3,42,966.87</b>	<b>2,62,381.51</b>

**Summary of term loans based on geographical location**

**Loans in India**

Public sector	-	-
Others	3,47,717.46	2,65,647.92
	<b>3,47,717.46</b>	<b>2,65,647.92</b>
Less: Impairment loss allowance	4,750.59	3,266.41
	<b>3,42,966.87</b>	<b>2,62,381.51</b>

**Loans outside India**

	-	-
	<b>3,42,966.87</b>	<b>2,62,381.51</b>
Loan sanctioned but undisbursed amount	3,153.94	3,779.73
Loans include unsecured loans to employees	19.08	43.35
Loans include unsecured loans to micro and small medium enterprises	679.37	496.37
Management overlay provision	-	1,168.43
Loan to promoters, directors, Key managerial personnels and other related parties	-	-

**Notes**

- a. Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property. The secured loan includes hypothecation/mortgage under process.
- b. The detailed information of impairment assessment and measurement approach given in Summary of significant accounting policies - note no. IB.1.6.13.4
- c. The Company has defined risk assessment model in note no. 33.
- d. For Disclosures as per Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2023 (Refer Note 40).

FINOVA CAPITAL PRIVATE LIMITED  
CIN- U65993RJ2015PTC048340  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31 March , 2025	As at 31 March , 2024
	Rs. /Lakhs	Rs. /Lakhs
<b>5 INVESTMENTS</b>		
<b>Quoted</b>		
Investment in mutual funds (Refer Note i below)	11,844.76	6,119.72
<b>Unquoted</b>		
Security Receipts to ARC (At fair value through profit and loss)	4,509.78	-
Investment in Commercial Paper	15,548.38	9,762.98
Investment in NCD (At amortised cost)	26,935.55	-
	<b>58,838.47</b>	<b>15,882.70</b>
Investment outside India	-	-
Investments in India	58,838.47	15,882.70
	<b>58,838.47</b>	<b>15,882.70</b>
<b>Note: -</b>		
i. Investment in mutual fund under lien towards overdraft facility from banks.	427.48	398.15
<b>6 OTHER FINANCIAL ASSETS</b>		
a. Security deposit*	492.34	428.36
b. Other receivables	696.75	460.28
	<b>1,189.09</b>	<b>888.64</b>

\* The security deposit includes margin money Rs. 349.06 Lakhs (Previous year Rs. 343.41 Lakhs) held with financial institution are under lien as security against credit enhancement.



**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Expected Credit Loss ('ECL')**

An analysis of the changes in the gross carrying amount of loans secured by tangible assets and the corresponding Expected Credit Loss ('ECL') allowance, pertaining to all asset classes is provided below:

	Stage 1	Stage 2	Stage 3	Total
	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
<b>Gross Carrying amount as at 1 April, 2024</b>	<b>2,57,071.83</b>	<b>3,812.94</b>	<b>4,763.15</b>	<b>2,65,647.92</b>
New Assets originated or increase in existing assets	1,39,692.81	-	-	1,39,692.81
Financial Assets that have been derecognised or repaid	(47,100.38)	(1,185.04)	(8,553.10)	(56,838.52)
Transfer from Stage 1	(19,627.48)	8,431.83	11,195.66	-
Transfer from Stage 2	430.96	(2,321.86)	1,890.90	-
Transfer from Stage 3	107.35	104.51	(211.86)	-
Write offs	-	-	(784.74)	(784.74)
<b>Gross Carrying amount as at 31 March 2025</b>	<b>3,30,575.08</b>	<b>8,842.37</b>	<b>8,300.01</b>	<b>3,47,717.46</b>

	Stage 1	Stage 2	Stage 3	Total
	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
<b>Gross Carrying amount as at 1 April, 2023</b>	<b>1,58,781.54</b>	<b>2,527.36</b>	<b>1,581.08</b>	<b>1,62,889.98</b>
New Assets originated or increase in existing assets	1,34,969.87	-	-	1,34,969.87
Financial Assets that have been derecognised or repaid	(30,244.11)	(353.62)	(1,293.64)	(31,891.37)
Transfer from Stage 1	(7,477.81)	3,316.08	4,161.73	-
Transfer from Stage 2	952.43	(1,724.62)	772.19	-
Transfer from Stage 3	89.91	47.74	(137.65)	-
Write offs	-	-	(320.56)	(320.56)
<b>Gross Carrying amount as at 31 March 2024</b>	<b>2,57,071.83</b>	<b>3,812.94</b>	<b>4,763.15</b>	<b>2,65,647.92</b>

	Stage 1	Stage 2	Stage 3	Total
	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
<b>ECL Allowance as at 1 April, 2024</b>	<b>1,054.98</b>	<b>67.30</b>	<b>2,144.13</b>	<b>3,266.42</b>
New Assets originated or increase in existing assets	355.25	801.43	3,285.87	4,442.55
Financial Assets that have been derecognised or repaid	(935.40)	(43.54)	(1,657.68)	(2,636.62)
Transfer from Stage 1	(82.37)	33.47	48.89	-
Transfer from Stage 2	7.51	(41.95)	34.44	-
Transfer from Stage 3	48.12	47.28	(95.40)	-
Write offs	-	-	(321.73)	(321.73)
<b>ECL Allowance as at 31 March 2025</b>	<b>448.10</b>	<b>863.99</b>	<b>3,438.51</b>	<b>4,750.61</b>

	Stage 1	Stage 2	Stage 3	Total
	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
<b>ECL Allowance as at 1 April, 2023</b>	<b>671.12</b>	<b>42.71</b>	<b>1,064.80</b>	<b>1,778.63</b>
New Assets originated or increase in existing assets	429.85	5.33	1,452.24	1,887.42
Financial Assets that have been derecognised or repaid	(0.75)	(7.64)	(246.97)	(255.36)
Transfer from Stage 1	(114.38)	17.02	97.36	-
Transfer from Stage 2	7.93	(22.32)	14.39	-
Transfer from Stage 3	61.21	32.20	(93.41)	-
Write offs	-	-	(144.28)	(144.28)
<b>ECL Allowance as at 31 March 2024</b>	<b>1,054.98</b>	<b>67.30</b>	<b>2,144.13</b>	<b>3,266.41</b>

Finova Capital Private Limited  
CIN- U65993RJ2015PTC048340  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**7 (a) PROPERTY PLANT AND EQUIPMENT**

	Lease hold Improvements	Computer and printers	Office equipments	Electrical installations	Vehicles	Furniture and fixtures	Total
	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
<b>At cost</b>							
<b>As at 01 April, 2023</b>	<b>478.47</b>	<b>424.58</b>	<b>143.66</b>	<b>17.97</b>	<b>218.27</b>	<b>267.06</b>	<b>1,550.01</b>
Additions	10.09	449.42	142.91	-	227.27	184.34	1,014.03
Disposals	-	34.79	6.75	0.25	80.52	9.48	131.79
<b>As at 31 March, 2024</b>	<b>488.56</b>	<b>839.21</b>	<b>279.82</b>	<b>17.72</b>	<b>365.02</b>	<b>441.92</b>	<b>2,432.25</b>
Additions	9.91	384.87	145.78	-	145.11	158.90	844.57
Disposals	0.06	120.45	7.85	0.30	57.73	17.11	203.50
<b>As at 31 March, 2025</b>	<b>498.41</b>	<b>1,103.63</b>	<b>417.75</b>	<b>17.42</b>	<b>452.40</b>	<b>583.71</b>	<b>3,073.32</b>
<b>Depreciation</b>							
<b>As at 01 April, 2023</b>	<b>244.48</b>	<b>147.95</b>	<b>60.51</b>	<b>8.60</b>	<b>60.15</b>	<b>77.13</b>	<b>598.84</b>
Charge for the year	104.90	188.47	33.50	1.66	32.72	34.13	395.38
Disposals	-	28.20	4.00	0.15	52.71	3.65	88.71
<b>As at 31 March, 2024</b>	<b>349.37</b>	<b>308.22</b>	<b>90.00</b>	<b>10.11</b>	<b>40.16</b>	<b>107.61</b>	<b>905.51</b>
Charge for the year	89.85	301.02	62.75	1.67	49.98	52.82	558.08
Disposals	0.06	99.74	4.18	0.28	6.55	7.78	118.59
<b>As at 31 March, 2025</b>	<b>439.16</b>	<b>509.50</b>	<b>148.57</b>	<b>11.50</b>	<b>83.59</b>	<b>152.65</b>	<b>1,345.00</b>
<b>Net book value</b>							
<b>As at 31 March, 2024</b>	<b>139.19</b>	<b>530.99</b>	<b>189.82</b>	<b>7.61</b>	<b>324.86</b>	<b>334.31</b>	<b>1,526.74</b>
<b>As at 31 March, 2025</b>	<b>59.25</b>	<b>594.13</b>	<b>269.18</b>	<b>5.92</b>	<b>368.81</b>	<b>431.06</b>	<b>1,728.32</b>

**Note:**

- i. Leasehold improvements consist of expenditures incurred for construction on the property obtained on lease, as disclosed in Note 7(b) - Right of use assets.
- ii. There has been no revaluation of Property, Plants, and Equipment during the current financial year or the previous financial year.
- iii. There is no proceeding initiated against the company for the properties under the Benami Transactions (Prohibition) Act, 1908 and the rules made thereunder.

Finova Capital Private Limited  
CIN- U65993RJ2015PTC048340  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**7 (b) CAPITAL-WORK-IN PROGRESS**

	<b>Lease Hold Improvements</b>	<b>Total</b>
	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>
<b>As at 1 April, 2024</b>	-	-
Additions	63.50	63.50
<b>As at 31 March, 2025</b>	<b>63.50</b>	<b>63.50</b>

i. Capital Work in Progress ageing schedule as at 31 March, 2025: -

	<b>Rs. /Lakhs</b>				
<b>Particular</b>	<b>Amount in Intangible assets under development for a period</b>				
	<b>Less than 1 Years</b>	<b>Greater than 1 year but less than 2 Years</b>	<b>Greater than 2 year but less than 3 Years</b>	<b>More than 3 years</b>	<b>Total</b>
Project in Progress	63.50	-	-	-	<b>63.50</b>

Capital Work in Progress ageing schedule as at 31 March, 2024: -

	<b>Rs. /Lakhs</b>				
<b>Particular</b>	<b>Amount in Intangible assets under development for a period</b>				
	<b>Less than 1 Years</b>	<b>Greater than 1 year but less than 2 Years</b>	<b>Greater than 2 year but less than 3 Years</b>	<b>More than 3 years</b>	<b>Total</b>
Project in Progress	-	-	-	-	-

ii. Capital work in progress does not include any project which is temporarily shut down

Finova Capital Private Limited  
CIN- U65993RJ2015PTC048340  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**7 (c) RIGHT OF USE ASSETS**

	<b>Amount</b>
	<b>Rs. /Lakhs</b>
<b>At cost</b>	
<b>As at 01 April, 2023</b>	<b>433.54</b>
Additions	284.25
<b>As at 31 March, 2024</b>	<b>717.79</b>
Additions	60.71
<b>As at 31 March, 2025</b>	<b>778.50</b>
<b>Depreciation</b>	
<b>As at 01 April, 2023</b>	<b>210.96</b>
Charge for the year	74.48
<b>As at 31 March, 2024</b>	<b>285.44</b>
Charge for the year	89.83
<b>As at 31 March, 2025</b>	<b>375.27</b>
<b>Net book value</b>	
<b>As at 31 March, 2024</b>	<b>432.35</b>
<b>As at 31 March, 2025</b>	<b>403.23</b>

**7 (d) INTANGIBLE ASSETS UNDER DEVELOPMENT**

	<b>Software</b>	<b>Total</b>
	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>
<b>As at 01 April, 2023</b>	<b>6.08</b>	<b>6.08</b>
Additions	12.47	12.47
Asset capitalized during the year	(2.24)	(2.24)
<b>As at 31 March, 2024</b>	<b>16.31</b>	<b>16.31</b>
Additions	20.50	20.50
Asset capitalized during the year	(8.46)	(8.46)
<b>As at 31 March, 2025</b>	<b>28.35</b>	<b>28.35</b>

Finova Capital Private Limited  
CIN- U65993RJ2015PTC048340  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**Notes**

i. Intangible asset under development ageing schedule as at 31 March, 2025: -

Particular	Amount in Intangible assets under development for a period					Rs. /Lakhs
	Less than 1 Years	Greater than 1 year but less than 2 Years	Greater than 2 year but less than 3 Years	More than 3 years	Total	
Project in Progress	20.50	7.85	-	-	28.35	

Intangible asset under development ageing schedule as at 31 March, 2024: -

Particular	Amount in Intangible assets under development for a period					Rs. /Lakhs
	Less than 1 Years	Greater than 1 year but less than 2 Years	Greater than 2 year but less than 3 Years	More than 3 years	Total	
Project in Progress	12.47	3.84	-	-	16.31	

ii. The intangible asset under development does not include any projects that are temporarily shut down or under suspension.

Finova Capital Private Limited  
CIN- U65993RJ2015PTC048340  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**7 (e) OTHER INTANGIBLE ASSETS**

	Software Rs. /Lakhs	Copyright Rs. /Lakhs	Trademark Rs. /Lakhs	Total Rs. /Lakhs
<b>As at 01 April, 2023</b>	<b>184.84</b>	<b>0.23</b>	<b>0.15</b>	<b>185.22</b>
Additions	64.48	-	-	64.48
Disposals	-	-	-	-
<b>As at 31 March, 2024</b>	<b>249.32</b>	<b>0.23</b>	<b>0.15</b>	<b>249.70</b>
Additions	97.06	-	-	97.06
Disposals	8.27	-	-	8.27
<b>As at 31 March, 2025</b>	<b>338.11</b>	<b>0.23</b>	<b>0.15</b>	<b>338.49</b>
<b>Amortization</b>				
<b>As at 01 April, 2023</b>	<b>58.90</b>	<b>0.21</b>	<b>0.14</b>	<b>59.24</b>
Charge for the year	41.97	-	-	41.97
<b>As at 31 March, 2024</b>	<b>100.87</b>	<b>0.21</b>	<b>0.14</b>	<b>101.21</b>
Charge for the year	59.59	-	-	59.59
Disposals	7.77	-	-	7.77
<b>As at 31 March, 2025</b>	<b>152.69</b>	<b>0.21</b>	<b>0.14</b>	<b>153.03</b>
<b>Net book value</b>				
<b>As at 31 March, 2024</b>	<b>148.45</b>	<b>0.02</b>	<b>0.01</b>	<b>148.49</b>
<b>As at 31 March, 2025</b>	<b>185.42</b>	<b>0.02</b>	<b>0.01</b>	<b>185.46</b>

**Note**

- i. During the current financial year and in the previous financial year there is no revaluation of Intangible assets.

FINOVA CAPITAL PRIVATE LIMITED  
CIN- U65993RJ2015PTC048340  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7(f) Leases

The change in the carrying value of right to use assets are as follows

Particulars	As at 31 March, 2025	As at 31 March, 2024
	Rs. /Lakhs	Rs. /Lakhs
Opening balance of right to use assets	432.35	222.58
Addition during the year	60.71	284.25
Depreciation/Amortization during the year	(89.83)	(74.48)
<b>Closing balance of right to use assets</b>	<b>403.23</b>	<b>432.35</b>

Movement in lease liability are as follows:

Opening Balance of Lease Liability	490.36	273.99
Addition during the year	59.50	277.19
Interest during the year	61.57	46.42
Payment of lease liability	(132.59)	(107.24)
<b>Closing balance of lease liability</b>	<b>478.84</b>	<b>490.36</b>

Amount recognised in profit and loss account are as follows:

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
	Rs. /Lakhs	Rs. /Lakhs
Finance Cost*	61.57	46.42
Depreciation Cost	89.83	74.48
<b>Total</b>	<b>151.40</b>	<b>120.90</b>

\* The amount in Note 20 is disclosed net of Rs 2.12 lakhs for March 31, 2025 (1.79 lakhs for previous year) interest income on security deposits.

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
	Rs. /Lakhs	Rs. /Lakhs
Total cash outflow for leases	132.59	107.24
<b>Total</b>	<b>132.59</b>	<b>107.24</b>

The table below provides details regarding the maturities of lease liabilities as at 31 March, 2025 on an discounted basis

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
	Rs. /Lakhs	Rs. /Lakhs
Tenure		
Before 3 months	18.71	31.13
3-6 months	18.49	30.52
6-12 months	35.38	62.06
1-3 years	132.20	128.86
3-5 years	110.72	117.38
Above 5 years	163.34	175.55
<b>Total</b>	<b>478.84</b>	<b>545.50</b>

The table below provides details regarding the maturities of lease liabilities as at 31 March, 2025 on an undiscounted basis

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
	Rs. /Lakhs	Rs. /Lakhs
Tenure		
Before 3 months	32.88	31.13
3-6 months	32.12	30.52
6-12 months	60.97	62.06
1-3 years	214.91	214.45
3-5 years	163.33	173.57
Above 5 years	191.61	215.82
<b>Total</b>	<b>695.83</b>	<b>727.55</b>

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31 March, 2025	As at 31 March, 2024
	Rs./Lakh	Rs./Lakh
<b>Other disclosure</b>		
Depreciation charge for right-of-use assets by class of underlying asset	89.83	74.48
Interest expense on lease liabilities.	61.57	46.42
The expense relating to short-term leases including leases with a lease term of 12 month or less	117.22	141.01
The expense relating to leases of low-value assets	622.98	344.92
The expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Payment of lease liabilities	132.59	107.24
Total cash outflow for leases.	132.59	107.24
Additions to right-of-use assets	60.71	284.25
Gains or losses arising from sale and leaseback transactions;	-	-
The carrying amount of right-of-use assets	403.23	432.35

**The company has paid following rent on amount of short term leases where the lease term was less than 12 months or monthly rent is below 50K**

	Year ended 31 March, 2025	Year ended 31 March, 2024
	Rs. /Lakhs	Rs. /Lakhs
Short Term lease (including rent, rates and taxes)	740.20	485.93
<b>Total</b>	<b>740.20</b>	<b>485.93</b>



**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31 March , 2025 Rs. /Lakhs	As at 31 March , 2024 Rs. /Lakhs
<b>8 OTHER NON- FINANCIAL ASSETS</b>		
a. Capital advance	62.50	11.60
b. Prepaid expenses	90.26	80.25
	<b>152.76</b>	<b>91.85</b>
<b>9 PAYABLES</b>		
<b>a. Trade payable (Refer Note below i)</b>		
Total outstanding dues of Micro Enterprises and Small Enterprises	19.39	1.81
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,170.33	513.87
	<b>1,189.72</b>	<b>515.68</b>
<b>b. Other payable (Refer Note below i)</b>		
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	165.55	648.30
	<b>165.55</b>	<b>648.30</b>
<b>Total</b>	<b>1,355.27</b>	<b>1,163.98</b>

**Note I**

**Trade payables and other payables  
ageing schedule**

**As at 31 March, 2025**

	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Micro, Small and Medium Enterprises Development ('MSME')	-	19.39	-	-	-	19.39
Trade payables other than Micro Enterprises and Small Enterprises	859.00	476.88	-	-	-	1,335.88
Disputed dues –Micro, Small and Medium Enterprises Development ('MSME')	-	-	-	-	-	-
Disputed dues - Trade payables other than Micro Enterprises and Small Enterprises	-	-	-	-	-	-
	<b>859.00</b>	<b>496.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,355.27</b>

**Trade payables and other payables  
ageing schedule**

**As at 31 March, 2024**

	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Micro, Small and Medium Enterprises Development ('MSME')	-	1.81	-	-	-	1.81
Trade payables other than Micro Enterprises and Small Enterprises	658.38	1,610.98	-	-	-	2,269.36
Disputed dues –Micro, Small and Medium Enterprises Development ('MSME')	-	-	-	-	-	-
Disputed dues - Trade payables other than Micro Enterprises and Small Enterprises	-	-	-	-	-	-
	<b>658.38</b>	<b>1,612.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,271.17</b>

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31 March , 2025 Rs. /Lakhs	As at 31 March , 2024 Rs. /Lakhs
<b>II. Details of dues of micro and small enterprises as defined under the MSMED Act, 2006</b>		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	19.39	1.81
Interest due on above	-	-
	<b>19.39</b>	<b>1.81</b>
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	-
The information have been disclosed based on the information available with the Company, the same have been relied upon by the auditor.		

**10 DEBT SECURITIES**  
**(At amortised cost)**

	As at 31 March , 2025	As at 31 March , 2024
<b>Secured</b>		
Non Convertible Debentures (Refer Note iii below)	-	468.82
	-	<b>468.82</b>
Debt securities in India	-	468.82
Debt securities outside India	-	-
	-	<b>468.82</b>

**Notes:**

- i. Non convertible debenture are redeemable at par.
- ii. Details of Redeemable Non-Convertible Debentures (Secured)

S.No	ISIN No	Date of Allotment	Date of Redemption	Total number of debentures	Rate of Interest	Face Value#	As at 31 March, 2025	As at 31 March, 2024
						Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
a.	INE0DTO07038*	28-10-2020	28-10-2024	2,500	11.50%	0.06	-	468.82
<b>Total</b>							-	<b>468.82</b>

\* Debentures were redeemed during the year

# The Face value is as on 28-10-2024.

- iii. All the secured, Non- Convertible Debentures issued by the Company are secured by way of exclusive hypothecation of specified loan assets as per the terms of Offer Documents. Further, the Company has maintained asset cover as stated in the offer document which is sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.
- iv. The company has complied with all the covenants as per the debenture trust deed.

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31 March , 2025	As at 31 March , 2024
	Rs. /Lakhs	Rs. /Lakhs
<b>11 BORROWINGS (OTHER THAN DEBT SECURITIES)</b>		
<b>At amortised cost and Secured</b>		
<b>Term loans</b>		
a. From banks	1,71,961.72	1,49,760.32
b. From others	40,681.72	24,240.22
	<b>2,12,643.44</b>	<b>1,74,000.54</b>
<b>Other loans</b>		
a. From others		
Associated liabilities in respect of securitisation transactions	22,691.65	16,030.36
	<b>22,691.65</b>	<b>16,030.36</b>
Borrowings in India	2,35,335.09	1,90,030.90
Borrowings outside India	-	-
	<b>2,35,335.09</b>	<b>1,90,030.90</b>

**Notes**

- a. Secured term loans from banks amounting to Rs. 1,71,961.72 lakhs (Previous year Rs. 1,49,760.32 lakhs) carry rate of interest in the range of 7.80% to 11.70% p.a (Previous year 8.27% to 13.64%). The loans are having tenure of 3 to 7 years from the date of disbursement and are repayable in monthly and quarterly installments. Those loan are secured by hypothecation(exclusive charge) of the loans given by the Company. Quarterly returns or statement of current filed by the company with the bank are in agreement with books of accounts.
- b. Secured term loans from financial institutions amount to Rs. 40,681.72 lakhs (Previous year Rs. 24,240.22 lakhs) carry rate of interest in the range of 9.00% to 11.25% p.a (Previous year 9.00% to 12.50%). The loans are having tenure of 3.0 year to 5.0 years from the date of disbursement and are repayable in monthly and quarterly installments. Those loan are secured by hypothecation(exclusive charge) of the loans given by the Company. Quarterly returns or statement of current filed by the company with the financial institutions are in agreement with books of accounts.
- c. Associated liabilities in respect of securitization transactions' represents amount received in respect of securitization transactions as these transactions do not meet the derecognition criteria specified under IND AS. These are secured by hypothecation of designated loan assets and margin money.
- d. The company has not defaulted in the repayment of dues to its lenders and the company does not have unsecured borrowings.
- e. The company has not been declared as wilfuldefaulter by any banks, financial institution or any other lender
- f. **Term of repayment of long term borrowing outstanding as at 31 March, 2025**

Particulars	Interest rate Range	No. of Installments	As at 31 March , 2025	No. of Installments	As at 31 March, 2024
			Rs. /Lakhs		Rs. /Lakhs
<b>i Secured repayment</b>	<b>monthly</b>				
Less than 1 Year	Upto 10%	543	27,478.56	333	15,941.93
	More than 10% and upto 12%	473	14,863.79	470	14,997.87
	More than 12% and upto 14%	-	-	15	134.63
Due 1 to 3 years	Upto 10%	1015	48,630.56	591	26,613.59
	More than 10% and upto 12%	593	20,517.11	777	26,063.42
Due 3 to 5 years	Upto 10%	581	24,662.43	393	16,252.46
	More than 10% and upto 12%	161	5,675.30	292	10,963.58
More than 5 years	Upto 10%	71	2,782.33	46	1,751.63
	More than 10% and upto 12%	21	709.39	25	852.39
<b>Subtotal (a)</b>			<b>1,45,319.48</b>		<b>1,13,571.51</b>

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>ii Secured quarterly repayment</b>					
Less than 1 Year	Upto 10%	81	12,049.13	56	7,610.50
	More than 10% and upto 12%	32	6,081.46	28	5,752.28
Due 1 to 3 years	Upto 10%	152	24,174.95	112	16,208.35
	More than 10% and upto 12%	51	11,382.68	39	9,332.17
Due 3 to 5 years	Upto 10%	56	7,892.49	84	12,466.23
	More than 10% and upto 12%	26	5,212.25	28	6,865.58
More than 5 years	Upto 10%	-	-	7	1,273.70
	More than 10% and upto 12%	3	531.00	4	703.46
<b>Subtotal (b)</b>			<b>67,323.96</b>		<b>60,212.27</b>
<b>iii Secured half yearly repayment</b>					
Less than 1 Year	More than 12% and upto 14%	-	-	3	216.76
<b>Subtotal (c)</b>			<b>-</b>		<b>216.76</b>
<b>Grand Total (a+b+c)</b>			<b>2,12,643.44</b>		<b>1,74,000.54</b>

**g. Term of repayment of Associated liabilities in respect of securitization transactions as at 31 March, 2025**

Particulars	Interest rate Range	No. of Installments	As at 31 March , 2025 Rs. /Lakhs	No. of Installments	As at 31 March, 2023 Rs. /Lakhs
<b>Secured monthly repayment</b>					
Less than 1 Year	Upto 10%	60	6,247.08	36	3,731.97
Due 1 to 3 years		99	11,633.09	72	8,552.76
Due 3 to 5 years		32	4,811.48	33	3,745.63
<b>Total</b>			<b>22,691.65</b>		<b>16,030.36</b>

**h. The charges which yet to be registered with Registrar of Companies (ROC) as at 31 March, 2025 are as follows:**

Brief description of charge	Location of ROC	Due date for registration	Reason for delay in registration
Not applicable*			

\*The company is in the process of filing the charge with the ROC.

PARTICULARS	DATE OF EXECUTION	DATE OF FILING	Sanction	Disbursed	Undisbursed
Bank of Baroda	29-Mar-25	03-Apr-25	2,500.00	2,500.00	0.00
Indusind Bank Ltd	29-Mar-25	03-Apr-25	7,500.00	500.00	7,000.00
Nabsamruddhi Finance Limited	25-Mar-25	11-Apr-25	6,000.00	6,000.00	0.00
Utkarsh Small Finance Bank Ltd	29-Mar-25	15-Apr-25	2,200.00	2,200.00	0.00
IDBI Bank Ltd	28-Mar-25	21-Apr-25	2,500.00	2,500.00	0.00
IDFC First Bank Ltd	26-Mar-25	21-Apr-25	10,000.00	5,000.00	5,000.00

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

- i.. The Company have sanctioned the term loan from Bank/FIs and submitting monthly/quarterly receivable data to the lenders in accordance with the provisions of sanction letters. There are no discrepancies between the receivable/stock data submitted to the lenders and the Company's book of accounts and the company has complied with all the covenants as per the sanction letters.
- j. The company have sanctioned the working capital and cash credit limit and submitting the monthly/quarterly receivable data to the lenders in accordance with the provisions of saction letter. There are no discrepancies between the receivable/stock data submitted to the lenders and the Company's book of accounts.

**12 PROVISIONS**

**Provision for employee benefits**

- a. Provision for gratuity  
b. Compensated absences

As at 31 March , 2025	As at 31 March , 2024
Rs. /Lakhs	Rs. /Lakhs
340.50	241.87
307.04	93.24
<b>647.54</b>	<b>335.11</b>

**13 OTHER NON-FINANCIAL LIABILITIES**

- a. Statutory dues payable  
b. Other non financial liabilities  
c. Employee Dues Payable

486.48	429.46
28.16	37.13
3,477.74	3,095.27
<b>3,992.38</b>	<b>3,561.86</b>

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31 March , 2025 Rs. /Lakhs	As at 31 March , 2024 Rs. /Lakhs
<b>14 EQUITY SHARE CAPITAL</b>		
<b>Authorized share capital</b>		
6,100,000 (31 March, 2024: 6,000,000) Equity Shares of Rs. 10/- each	610.00	600.00
14,900,000 ((31 March, 2024: 13,500,000) 0.0001% Compulsorily Convertible Cumulative Preference Shares ("CCCPs") of Rs. 100/- each	14,900.00	13,500.00
	<b>15,510.00</b>	<b>14,100.00</b>
<b>Issued, subscribed , paid up capital and partly paid up capital</b>		
<b>Equity share capital</b>		
5,900,981 (31 March, 2024: 5,899,605) Equity Shares of Rs. 10/- each fully paid up	590.10	589.96
<b>Sub-total (A)</b>	<b>590.10</b>	<b>589.96</b>
<b>PREFERENCE SHARE CAPITAL</b>		
<b>Compulsorily Convertible Cumulative Preference Shares</b>		
<b>Fully paid up</b>		
<b>Series A Compulsorily Convertible Cumulative Preference Share Capital</b>		
3,330,425 (31 March, 2024: 3,330,425) 0.0001% Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- each	3,330.42	3,330.42
<b>Series B Compulsorily Convertible Cumulative Preference Share Capital</b>		
2,817,399 (31 March, 2024: 28,17,399) 0.0001% Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- each	2,817.40	2,817.40
<b>Series C Compulsorily Convertible Cumulative Preference Share Capital</b>		
28,90,589 (31 March, 2024: 28,90,589) 0.0001% Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- each	2,890.59	2,890.59
<b>Series A-1 Compulsorily Convertible Cumulative Preference Share Capital</b>		
13,000 (31 March, 2024: 13,000) 0.0001% Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- each	13.00	13.00
<b>Series D Compulsorily Convertible Cumulative Preference Share Capital</b>		
2,688,579 (31 March, 2024: 2,688,579) 0.0001% Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- each	2,688.57	2,688.57
<b>Series E Compulsorily Convertible Cumulative Preference Share Capital</b>		
2,101,415 (31 March, 2024: NIL) 0.0001% Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- each	2,101.42	-
<b>Partly Called-Up and Paid up Capital</b>		
<b>Series A-1 Compulsorily Convertible Cumulative Preference Share Capital</b>		
15,000 (31 March, 2024: 15,000;) 0.0001% Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	0.15	0.15
<b>Series A-2 Compulsorily Convertible Cumulative Preference Share Capital</b>		
18,000 (31 March, 2024: 18,000) 0.0001% Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	0.18	0.18
<b>Series C-1 Compulsorily Convertible Cumulative Preference Share Capital</b>		
42,000 (31 March, 2024: 42,000) 0.0001% Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	0.42	0.42
<b>Series C Compulsorily Convertible Cumulative Preference Share Capital</b>		
138,516 (31 March, 2024: 138,516) 0.0001% Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	1.39	1.39
<b>Series B Compulsorily Convertible Cumulative Preference Share Capital</b>		
138,516 (31 March, 2024: 1,38,516) 0.0001% Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	1.39	1.39
<b>Series C-2 Compulsorily Convertible Cumulative Preference Share Capital</b>		
239,108 (31 March, 2024: 239,108) 0.0001% Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	2.39	2.39
<b>Series D-1 Compulsorily Convertible Cumulative Preference Share Capital</b>		
30,000 (31 March, 2024: 30,000) 0.0001% Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	0.30	0.30
<b>Series E-1 Compulsorily Convertible Cumulative Preference Share Capital</b>		
385,192 (31 March, 2024: NIL) 0.0001% Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- each Rs 1 Paid up	3.85	-
<b>Sub Total (B)</b>	<b>13,851.47</b>	<b>11,746.20</b>
<b>Total (A+B)</b>	<b>14,441.57</b>	<b>12,336.16</b>

#### 14.1 Terms/right attached to shares

##### (a) Equity Shares

The company has only one class of Equity Shares having face value of Rs. 10/- per share. Each holder of Equity share is entitled to one vote per share. In the event of liquidation of company, the holders of Equity Shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders adjusted by the partly paid up value of the share, if applicable.

During the year ended on March 31, 2024, the company has issued 789,595 equity shares of Rs. 10/- each fully paid-up. Allotment of 609,623 equity shares of Rs. 10/- each upon conversion of 609,623 0.0001% Series C Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- to SCI Growth Investments III and 179,972 Equity Shares of Rs. 10/- each upon conversion of 179,972 0.0001% Series D Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- to Norwest Capital, LLC.

During the year ended on March 31, 2025, the Company issued and allotted 500 fully paid-up equity shares having face value of Rs. 10/- per share on a preferential basis through a private placement offer. Additionally, 876 equity shares having face value of Rs. 10/- per share were allotted upon exercise of vested options under Employees Stock Option Plan 2018.

##### (b) Preference Shares

The company issued 3,330,425 Series A CCCPS of Rs. 100/- each fully paid up. The CCCPS holders are entitled to dividend of 0.0001% cumulative. Each CCCPS can be converted to Equity Shares at any time before the expiry of Twenty years from the date of issue into such number of Equity Shares as per the Investment Agreement dated September 2, 2017.

The company issued 2,817,399 Series B CCCPS and 13,000 Series A-1 CCCPS of Rs. 100/- each fully paid up respectively, 15,000 Series A-1 CCCPS of Rs. 100/- each Rs-1 Paid up and 138,516 Series B CCCPS of Rs. 100/- each Rs 1 Paid up. The CCCPS holders are entitled to dividend of 0.0001% cumulative. Each CCCPS can be converted to equity shares at any time before the expiry of twenty years from the date of issue into such number of equity shares as per the investment agreement dated March 6, 2019.

The company issued 3,500,212 Series C CCCPS of Rs. 100/- each fully paid up and 138,516 Series C CCCPS of Rs. 100/- each Re/-1 partly paid up. The CCCPS holders are entitled to a cumulative dividend of 0.0001%. Each CCCPS can be converted to Equity Shares at any time before the expiry of Twenty years from the date of issue into such number of Equity Shares as per the Investment Agreement dated September 21, 2020.

During the year ended March 31, 2024, The company has converted 609,623 Series C CCCPS of Rs. 100/- each fully paid up in to 609,623 equity shares of Rs. 10/- each as per the Board resolution dated August 1, 2023 in accordance with term of issuance Series C CCCPS read with shareholders agreement dated September 21, 2020.

The company issued 18,000 Series A-2 CCCPS of Rs. 100/- Re/-1 partly paid up and 42,000 Series C-1 CCCPS of Rs. 100/- Re/-1 partly paid up. The CCCPS holders are entitled to a cumulative dividend of 0.0001%. Each CCCPS can be converted to Equity Shares at any time before the expiry of Twenty years from the date of issue into such number of Equity Shares as per Private Placement Offer cum Application Letter dated January 16, 2021.

The company has issued 2,39,108 Series C-2 CCCPS of Rs. 100/- (Re/-1 partly paid up). The CCCPS holders are entitled to a cumulative dividend of 0.0001%. Each CCCPS can be converted to equity shares at any time before the expiry of Twenty years from the date of issue into such number of Equity shares as per private placement offer cum application letter dated March 19, 2022.

The company has issued 2,868,551 Series D CCCPS of Rs. 100/- fully paid up. The CCCPS holders are entitled to a cumulative dividend of 0.0001%. Each CCCPS can be converted to Equity Shares at any time before the expiry of Twenty years from the date of issue into such number of Equity Shares as per Private Placement Offer cum Application Letter dated March 24, 2022.

During the year ended March 31, 2024, the company has converted 179,972 Series D CCCPS of Rs. 100/- each fully paid up in to 179,972 equity shares of Rs. 10/- each as per the Board resolution dated August 1, 2023 in accordance with term of issuance of Series D CCCPS read with shareholders agreement dated March 25, 2022.

The Company has issued and allotted 30,000 Series D-1 CCCPS of Rs. 100/- each (Re 1/- partly paid up). The CCCPS holders are entitled to a cumulative dividend of 0.0001%. Each CCCPS can be converted to Equity Shares at any time before the expiry of Twenty years from the date of issue into equal number of Equity Shares as per Private Placement Offer cum Application Letter dated May 20, 2022.

During the year ended on March 31, 2025, the Company issued and allotted 3,85,192 partly paid-up 0.0001% Series E1 Compulsorily Convertible Cumulative Preference Shares ("Series E1 CCCPS") having face value of Rs. 100/- per share and paid-up value of Re. 1/- per share, on a preferential basis through a private placement offer. Each Series E1 CCCPS is Compulsorily Convertible into Equity Shares of the Company in accordance with the terms set out in the Private Placement Offer Cum Application Letter dated October 09, 2024.

Additionally, the Company issued and allotted 21,01,415 fully paid-up 0.0001% Series E Compulsorily Convertible Cumulative Preference Shares ("Series E CCCPS") having face value of Rs. 100/- per share on a preferential basis through a private placement offer. Each Series E CCCPS is Compulsorily Convertible into Equity Shares of the Company in accordance with the terms set out in the Private Placement Offer Cum Application Letter dated October 13, 2024

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**14.2 Reconciliation of share capital**

Reconciliation of number of Equity Shares outstanding is set out below:

	As at 31 March, 2025		As at 31 March, 2024	
	No. of shares	Amount	No. of shares	Amount
	No's	Rs. /Lakhs	No's	Rs. /Lakhs
Equity Share at the beginning of year	58,99,605	589.96	51,10,010	511.01
<b>Equity Shares issued during the year</b>				
Add: Share issued during the year of Rs. 10 each	500	0.05	-	-
Add: Share issued under Employee stock option scheme	876	0.09	-	-
Add: Full paid up preference share converted to Equity share	-	-	7,89,595	78.95
<b>Equity Share at the end of year</b>	<b>59,00,981</b>	<b>590.09</b>	<b>58,99,605</b>	<b>589.96</b>

Reconciliation of number of Preference Shares outstanding is set out below:

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	No. of shares	Amount	No. of shares	Amount
	No's	Rs. /Lakhs	No's	Rs. /Lakhs
Preference Share at the beginning of year	1,23,61,132	11,746.20	1,31,50,727	12,535.80
Add: Preference Shares issued during the year				
- call money received	21,01,415	2,101.42	-	-
- partly paid up @ Rs. 1 per share	3,85,192	3.85	-	-
Less: Full paid up share converted to Equity share	-	-	7,89,595	789.60
<b>Preference Share at the end of year</b>	<b>1,48,47,739</b>	<b>13,851.47</b>	<b>1,23,61,132</b>	<b>11,746.20</b>

**14.3 Details of shareholders holding more than 5% shares in the Company**

	As at 31 March, 2025		As at 31 March, 2024	
	No. of shares	% of holding	No. of shares	% of holding
<b>Equity share capital</b>				
Mohit Sahney	22,65,308	38%	24,01,443	41%
Peak XV Partners Growth Investments III	11,90,025	20%	11,90,025	20%
Norwest Capital, LLC	8,23,514	14%	7,03,390	12%
Sunita Sahney	4,65,287	8%	5,04,312	9%
Ravinder Singh Thakkar	3,42,899	6%	5,42,899	9%
Prashant Gupta	1,55,363	3%	2,85,798	5%
<b>Compulsorily convertible preference shares of Rs. 100 each fully paid up Which shall be convertible into equity share of Rs. 10 each.</b>				
Peak XV Partners Investment V	30,18,614	20%	44,16,388	36%
Peak XV Partners Growth Investment III	23,20,580	16%	23,20,580	19%
Norwest Capital, LLC	17,69,461	12%	16,36,807	13%
Faering Capital India Evolving Fund II	15,51,076	10%	15,51,076	13%
Sofina Ventures SA	13,06,521	9%	-	0%
MAJ Invest Financial Inclusion Fund III K/S	9,29,333	6%	9,29,333	8%
Faering Capital India Evolving Fund III	8,85,808	6%	8,85,808	7%



**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**14.4 Details of promoters share holding**

Name of the promoter	As at 31 March, 2025 No. of shares	As at 31 March, 2024 No. of shares	Movement	% change during the year
<b>Equity share capital</b>				
Mohit Sahney	22,65,308	24,01,443	(1,36,135)	(5.67%)
Sunita Sahney	4,65,287	5,04,312	(39,025)	(7.74%)
<b>Compulsorily Convertible Cumulative Preference Shares of Rs. 100 each partly paid up</b>				
Mohit Sahney	5,57,443	2,58,070	2,99,373	116.00%
Sunita Sahney	3,43,889	2,58,070	85,819	33.25%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**14.5 Shares reserved for issue under employee stock option**

	As at 31 March , 2025 No. of shares	As at 31 March , 2024 No. of shares
No. of Share reserved	6,12,794	6,13,670
	<b>6,12,794</b>	<b>6,13,670</b>

**14.6 The Information of uncalled Equity shares and CCCPS are as follows:**

	As at 31 March , 2025 Rs. /Lakhs	As at 31 March , 2024 Rs. /Lakhs
Equity Share Capital	-	-
Compulsorily Convertible Cumulative Preference Share Capital	996.27	614.93

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31 March, 2025	As at 31 March, 2024
	Rs. /Lakhs	Rs. /Lakhs
<b>15 OTHER EQUITY</b>		
a. Securities premium	1,30,640.43	73,180.54
b. Statutory reserve fund under Section 45-IC of RBI Act, 1934	9,881.23	6,179.41
c. Share based payment reserve	530.65	435.45
d. Surplus in the statement of profit and loss	38,942.45	24,135.17
	<b>1,79,994.76</b>	<b>1,03,930.57</b>
<b>a. Securities premium</b>		
Opening balance	<b>73,180.54</b>	<b>72,469.90</b>
Add: premium on shares issued/coverted during the year	57,899.98	710.64
Less: premium utilised during the year for issue of shares (net of tax)	440.09	-
<b>Closing balance</b>	<b>1,30,640.43</b>	<b>73,180.54</b>
<b>b. Statutory reserve fund under section 45-IC of RBI Act, 1934</b>		
Opening balance	<b>6,179.41</b>	<b>3,148.31</b>
Add: transfer from Surplus in the statement of profit and loss*	3,701.82	3,031.10
<b>Closing balance</b>	<b>9,881.23</b>	<b>6,179.41</b>
<b>c. Share based payment reserve</b>		
Opening balance	<b>435.45</b>	<b>262.69</b>
Add: Share Based Payments during the year	95.20	172.76
<b>Closing balance</b>	<b>530.65</b>	<b>435.45</b>
<b>d. Surplus in the statement of profit and loss</b>		
Opening balance	<b>24,135.17</b>	<b>12,010.77</b>
Add: Profit for the year	18,500.32	15,150.84
Add: Other comprehensive income for the year	8.78	4.66
Less: Transfer to reserve fund as per Section 45-IC of RBI Act, 1934	(3,701.82)	(3,031.10)
<b>Closing balance</b>	<b>38,942.45</b>	<b>24,135.17</b>
<b>Total Reserves and Surplus</b>	<b>1,79,994.76</b>	<b>1,03,930.57</b>

\* This represents the transfer of 20% of the Net Profit after Tax including Other Comprehensive Income. In compliance with the provisions outlined in Section 45-IC of the Reserve Bank of India Act, 1934.

**15.1 Nature and purpose of reserves**

**a. Securities Premium**

Securities premium account is used to record the premium on issue of shares. The reserve can be utilised in accordance with provisions of the Companies Act, 2013.

**b. Share based payment reserve**

The "Share based payment reserve" represents the amount of reserve created by recognizing the compensation cost at the grant date fair value of stock options. These stock options have vested but have not been exercised by employees. This reserve is included in the Statement of Profit and Loss and represents the cost of the equity-settled share options granted to eligible employees of the Company.

**c. Statutory reserve u/s 45-IC of RBI Act**

The Statutory Reserve represents a reserve fund created in accordance with Section 45-IC of the RBI Act, 1934. It involves the transfer of a specified percentage of net profit each year before declaring any dividends. The reserve fund can only be utilized for limited purposes as specified by the RBI from time to time. Furthermore, every utilization of the reserve fund must be reported to the RBI within a specified period from the date of such utilization.

**d. Retained earnings**

Retained earnings or accumulated surplus represents total of all profits retained since the Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, or any such other appropriations to specific reserves.

**e. During the year there has been no change in equity share capital and other equity on account of prior period errors.**

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	Year ended 31 March 2025	Year ended 31 March 2024
	Rs. /Lakhs	Rs. /Lakhs
<b>16 INTEREST INCOME</b> (measured at amortised cost)		
a. Interest on loans	70,678.48	48,192.64
b. Interest income from Investment	1,863.48	390.92
c. Interest on deposits with banks *	1,584.15	1,526.89
	<b>74,126.11</b>	<b>50,110.45</b>
* Includes interest income on margin money placed as cash collateral in connection with securitization transactions.		
<b>17 FEES AND COMMISSION INCOME</b>		
a. Fee income*	1,189.95	1,585.91
	<b>1,189.95</b>	<b>1,585.91</b>
*Fee income is presented net of its directly attributable expenses.		
<b>18 NET GAIN ON FAIR VALUE CHANGES</b>		
<b>On trading portfolio</b>		
a. Investment in mutual fund at fair value through profit and loss	910.79	1,232.34
<b>Total Net gain/(loss) on fair value changes</b>	<b>910.79</b>	<b>1,232.34</b>
<b>Analysis of fair value changes</b>		
a. Realised	1,018.84	1,169.15
b. Unrealised	(108.05)	63.19
<b>Total Net gain/(loss) on fair value changes</b>	<b>910.79</b>	<b>1,232.34</b>
<b>19 OTHER INCOME</b>		
a. Miscellaneous Income	6.86	47.97
	<b>6.86</b>	<b>47.97</b>
<b>20 FINANCE COSTS</b>		
Interest on financial liabilities (measured at amortised cost) on		
- Borrowings	19,924.45	12,802.10
- Debt securities	17.72	223.33
- Lease liability	59.45	44.62
Others- Bank charges	35.98	30.94
	<b>20,037.60</b>	<b>13,100.99</b>
<b>21 IMPAIRMENT ON FINANCIAL INSTRUMENTS</b>		
a. Loan assets	1,484.19	1,487.78
b. Loan assets written off (net of recoveries)	2,716.28	320.56
	<b>4,200.47</b>	<b>1,808.34</b>
<b>22 EMPLOYEE BENEFITS EXPENSE</b>		
a. Salaries and wages	20,274.33	13,192.44
b. Contribution to provident and other funds	1,041.62	712.03
c. Share based payments to employees	95.20	172.76
d. Gratuity expense	117.60	104.98
e. Compensated absences	213.80	39.10
f. Staff welfare expenses	150.70	103.78
	<b>21,893.25</b>	<b>14,325.09</b>

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	Year ended 31 March 2025	Year ended 31 March 2024
	Rs. /Lakhs	Rs. /Lakhs
<b>23 DEPRECIATION, AMORTIZATION AND IMPAIRMENT</b>		
a. Depreciation on property plant and equipments	558.08	395.38
b. Depreciation on right of use assets	89.83	74.48
c. Amortisation of intangible assets	59.59	41.97
	<b>707.50</b>	<b>511.83</b>
<b>24 OTHER EXPENSES</b>		
a. Rent, rates and taxes	777.65	528.40
b. Repair and maintenance expenditure	31.36	26.99
c. Technology expenses	480.51	275.51
d. Printing and stationery	134.68	102.30
e. Business/sales promotion expenses	67.75	61.01
f. Auditors Fee (Refer Note 24.1 below)	29.43	19.44
g. Legal and professional charges	246.85	97.27
h. Postage, telegram and telephone expenditure	518.12	370.89
i. Corporate social responsibilities expenses	239.50	119.76
j. Office and general expense	571.29	397.39
k. Travel and conveyance	1,050.62	706.04
l. Electricity charges and water charges	127.39	77.40
m. Insurance	26.20	7.98
n. Loss on sale of fixed assets	29.44	14.71
o. Directors setting fees	14.93	7.47
p. Miscellaneous expenses	196.56	128.24
	<b>4,542.28</b>	<b>2,940.80</b>
<b>24.1 Audit fees, limited review , other services ( certification fee)</b> <b>(Including GST to the extend credit is not available)</b>		
a. Audit fees	27.25	14.39
b. Certifications	2.18	1.49
c. Limited / Interim review	-	2.70
d. Out of pocket expense	-	0.86
	<b>29.43</b>	<b>19.44</b>
<b>24.2 Amount spent towards corporate social responsibility ('CSR')</b>		
a. Gross amount unspent for the last year/ (excess)	(0.66)	(0.37)
b. Gross amount required to be spent by the company during the year	240.00	119.47
Gross amount required to be spent after adjustment of previous year excess amount by the company during the year	239.34	119.10
c. Amount spent during the year (See note below)	239.50	119.76
d. Excess amount spent during the year	0.15	0.66
e. Short amount spent during the year	-	-
<b>Nature of CSR Activities</b>		
- Plantation	35.10	10.64
- Providing basic facility for community	175.05	107.39
- Sports	25.02	-
- Administrative expenses	4.32	1.72
	<b>239.50</b>	<b>119.76</b>

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	Year ended 31 March 2025	Year ended 31 March 2024
	Rs. /Lakhs	Rs. /Lakhs
<b>25 EARNING PER SHARE</b>		
Net profit/ (loss) for calculation of basic EPS and diluted EPS	18,500.32	15,150.84
<b>Weighted average number of equity shares in calculating basic EPS</b>		
Equity shares/CCPS (in lakhs)	186.27	176.46
Weighted average number of equity shares/CCPS for computation of Diluted EPS ( in lakhs )	197.44	183.67
<b>Earning per equity share</b>		
- Basic	99.32	85.86
- Diluted	93.70	82.49
<b>26 TAX EXPENSES</b>		
<b>A. The major components of income tax expense are :</b>		
<b>Current Income Tax:</b>		
Current Income Tax Charge	7,006.47	5,454.28
<b>Deferred Tax :</b>		
Relating to the origination and reversal of temporary differences	(654.18)	(315.50)
<b>Income tax expense reported in Profit &amp; Loss</b>	<b>6,352.29</b>	<b>5,138.78</b>
<b>Deferred tax relating to the OCI</b>		
Net loss/(gain) on re-measurement of defined benefit Plan	<b>2.95</b>	<b>1.57</b>
	<b>6,355.24</b>	<b>5,140.35</b>
<b>B. Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:</b>		
Accounting Profit before tax as per profit and loss	24,852.61	20,289.62
Income tax Rate (%)	25.17	25.17
At India's statutory income tax rate of 25.17%( 31 March 2023 : 25.17%)	<b>6,254.90</b>	<b>5,106.49</b>
<b>Tax effect of: -</b>		
CSR Expenses	60.27	30.14
Other*	37.10	2.15
At India's statutory income tax rate of 25.17%( 31 March 2023 : 25.17%)	<b>6,352.27</b>	<b>5,138.78</b>
<b>Tax on other comprehensive Income</b>	<b>2.95</b>	<b>1.57</b>
<b>Total Tax expense at effective tax rate</b>	<b>6,355.22</b>	<b>5,140.35</b>

\*Other includes - expenses disallowed under income tax and tax true-up for the previous years.

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**27 COMPOSITION OF DEFERRED TAX BALANCES**

Deferred tax assets/liabilities	As at 31 March, 2024	Charged/ (credited)	As at 31 March, 2025
	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
<b>Deferred tax assets</b>			
Difference between tax depreciation and depreciation/amortisation charged in financial statement	148.47	(101.20)	47.27
Provision for gratuity	60.87	24.83	85.70
Provision for compensated absences	23.47	53.81	77.28
Impairment on loans	310.32	398.24	708.56
Impact of EIR and ECL adjustments on financial asset	1,097.47	159.36	1,256.83
Preliminary expense to be written off	2.13	(2.13)	-
<b>Gross deferred tax asset (Total A)</b>	<b>1,642.73</b>	<b>532.90</b>	<b>2,175.64</b>
<b>Deferred tax liability</b>			
Unrealised Gain	15.90	(8.17)	7.73
Lease liabilities	123.40	(146.47)	(23.07)
Impact of EIR adjustments on financial liabilities	311.41	37.88	349.29
<b>Gross deferred tax liability (Total B)</b>	<b>450.71</b>	<b>(116.76)</b>	<b>333.95</b>
<b>Net deferred tax assets (Total A - Total B)</b>	<b>1,192.02</b>	<b>649.66</b>	<b>1,841.68</b>

Deferred tax assets/liabilities	As at 31 March, 2023	Charged/ (credited)	As at 31 March, 2024
	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
Difference between tax depreciation and depreciation/amortisation charged in financial statement including right to use assets	96.74	51.73	148.47
Provision for gratuity	37.93	22.94	60.87
Provision for compensated absences	13.63	9.84	23.47
Impairment on loans	297.78	12.54	310.32
Impact of EIR and ECL adjustments on financial asset	640.14	457.33	1,097.47
Preliminary expense to be written off	2.13	-	2.13
<b>Gross deferred tax asset (Total A)</b>	<b>1,088.35</b>	<b>554.38</b>	<b>1,642.73</b>
<b>Deferred tax liability</b>			
Unrealised Gain	12.74	3.16	15.90
Lease liabilities	68.96	54.44	123.40
Impact of EIR adjustments on financial liabilities	131.70	179.71	311.41
<b>Gross deferred tax liability (Total B)</b>	<b>213.40</b>	<b>237.31</b>	<b>450.71</b>
<b>Net deferred tax asset (Total A - Total B)</b>	<b>874.95</b>	<b>317.07</b>	<b>1,192.02</b>

**Reconciliation with statement of profit/ (loss)**

	As at 31 March, 2025	As at 31 March, 2024
	Rs. /Lakhs	Rs. /Lakhs
Amount recognized in profit/ (loss) statement	(654.18)	(315.50)
Amount recognized in OCI statement	2.95	(1.57)
Adjustment from current tax assets	1.57	-
	<b>(649.66)</b>	<b>(317.07)</b>

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	Year ended 31 March, 2025 Rs. /Lakhs	Year ended 31 March, 2024 Rs. /Lakhs
<b>28 CONTINGENT LIABILITIES AND COMMITMENTS: (TO THE EXTENT NOT PROVIDED FOR</b>		
<b>a. Capital commitments</b>		
i. Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets.	106.25	-
ii. the Company has other commitments for services in normal course of business, the Company's operations does not give raise to any commitments for purchase of goods and employee benefits.		
iii. Loan sanctioned but undisbursed amount	3,153.94	3,779.73
	<b>3,260.19</b>	<b>3,779.73</b>
<b>b. Contingent liabilities</b>		
i. Claims against the Company not acknowledged as debt (gross)	-	-
ii. the Company have given the financial guarantees for borrowings from bank and financial institutions only. There are no other financial guarantees outstanding as at March 31, 2025.	-	-
iii. other money for which the company is contingently liable		
Income Tax	-	38.56
Goods & Service Tax (GST)	42.81	-
	<b>42.81</b>	<b>38.56</b>
Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities. The Company has disputed the above demands.		
c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.		
d. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.		

**29 EMPLOYEE BENEFIT PLAN:**

**i. Defined contribution plan**

The Company makes contribution towards provident fund (PF) and employee state insurance (ESI) as defined contribution retirement plan for the qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the Company contributes a specified percentage of payroll cost to the said schemes to fund the benefits. Similarly, contribution is made at a specified percentage in case of Employee State Insurance.

	Year ended 31 March, 2025 Rs. /Lakhs	Year ended 31 March, 2024 Rs. /Lakhs
a. Provident fund	913.00	615.20
b. Employee state insurance	125.22	96.83
	<b>1,038.21</b>	<b>712.03</b>

**ii Gratuity and other post-employment benefit plans**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed in accordance with the rules as prescribed under the payment of Gratuity Act, 1972.

In accordance with applicable India laws, the Company provides gratuity, a defined benefit retirement plan ("Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment. The amount of payment is based on the respective employee's last drawn salary and the years of employment with the Company.

The following tables summarize the components of net benefits expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

FINOVA CAPITAL PRIVATE LIMITED  
CIN- U65993RJ2015PTC048340  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	Year ended Year ended 31 March, 2025	Year ended Year ended 31 March, 2024
	Rs. /Lakhs	Rs. /Lakhs
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
a. Opening defined benefit obligation	241.87	150.71
b. Current service cost	100.06	93.67
c. Interest cost on benefit obligation	17.54	11.31
d. Benefits paid during the year	(7.23)	(7.59)
e. Remeasurement (gain)/loss on obligation	(11.73)	(6.23)
	<b>340.50</b>	<b>241.87</b>
<b>Net defined benefit liability</b>		
a. Present value of defined benefit obligation	340.50	241.87
b. Fair value of plan assets	-	-
<b>Plan liability</b>	<b>340.50</b>	<b>241.87</b>
<b>Net employee benefit expense recognized in the employee cost</b>		
a. Current service cost	100.06	93.67
b. Interest cost	17.54	11.31
c. Return on plan assets	-	-
<b>Net expense recognised in employee benefit expenses</b>	<b>117.60</b>	<b>104.98</b>
<b>Remeasurement (gains)/ loss recognised in other comprehensive income:</b>		
a. Remeasurement (gain) / loss on obligations arising from changes in financial assumptions	(8.07)	8.40
b. Remeasurement (gain) / loss on obligations arising from changes in experience adjustments	(3.66)	(14.63)
	<b>(11.73)</b>	<b>(6.23)</b>

	Year ended 31 March, 2025	Year ended 31 March, 2024
<b>The principle assumptions used in determining gratuity obligations for the Company are shown below:</b>		
a. Discount rate	7.00%	7.25%
b. Salary escalation rate	5.00%	5.00%
c. Withdrawal rate	25.00%	10.00%
d. Mortality	IALM 2012-14	IALM 2012-14

**Sensitivity Analysis:**

A quantitative sensitivity analysis for significant assumption is as shown below:

	Year ended 31 March 2025	Year ended 31 March 2024
	Rs. /Lakhs	Rs. /Lakhs
a. Effect of 1% change in assumed discount rate		
+1% increase	329.16	225.76
- 1% decrease	352.63	260.17
b. Effect of 1% change in assumed salary escalation rate		
+1% increase	352.75	259.34
- 1% decrease	328.85	226.34
c. Effect of 1% change in assumed withdrawal rate		
+ 1% increase	336.48	240.29
- 1% decrease	344.58	243.11

**Maturity profile of defined benefit obligation**

	Year	Amount
a)	0 to 1 Year	52.41
b)	1 to 2 Year	21.54
c)	2 to 3 Year	23.92
d)	3 to 4 Year	24.33
e)	4 to 5 Year	26.03
f)	5 Year Onward	192.27



**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Year ended**      **Year ended**

**30 FAIR VALUE OF FINANCIAL INSTRUMENTS**

**Fair values of Financial Instruments not measured at fair value**

The carrying amounts and fair value of the Company's financial instruments are reasonable approximations of fair values at financial statement level.

**Valuation techniques**

The Management has assessed that cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payable, lease liability, and other financial liabilities approximate their carrying amounts primarily due to their short-term maturities.

The fair value of financial assets and liabilities is determined based on the amount at which the instrument could be exchanged in a current transaction between willing parties, excluding forced or liquidation sales. The following methods and assumptions were used to estimate the fair value of financial assets and liabilities:

- Loans: Since most loans are frequently repriced, their carrying value is considered equivalent to their fair value as the interest rates on loans reflect current market pricing.
- Debt securities and borrowings (other than debt securities): These are fixed-rate borrowings, and their fair value is determined by discounting the expected future contractual cash flows using current market interest rates applicable to similar new loans. The carrying value is deemed to approximate the fair value for fixed-rate borrowings at the financial statement level.

**Fair values of hierarchy**

The following table provides the fair value measurement hierarchy of the company's asset and liabilities.

<b>31 March, 2025</b>					
<b>Particulars</b>	<b>Fair value through profit and loss</b>	<b>Fair Value through other comprehensive income</b>	<b>Amortised cost</b>	<b>Total carrying value</b>	<b>Total fair value</b>
	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>
<b>Financial assets</b>					
Investment	16,354.54	-	42,483.93	58,838.47	58,838.47
Cash and cash equivalents	-	-	9,980.08	9,980.08	9,980.08
Bank and bank other than cash & cash equivalents	-	-	17,744.56	17,744.56	17,744.56
Loans (fixed rate)	-	-	3,42,966.87	3,42,966.87	3,42,966.87
Other financial asset	-	-	1,189.09	1,189.09	1,189.09
<b>Total</b>	<b>16,354.54</b>	<b>-</b>	<b>4,14,364.53</b>	<b>4,30,719.07</b>	<b>4,30,719.07</b>
<b>Financial liabilities</b>					
Trade payables	-	-	1,355.27	1,355.27	1,355.27
Debt securities	-	-	-	-	-
Borrowing other than Debt securities	-	-	2,35,335.09	2,35,335.09	2,35,335.09
Lease liability	-	-	478.84	478.84	478.84
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,37,169.20</b>	<b>2,37,169.20</b>	<b>2,37,169.20</b>

<b>31 March, 2024</b>					
<b>Particulars</b>	<b>Fair value through profit and loss</b>	<b>Fair Value through other comprehensive income</b>	<b>Amortised cost</b>	<b>Total carrying value</b>	<b>Total fair value</b>
	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>
<b>Financial assets</b>					
Investments in mutual funds	6,119.72	-	9,762.98	15,882.70	15,882.70
Cash and cash equivalents	-	-	8,570.99	8,570.99	8,570.99
Bank and bank other than cash & cash equivalents	-	-	21,199.90	21,199.90	21,199.90
Loans (fixed rate)	-	-	2,62,381.51	2,62,381.51	2,62,381.51
Other financial asset	-	-	888.64	888.64	888.64
<b>Total</b>	<b>6,119.72</b>	<b>-</b>	<b>3,02,804.02</b>	<b>3,08,923.74</b>	<b>3,08,923.74</b>
<b>Financial liabilities</b>					
Trade payables	-	-	1,163.98	1,163.98	1,163.98
Debt securities	-	-	468.82	468.82	468.82
Borrowing other than Debt securities	-	-	1,90,030.90	1,90,030.90	1,90,030.90
Lease liability	-	-	490.36	490.36	490.36
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,92,154.06</b>	<b>1,92,154.06</b>	<b>1,92,154.06</b>

The following methods and assumptions were used to estimate fair values:

- a) The fair value of the Company's interest-bearing borrowings, which are measured at amortized cost, was determined using a discount rate that reflects the entity's discount rate at the end of the reporting period.
- b) The fair value of investments in mutual funds was determined by referencing their value as of the reporting date, using a level-1 technique.
- c) The fair value of other financial assets and liabilities was estimated either by referencing the net asset value as of the reporting date or by discounting future cash flows using rates currently applicable to debt with similar terms, credit risk, and remaining maturities. This estimation involves a level - 3 technique.

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**31 CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity and preference capital, share premium, and all other reserves attributable to the shareholders of the Company, net of intangible assets. The Company maintains an actively managed capital base to cover risks inherent in the business, meet the capital adequacy requirements of the Reserve Bank of India (RBI), maintain a strong credit rating, healthy capital ratios, and support business growth while maximizing shareholder value. The adequacy of the capital is monitored by the Board in accordance with the regulations issued by the RBI.

The Company manages its capital structure in response to changes in economic conditions and the requirements of financial covenants. Capital is monitored using a gearing ratio, which is calculated as total debt divided by net worth. The Company's policy is to maintain a reasonable capital adequacy ratio in the range of 30-40% in the imminent year, exceeding the stipulated requirement of 15% set by the RBI. The Company has consistently complied with the capital requirements prescribed by the RBI throughout the reported period.

	As at 31 March, 2025	As at 31 March, 2024
	Rs. /Lakhs	Rs. /Lakhs
Equity share capital (A)	590.10	589.96
Preference share capital (B)	13,851.47	11,746.20
Other Equity ('C)	1,79,994.76	1,03,930.57
Total equity share capital (D = A+B+C)	1,94,436.32	1,16,266.73
Debt securities (E)	-	468.82
Borrowings (other than debt securities) (F)	2,35,335.09	1,90,030.90
Cash and cash equivalents (G)	9,980.08	8,570.99
Bank balance other than cash and cash equivalents (other than lien) (H)	10,408.39	18,989.50
Investments (other than lien) (I)	58,410.99	15,484.55
Net Debts ( J = E+F-G-H-I)	1,56,535.63	1,47,454.68
<b>Debt to Equity (In time) (J = I/C)</b>	<b>0.81</b>	<b>1.27</b>

**32 RISK MANAGEMENT**

The Company's principal financial liabilities consist of borrowings, which are primarily used to finance its operations. On the other hand, the Company's principal financial assets include loans and cash and cash equivalents, which are directly generated from its operations.

As a lending institution, the Company is exposed to various risks associated with the lending business and the operating environment. The primary objective of the Company's risk management processes is to measure and monitor the risks it faces and to implement policies and procedures to address those risks. The Company has a robust risk governance structure in place, which includes a board and risk management committee with clearly defined charters and oversight from senior management. The board oversees the risk management process and monitors the Company's risk profile directly, as well as through its subcommittees such as the Asset Liability Management Committee and the Risk Management Committee. The key risks faced by the Company include liquidity risk, credit risk, concentration risk, market risk, interest rate risk, operational risk and foreign currency risk. The objectives and policies related to these risks are analyzed in Note 33 below."

**33 RISK MANAGEMENT - OBJECTIVE AND POLICIES**

**(a) Liquidity risk**

Liquidity risk refers to the risk that the Company may face difficulty in meeting its financial obligations, primarily related to financial liabilities. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available as needed. Liquidity risk may arise due to potential challenges in fulfilling payment obligations when they become due, resulting from mismatches in the timing of cash flows under normal and stressed circumstances. These mismatches can occur due to differences in the maturity profile of the Company's assets and liabilities. Liquidity risk can also arise from unexpected increases in the cost of funding an asset portfolio or the inability to sell a position in a timely manner and at a reasonable price.

To manage liquidity risk, the Company maintains adequate cash reserves and available credit facilities, continually monitors forecasted and actual cash flows, and aligns the maturity profiles of its financial assets and liabilities.

In order to mitigate this risk, management has established diversified funding sources and follows a funding policy aligned with the tenor and repayment pattern of its receivables. The Company monitors future cash flows and liquidity on a daily basis, utilizing internal control processes and contingency plans specifically designed to manage liquidity risk. This includes assessing expected cash flows and the availability of unencumbered receivables that can be used to secure funding if necessary through assignment.

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities

<b>Maturity profile of Financial liabilities as at 31 March, 2025</b>			
<b>Particulars</b>	<b>Borrowings</b>	<b>Payables</b>	<b>Lease Liabilities</b>
	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>
1 Day to 31 Days / One month	4,547.30	1,355.27	10.96
Over 1 month to 2 month	4,608.86	-	10.96
Over 2 month to 3 month	6,708.37	-	10.96
Over 3 month to 6 month	16,880.15	-	32.12
Over 6 month to 1 year	33,975.34	-	60.97
Over 1 year to 3 years	1,16,338.40	-	214.91
Over 3 years to 5 years	48,253.95	-	163.33
Over 5 years	4,022.71	-	191.61
	<b>2,35,335.09</b>	<b>1,355.27</b>	<b>695.83</b>

<b>Maturity profile of Financial liabilities as at 31 March, 2024</b>			
<b>Particulars</b>	<b>Borrowings</b>	<b>Payables</b>	<b>Lease Liabilities</b>
	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>
1 Day to 31 Days / One month	4,349.90	4,259.25	10.38
Over 1 month to 2 month	3,269.82	-	10.38
Over 2 month to 3 month	4,773.40	-	10.38
Over 3 month to 6 month	12,393.30	-	30.52
Over 6 month to 1 year	24,068.35	-	62.06
Over 1 year to 3 years	86,770.29	-	214.45
Over 3 years to 5 years	50,293.48	-	173.57
Over 5 years	4,581.18	-	215.82
	<b>1,90,499.72</b>	<b>4,259.25</b>	<b>727.55</b>

**Change in liability arising from financing activities**

	<b>As at 31 March, 2024</b>	<b>Cash flows</b>	<b>Other*</b>	<b>As at 31 March, 2025</b>
	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>
Debt securities	468.82	(468.36)	(0.46)	0.00
Borrowings (other than debt securities)	1,90,030.90	45,153.40	150.79	2,35,335.09
	<b>1,90,499.72</b>	<b>44,685.04</b>	<b>150.33</b>	<b>2,35,335.09</b>

	<b>As at 31 March, 2023</b>	<b>Cash flows</b>	<b>Other*</b>	<b>As at 31 March, 2024</b>
	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>	<b>Rs. /Lakhs</b>
Debt securities	4,933.05	(4,460.46)	(3.77)	468.82
Borrowings	97,290.51	92,058.13	682.26	1,90,030.90
<b>Total</b>	<b>1,02,223.56</b>	<b>87,597.67</b>	<b>678.49</b>	<b>1,90,499.72</b>

\* Other column includes amortisation of transaction cost.

**(b) Credit risk**

Credit risk arises when a borrower is unable to meet their financial obligations to the Company as per the loan agreement. This may occur due to an incorrect assessment of the borrower's repayment capacity or due to uncertainties in the future. To effectively manage credit risk, it is crucial to establish appropriate credit risk policies and processes.

The Company has implemented comprehensive and well-defined credit policies across all products and areas to mitigate associated risks. Prudent lending practices are given utmost importance, and suitable measures have been implemented for risk mitigation. These measures include verifying credit history through credit information bureaus, conducting cash flow analysis, physically verifying a customer's business and residence, performing field visits, and ensuring required insurance coverage.

Furthermore, the Company has established a post-sanction monitoring process to identify trends in the credit portfolio and early warning signals.

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**(c) Concentration of Risk/Exposure**

Concentration of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in same geographical area or industry sector so that collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions.

The company has divided loan portfolio on the following subcategories :

	As at 31 March, 2025		As at 31 March, 2024	
	Amount	%	Amount	%
	<b>Rs. /Lakhs</b>		<b>Rs. /Lakhs</b>	
Micro and small medium enterprise loans	3,18,854.25	91.70%	2,43,797.30	91.77%
Home loans	28,164.76	8.10%	21,807.27	8.21%
Others	698.45	0.20%	43.35	0.02%
	<b>3,47,717.46</b>	<b>100.00%</b>	<b>2,65,647.92</b>	<b>100.00%</b>

	As at 31 March, 2025		As at 31 March, 2024	
	Amount	%	Amount	%
	<b>Rs. /Lakhs</b>		<b>Rs. /Lakhs</b>	
Rajasthan	1,89,392.68	54.47%	1,69,011.91	63.62%
Madhya Pradesh	51,808.42	14.90%	36,324.53	13.67%
Punjab	16,547.70	4.76%	8,554.66	3.22%
Haryana	14,453.92	4.16%	8,976.81	3.38%
Chhattisgarh	12,918.07	3.72%	10,183.47	3.83%
Uttar Pradesh	10,478.71	3.01%	4,386.71	1.65%
Delhi (NCR)	8,810.17	2.53%	7,009.08	2.64%
Bihar	8,201.82	2.36%	5,278.12	1.99%
Telangana	6,611.02	1.90%	3,039.88	1.14%
Andhra Pradesh	6,187.13	1.78%	668.39	0.25%
Karnataka	6,075.99	1.75%	2,813.13	1.06%
Odisha	5,313.19	1.53%	2,045.35	0.77%
Uttarkhand	4,948.34	1.42%	3,398.83	1.28%
Jharkhand	4,233.95	1.22%	3,786.32	1.43%
Himachal Pradesh	1,177.92	0.34%	170.73	0.06%
Tamil Nadu	558.42	0.16%	-	0.00%
	<b>3,47,717.46</b>	<b>100.00%</b>	<b>2,65,647.92</b>	<b>100.00%</b>

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Credit quality analysis**

The following table sets out the information about the credit quality of financial assets measured at amortised cost.

	Stage 1	Stage 2	Stage 3	Total
	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
Neither Past due nor impaired	3,20,175.45	-	-	3,20,175.45
01-30 days Past Due	10,399.63	-	-	10,399.63
31-90 days Past due	-	8,842.38	72.28	8,914.65
Impaired (more than 90 days)	-	-	8,227.73	8,227.73
<b>Gross carrying amount as on March 31, 2025</b>	<b>3,30,575.08</b>	<b>8,842.38</b>	<b>8,300.01</b>	<b>3,47,717.46</b>
Expected credit loss ratio	0.14%	9.77%	41.43%	1.37%
Impairment loss allowance	448.09	863.99	3,438.51	4,750.59
<b>Net Carrying Amount as on March 31, 2025</b>	<b>3,30,126.99</b>	<b>7,978.39</b>	<b>4,861.50</b>	<b>3,42,966.87</b>

	Stage 1	Stage 2	Stage 3	Total
	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
Neither Past due nor impaired	2,52,435.54	-	-	2,52,435.54
01-30 days Past Due	4,636.28	-	3.77	4,640.05
31-90 days Past due	-	3,812.94	43.32	3,856.26
Impaired (more than 90 days)	-	-	4,716.06	4,716.06
<b>Gross carrying amount as on March 31, 2024</b>	<b>2,57,071.82</b>	<b>3,812.94</b>	<b>4,763.15</b>	<b>2,65,647.92</b>
Expected credit loss ratio	0.41%	1.77%	45.01%	1.23%
Impairment loss allowance	1,054.98	67.30	2,144.13	3,266.41
<b>Net Carrying Amount as on March 31, 2024</b>	<b>2,56,016.84</b>	<b>3,745.64</b>	<b>2,619.02</b>	<b>2,62,381.51</b>

**(d) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market variables. Such changes in the values of financial instruments may result from changes in the interest rates, credit, and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk and liquidity risk.

**(e) Interest rate risk**

The Company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity years that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and asset liability management committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Change in interest rate affects Company's earnings (measured by NII or NIM) and corresponding net worth. Hence it is essential for the Company to not only quantify the interest rate risk but also to manage it proactively. The Company mitigates its interest rate risk by keeping a balanced mix of borrowings. The Company lends at fixed rate of interest thus, the company is not exposed to interest rate risk on loans.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

Particulars	Year Ended 31 March, 2025		Year Ended 31 March, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
Borrowings (Floating)				
Increase in basis points (+/- 1%)	(1,894.21)	(1,894.21)	(1,725.06)	(1,725.06)
Decrease in basis points (+/- 1%)	1,894.21	1,894.21	1,725.06	1,725.06

**(f) Operational risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses.

The Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of concurrent audit.

The company has put in place a robust Disaster Recovery (DR) plan and Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with any adverse events.

**(g) Foreign currency risk**

Fluctuations in foreign currency exchange rates may have an impact on the statement of profit and loss, the statement of change in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The increase/ (decrease) in foreign currency exchange rates are not expected to have any significant impact in these financial statements.

**(h) ECL Sensitivity to future economic condition**

	As at 31 March, 2025	As at 31 March, 2024
	Rs. /Lakhs	Rs. /Lakhs
Gross carrying amount of loans	3,47,717.46	2,65,647.92
Reported ECL	4,750.59	3,266.41
Reported ECL coverage	1.37%	1.23%
Reported ECL including Management Overlay	4,750.59	3,266.41
Management Overlay	-	1,168.43
Reported ECL excluding Management overlay	4,750.59	2,097.98

**ECL Computation:-**

Conditional ECL at DPD level was computed with the following method:

Conditional ECL for year = EAD \*conditional PD \* LGD

The company measures ECL as product of PD, LGD and EAD estimates for its Ind AS 109 specified financials assets.

The Calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities.

Proportionation of expected credit loss provided for across the stage is summarized below:-

Particulars	Provisions	As at 31 March, 2025	As at 31 March, 2024
Stage 1	12 Months Provision	0.13%	0.40%
Stage 2	Life time Provision	9.69%	1.75%
Stage 3	Life time Provision	41.07%	44.65%

**Analysis of inputs to ECL model under multiple economic scenarios**

The following tables outline the impact of multiple scenarios on the allowance based on macro-economic factors considered:

ECL Scenarios	As at 31 March, 2025	As at 31 March, 2024
Best case	4,730.05	3,252.29
Base Case	4,748.73	3,265.13
Worst Case	4,767.62	3,278.12

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**34 COLLATERAL AND OTHER CREDIT ENHANCEMENT**

While collateral can be an important means of mitigating credit risk, it is the policy of the Company to lend based on the customer's ability and intention to meet repayment obligations through cash flow resources, rather than primarily relying on collateral and other credit risk enhancements. The Company ensure that the Company hold the first and exclusive charge on all collateral for almost all loans granted. MSME and HL Loans secured against immovable property at the time of origination. The value of the property at the time of origination is determined by obtaining a valuation report from valuers appointed / empanelled by the Company. Security interest in favor of the Company is established through the deposit of title deeds by equitable or registered mortgage.

The Company does not seek any other form of credit enhancement beyond the measures mentioned above. All loans classified as secured are secured by tangible collateral. In the event of any surplus remaining after the settlement of outstanding debt through the sale of collateral, it is returned to the borrower.

**35 MATURITY ANALYSIS AT 31 MARCH, 2025 AND 31 MARCH, 2024**

	As at 31 March, 2025			As at 31 March, 2024		
	Amount	Current	Non Current	Amount	Current	Non Current
	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash and cash equivalents	9,980.08	9,980.08	-	8,570.99	8,570.99	-
Bank balance other than cash and cash equivalents	17,744.56	16,365.86	1,378.70	21,199.90	20,165.63	1,034.27
Loans	3,42,966.87	68,452.28	2,74,514.59	2,62,381.51	41,027.38	2,21,354.13
Investments	58,838.47	54,328.69	4,509.78	15,882.70	15,882.70	-
Other financial assets	1,189.09	1,045.81	143.28	888.64	460.28	428.36
<b>Subtotal (A)</b>	<b>4,30,719.07</b>	<b>1,50,172.73</b>	<b>2,80,546.34</b>	<b>3,08,923.74</b>	<b>86,106.98</b>	<b>2,22,816.76</b>
<b>Non- financial assets</b>						
Current tax assets	1,123.08	-	1,123.08	5.46	-	5.46
Deferred tax assets (net)	1,841.68	-	1,841.68	1,192.02	-	1,192.02
Property, plant and equipment	1,728.32	-	1,728.32	1,526.74	-	1,526.74
Right of use assets	403.23	-	403.23	432.35	-	432.35
Intangible assets under development	28.35	28.35	-	16.31	16.31	-
Intangible assets	185.46	-	185.46	148.49	-	148.49
Other non- financial assets	152.76	152.76	-	91.85	91.85	-
<b>Subtotal (B)</b>	<b>5,526.38</b>	<b>244.61</b>	<b>5,281.76</b>	<b>3,413.22</b>	<b>108.16</b>	<b>3,305.06</b>
<b>Total assets</b>	<b>4,36,245.45</b>	<b>1,50,417.34</b>	<b>2,85,828.10</b>	<b>3,12,336.96</b>	<b>86,215.14</b>	<b>2,26,121.81</b>
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Payables	1,355.27	1,355.27	-	1,163.98	1,163.98	-
Debt securities	-	-	-	468.82	468.82	-
Borrowings (other than debt securities)	2,35,335.09	66,720.02	1,68,615.07	1,90,030.90	48,385.96	1,41,644.94
Lease liabilities	478.84	125.97	352.87	490.36	68.57	421.79
<b>Subtotal (A)</b>	<b>2,37,169.20</b>	<b>68,201.27</b>	<b>1,68,967.94</b>	<b>1,92,154.06</b>	<b>50,087.33</b>	<b>1,42,066.73</b>
<b>Non-financial liabilities</b>						
Current tax liabilities	-	-	-	19.20	19.20	-
Provisions	647.54	-	647.54	335.11	-	335.11
Other Non-financial liabilities	3,992.38	3,992.38	-	3,561.86	3,561.86	-
<b>Subtotal (B)</b>	<b>4,639.92</b>	<b>3,992.38</b>	<b>647.54</b>	<b>3,916.17</b>	<b>3,581.06</b>	<b>335.11</b>
<b>Equity</b>						
Equity share capital	590.10	-	590.10	589.96	-	589.96
Preference share capital	13,851.47	-	13,851.47	11,746.20	-	11,746.20
Other equity	1,79,994.76	-	1,79,994.76	1,03,930.57	-	1,03,930.57
<b>Subtotal (C)</b>	<b>1,94,436.33</b>	<b>-</b>	<b>1,94,436.32</b>	<b>1,16,266.73</b>	<b>-</b>	<b>1,16,266.73</b>
<b>Total liability (A+B+C)</b>	<b>4,36,245.45</b>	<b>72,193.65</b>	<b>3,64,051.80</b>	<b>3,12,336.96</b>	<b>53,668.39</b>	<b>2,58,668.57</b>

**36 Transactions with struck off companies**

The Company has not engaged in any transactions with companies that have been struck off under Section 248 of the Companies Act, 2013, or Section 560 of the Companies Act, 1956. We have complied with the provisions and regulations specified under these acts in relation to transactions with such companies

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**37 STOCK OPTION**

The Company has established several share-based payment schemes for its employees, namely the Employee Stock Option Plan 2018, Employee Stock Option Plan 2020, and Employee Stock Option Plan 2022. The grants awarded under these schemes are presented as follows:

	ESOP Scheme 2018 (I)	ESOP Scheme 2018 (II)	ESOP Scheme 2018 (III)	ESOP Scheme 2018 (IV)	ESOP Scheme 2018 (V)	ESOP Scheme 2018 (VI)	ESOP Scheme 2018 (VII)	ESOP Scheme 2018 (VIII)
Date of grant	01-Nov-18	07-Jan-19	03-Jul-19	04-Jun-21	12-Nov-21	31-Oct-22	31-Jan-23	14-Sep-23
Date of Board / Compensation Committee approval	01-Nov-18	07-Jan-19	03-Jul-19	04-Jun-21	12-Nov-21	31-Oct-22	31-Jan-23	14-Sep-23
Options approved				211642				
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:								
One year from the date of grant	20%	20%	20%	20%	20%	20%	20%	20%
On expiry of one year from the 1st vesting date	20%	20%	20%	20%	20%	20%	20%	20%
On expiry of two years from the 1st vesting date	30%	30%	30%	30%	30%	30%	30%	30%
On expiry of three years from the 1st vesting date	30%	30%	30%	30%	30%	30%	30%	30%
Exercise period			10 years from each vesting date					
Vesting conditions			Continuous service					
Weighted average remaining contractual life (in years)	7.59	7.78	8.26	10.18	10.62	11.59	11.85	12.47
Weighted average exercise price per option (in Rs.)	175.00	175.00	360.97	708.78	708.78	806.00	813.00	877.00
Weighted average fair value of stock options granted	35.50	35.21	82.92	122.03	117.18	181.43	185.91	177.35
<b>For the year ended 31 March, 2025</b>								
Options outstanding at the beginning of the year	27,170	8,630	32,381	58,470	12,582	4,300	1,000	16,800
Granted during the year	-	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	-	-
Exercised during the year	876	-	-	-	-	-	-	-
Expired/Lapsed during the year	975	-	1,940	9,400	-	-	-	5,000
Outstanding at the end of the year	25,319	8,630	30,441	49,070	12,582	4,300	1,000	11,800
Exercisable at the end of the year	25,319	8,630	30,441	33,620	8,807	1,720	400	2,360
<b>For the year ended 31 March, 2024</b>								
Options outstanding at the beginning of the year	31,720	8,630	43,353	67,470	12,582	6,390	2,250	-
Granted during the year	-	-	-	-	-	-	-	16,800
Forfeited during the year	-	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-	-
Expired/Lapsed during the year	4,550	-	10,972	9,000	-	2,090	1,250	-
Outstanding at the end of the year	27,170	8,630	32,381	58,470	12,582	4,300	1,000	16,800
Exercisable at the end of the year	27,170	8,630	32,381	21,570	5,032	860	200	-



**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	ESOP Scheme 2020 (I)	ESOP Scheme 2020 (II)	ESOP Scheme 2020 (III)	ESOP Scheme 2020 (IV)	ESOP Scheme 2022 (I)	ESOP Scheme 2022 (II)	ESOP Scheme 2022 (III)
Date of grant	04-Jun-21	12-Nov-21	31-Oct-22	31-Jan-23	31-Oct-22	31-Jan-23	11-Dec-24
Date of Board / Compensation Committee approval	04-Jun-21	12-Nov-21	31-Oct-22	31-Jan-23	31-Oct-22	31-Jan-23	11-Dec-24
Options approved		193592				253116	
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:							
One year from the date of grant	20%	20%	20%	20%	20%	20%	20%
On expiry of one year from the 1st vesting date	20%	20%	20%	20%	20%	20%	20%
On expiry of two years from the 1st vesting date	30%	30%	30%	30%	30%	30%	30%
On expiry of three years from the 1st vesting date	30%	30%	30%	30%	30%	30%	30%
Exercise period		10 years from each vesting date					
Vesting conditions		Continuous service					
Weighted average remaining contractual life (in years)	10.18	10.62	11.59	11.85	11.59	11.85	13.70
Weighted average exercise price per option (in Rs.)	708.78	708.78	806.00	813.00	806.00	813.00	2,272.00
Weighted average fair value of stock options granted	122.03	117.18	181.43	185.91	181.43	185.91	427.75
<b>For the year ended 31 March, 2025</b>							
Options outstanding at the beginning of the year	85,752	21,492	36,990	4,000	1,55,010	25,500	-
Granted during the year	-	-	-	-	-	-	38,200
Forfeited during the year	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-
Expired/Lapsed during the year	5,433	3,500	3,250	-	25,250	500	3,000
Outstanding at the end of the year	80,319	17,992	33,740	4,000	1,29,760	25,000	35,200
Exercisable at the end of the year	55,074	12,594	13,496	1,600	51,904	10,000	-
<b>For the year ended 31 March, 2024</b>							
Options outstanding at the beginning of the year	1,11,902	23,492	39,750	9,500	1,95,860	25,500	-
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-
Expired/Lapsed during the year	26,150	2,000	2,760	5,500	40,850	-	-
Outstanding at the end of the year	85,752	21,492	36,990	4,000	1,55,010	25,500	-
Exercisable at the end of the year	31,842	8,596	7,398	800	31,002	5,100	-

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Computation of fair value of options granted during the year ended 31 March, 2025**

The company measure the cost of Employee Stock option using the fair value method and has calculated fair value of option at the time of grant using Black-scholes pricing model with the following assumptions:

Particulars	Grant - I			
	Tranch 1	Tranch 2	Tranch 3	Tranch 4
Life of the options granted (years)	1 Years	2 Years	3 Years	4 Years
Risk-free interest rate (%)	6.60%	6.62%	6.62%	6.67%
Fair value of the option (Rs.)	215.90	332.64	471.24	588.89
Share price on the date of grant (Rs.)	2,271.30	2,271.30	2,271.30	2,271.30
Exercise price (Rs.)	2,272.00	2,272.00	2,272.00	2,272.00
Expected volatility (%)	14.98%	12.73%	14.48%	14.70%
Expected dividend rate (%)				

**Computation of fair value of options granted during the year ended 31 March, 2025**

The company measure the cost of Employee Stock option using the fair value method and has calculated fair value of option at the time of grant using Black-scholes pricing model with the following assumptions:

Particulars	Grant - I			
	Tranch 1	Tranch 2	Tranch 3	Tranch 4
Life of the options granted (years)	1 Years	2 Years	3 Years	4 Years
Risk-free interest rate (%)	7.13%	7.14%	7.14%	7.11%
Fair value of the option (Rs.)	73.27	140.64	191.55	257.00
Share price on the date of grant (Rs.)	876.14	876.14	876.14	876.14
Exercise price (Rs.)	877.00	877.00	877.00	877.00
Expected volatility (%)	10.65%	14.67%	14.91%	19.64%
Expected dividend rate (%)				

Particulars	31 March, 2025	31 March, 2024
	Rs. /Lakhs	Rs. /Lakhs
Expenses charged for the period	95.20	172.76
Employee stock options outstanding balance	530.65	435.45

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**38 RELATED PARTY DISCLOSURE**

**A. Name of the related parties and nature of relationship**

Relationship	Name of Related party
<b>Directors &amp; Key Managerial Personnel</b>	1. Mr. Mohit Sahney (Managing Director & CEO)
	2. Mrs. Sunita Sahney (Executive Director)
	3. Mr. Ravi Sharma (Chief Financial Officer)
	4. Mr. Jaikishan Premani (Company Secretary)
	5. Mr. Arjun Dan Ratnoo (Independent Director)
	6. Mr. Sathyan David (Independent Director)
<b>Close member of Key Managerial Personnel</b>	1. Mr. Rahul Sahney (Brother of Mr. Mohit Sahney Managing Director & CEO)
	2. Mr. Rohit Sahney (Brother of Mr. Mohit Sahney Managing Director & CEO)
	3. Mrs. Santosh Sahney (Mother of Mr. Mohit Sahney Managing Director & CEO)
	4. Mr. Aryaman Sahney (Son of Mr. Mohit Sahney Managing Director & CEO & Mrs. Sunita Sahney Executive Director)
	5. Ms. Advika Sahney (Daughter of Mr. Mohit Sahney Managing Director & CEO & Mrs. Sunita Sahney Executive Director)

**B. Details of transactions during the year with related parties**

(Rs. /Lakhs)

Name of the employee	Nature	Key Managerial Personnel		Close member of Key Managerial Personnel	
		31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024
Mr. Mohit Sahney	Remuneration	345.47	265.75	-	-
Mrs. Sunita Sahney	Remuneration	119.96	92.27	-	-
Mr. Rahul Sahney	Remuneration	-	-	69.27	58.72
Mr. Ravi Sharma	Remuneration	39.70	39.18	-	-
Mr. Jaikishan Premani	Remuneration	13.98	10.47	-	-
Mr. Aryaman Sahney	Remuneration	-	-	13.39	-
Mr. Mohit Sahney	Incentive Paid	265.75	204.42	-	-
Mrs. Sunita Sahney	Incentive Paid	92.27	70.98	-	-
Mr. Rahul Sahney	Incentive Paid	-	-	64.70	60.15
Mr. Ravi Sharma	Incentive Paid	18.83	13.76	-	-
Mr. Jaikishan Premani	Incentive Paid	4.69	2.44	-	-
Mrs. Sunita Sahney	Expenses Reimbursement	0.60	0.60	-	-
Mr. Rahul Sahney	Expenses Reimbursement	-	-	42.87	34.73
Mr. Jaikishan Premani	Expenses Reimbursement	3.60	3.60	-	-
Mr. Ravi Sharma	Expenses Reimbursement	14.52	6.00	-	-
Mr. Aryaman Sahney	Expenses Reimbursement	-	-	3.51	-
Mr. Ravi Sharma	Perquisites	18.36	-	-	-
Mr. Ravi Sharma	ESOP Exercised	1.53	-	-	-
Mr. Arjun Dan Ratnoo	Sitting Fees	4.50	3.50	-	-
Mr. Satyan David	Sitting Fees	3.90	3.35	-	-
Mr. Arjun Dan Ratnoo	Commission	2.65	-	-	-
Mr. Satyan David	Commission	2.65	-	-	-

**C. Details of outstanding Payable/(receivable) balances at the end of the year with related parties**

Name of the employee	Nature of Expenses	Key Managerial Personnel		Close member of Key Managerial Personnel and other parties	
		31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024
Mr. Rahul Sahney	Remuneration / Reimbursement	-	-	7.28	6.28
Mr. Ravi Sharma	Remuneration / Reimbursement	3.12	3.26	-	-
Mr. Jaikishan Premani	Remuneration / Reimbursement	1.31	1.10	-	-
Mr. Aryaman Sahney	Remuneration / Reimbursement	1.83	-	-	-

**D. Details of compensation in total and for each of the categories with related parties**
**For the financial year 2024-25**

Name of the employee	Short term Employee benefits	Post Employment benefits	Other long term benefits*	Termination benefits	Share base payments*
Mr. Mohit Sahney	611.22	-	-	-	-
Mrs. Sunita Sahney	212.83	-	-	-	-
Mr. Rahul Sahney	176.84	-	-	-	-
Mr. Ravi Sharma	92.94	-	-	-	-
Mr. Jaikishan Premani	22.27	-	-	-	-
Mr. Aryaman Sahney	16.90	-	-	-	-
	<b>1,133.00</b>	-	-	-	-

**For the financial year 2023-24**

Name of the employee	Short term Employee benefits	Post Employment benefits	Other long term benefits	Termination benefits	Share base payments
Mr. Mohit Sahney	470.17	-	-	-	-
Mrs. Sunita Sahney	163.85	-	-	-	-
Mr. Rahul Sahney	153.60	-	-	-	-
Mr. Ravi Sharma	58.94	-	-	-	-
Mr. Jaikishan Premani	16.51	-	-	-	-
Mr. Aryaman Sahney	-	-	-	-	-
	<b>863.08</b>	-	-	-	-

**E. Others**
**For the financial year 2024-25**

Related Party	Parent (as per ownership or control)	Subsidiaries	Associates/Joint Ventures	Key Management	Relatives of Key Management personnel	Others	Total
Borrowings	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Placement of Deposits	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Purchase of Fixed/Other Assets	-	-	-	-	-	-	-
Sale of Fixed/Other Assets	-	-	-	-	-	-	-
Interest Paid	-	-	-	-	-	-	-
Interest Received	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-

**For the financial year 2023-24**

Related Party	Parent (as per ownership or control)	Subsidiaries	Associates/Joint Ventures	Key Management	Relatives of Key Management personnel	Others	Total
Borrowings	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Placement of Deposits	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Purchase of Fixed/Other Assets	-	-	-	-	-	-	-
Sale of Fixed/Other Assets	-	-	-	-	-	-	-
Interest Paid	-	-	-	-	-	-	-
Interest Received	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-

\* Gratuity and ESOP valuation has been done at the company level not for the individual,

\*\* As per the company policy there is no other long term and termination benefits to the employees.

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**39 PROVISIONS AND CONTINGENCIES**

	As at 31 March, 2025	As at 31 March, 2024
<b>Break-up 'provision and contingencies' shown under the head Expenditure in statement of profit and loss</b>		
a. Provision for depreciation on investment	-	-
b. Provision towards Non-Performing Asset ('NPA') (expected credit loss on stage 3 assets)	1,294.37	1,079.32
c. Provision made towards income tax (net of deferred tax including OCI)	6,349.34	5,137.21
d. Other provision and contingencies	331.40	144.08
e. Provision for standard assets (expected credit loss on Stage 1 and Stage 2 assets)	189.80	408.45
f. Loan sanctioned but undisbursed amount	3,153.94	3,779.73
	<b>11,318.86</b>	<b>10,548.80</b>

**40 Disclosures as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023**

**a. CAPITAL**

Particulars	Numerator	Denominator	As at 31 March, 2025	As at 31 March, 2024	Variance
a. CRAR (%)	Adjusted Tier I and Tier II Capital	Risk weighted Assets	47.15%	40.65%	6.50%
b. CRAR-Tier I Capital (%)	Adjusted Tier I Capital	Risk weighted Assets	47.08%	40.43%	6.65%
c. CRAR-Tier II Capital (%)	Adjusted Tier II Capital	Risk weighted Assets	0.07%	0.22%	-0.15%
d. Liquidity coverage ratio	Highly qualified assets	Liquid Net Cash outflow		(see note below)	
e. Amount of subordinated debt raised as Tier-II capital			-	-	0.00%
f. Amount raised by issue of Perpetual Debt Instruments			-	-	0.00%

**Basis of ratios**

	As at 31 March, 2025	As at 31 March, 2024
	Rs. /Lakhs	Rs. /Lakhs
a. Adjusted Tier I Capital	1,91,249.79	1,13,900.39
b. Adjusted Tier II Capital	271.29	625.36
c. Total Capital	1,91,521.08	1,14,525.75
d. Risk Weighted Assets	4,06,195.91	2,81,770.12
e. Highly qualified liquid assets	Not applicable	Not applicable
f. Net cash outflow in next 30 calendar days	Not applicable	Not applicable

**Note:**

Annex XXI Guidelines on Liquidity Coverage Ratio (LCR) of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. These guidelines include the Liquidity Coverage Ratio (LCR), which is applicable to non-deposit taking NBFCs with an asset size exceeding Rs. 5,00,000 lakhs. However, the Company does not meet the criteria for LCR applicability, and therefore, the disclosure provisions related to LCR are not applicable to the Company.

**b. INVESTMENTS**

	As at 31 March, 2025	As at 31 March, 2024
	Rs. /Lakhs	Rs. /Lakhs
<b>1. Value of Investments</b>		
(i) Gross value of investments		
(a) In India	58,838.47	15,882.70
(b) Outside India	-	-
	<b>58,838.47</b>	<b>15,882.70</b>
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
	-	-
(iii) Net Value of Investments		
(a) In India	58,838.47	15,882.70
(b) Outside India	-	-
	<b>58,838.47</b>	<b>15,882.70</b>
<b>2. Movement of provisions held towards depreciation on Investments</b>		
(i) Opening Balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/ write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

**c. DERIVATIVES**

**i Forward rate agreement / interest rate swap**

During both the financial year 2024-25 and the financial year 2023-24, the Company did not enter into any transactions or have any exposure in forward rate agreements or interest rate swaps. Therefore, no disclosure is applicable in this regard.

**ii Exchange traded interest rate (IR) derivatives**

During both the financial year 2024-25 and the financial year 2023-24, the Company did not enter into any transactions or have any exposure in exchange-traded interest rate (IR) derivatives. Therefore, no disclosure is applicable in this regard.

**iii Disclosures on risk exposure in derivatives**

During both the financial year 2024-25 and the financial year 2023-24, the Company did not enter into any transactions or have any exposure in derivatives. Therefore, the disclosures on risk exposure in derivatives - Qualitative & Quantitative Disclosure, are not applicable, and no disclosure is made in the financial statements.

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**d. ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF ASSET AND LIABILITY**

i. The disclosure of asset liability management maturity pattern as at 31 March, 2025 are as follows:

	1 to 7 days	8 to 14 days	15 days to 30 /31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month and up to 6 month	Over 6 Month and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	3,126.71	199.27	8,798.30	5,018.66	5,041.74	15,257.13	31,029.57	1,31,081.84	1,16,283.95	27,129.70	3,42,966.87
Investments	11,844.76	2,494.20	-	10,680.61	2,941.82	2,999.11	23,368.18	-	4,509.78	-	58,838.47
Borrowings (including debt securities)	1,485.50	152.45	2,909.35	4,608.86	6,708.37	16,880.15	33,975.34	1,16,338.40	48,253.95	4,022.72	2,35,335.09
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-

ii. The disclosure of asset liability management maturity pattern as at 31 March, 2024 are as follows:

	1 to 7 days	8 to 14 days	15 days to 30 /31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month and up to 6 month	Over 6 Month and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	1,955.27	228.11	5,546.42	2,888.65	2,915.74	8,909.61	18,583.58	84,751.67	88,236.68	48,365.78	2,62,381.51
Investments	15,882.70	-	-	-	-	-	-	-	-	-	15,882.70
Borrowings (including debt securities)	408.96	350.54	3,590.39	3,269.82	4,773.40	12,393.30	24,068.35	86,770.29	50,293.48	4,581.19	1,90,499.72
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

Notes:

i. Advances as disclosed above are net of ECL provisions.

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**e. EXPOSURE**

**i. Exposure to real estate sector**

The company has exposure to real estate sector as on March 31, 2025 which is given herein below:

Particulars	As at 31 March, 2025	As at 31 March, 2024
	Rs. /Lakhs	Rs. /Lakhs
<b>a. Direct exposure (fund and non fund based)</b>		
<b>i. Residential mortgages-</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	3,38,910.37	2,56,810.13
<b>ii. Commercial real estate-</b>		
Lending fully secured by commercial real estates (Office buildings, retail space, multi-purpose commercial premises, multi family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels land acquisition, development and construction etc.).	8,108.64	8,298.06
<b>iii. Investment in mortgage Backed Securities (MBS) and other securitized exposures-</b>		
Residential	-	-
Commercial real estate	-	-
<b>b. Indirect exposure (fund and non fund based)</b>	-	-
<b>Total exposure to real estate sector</b>	<b>3,47,019.01</b>	<b>2,65,108.19</b>

**ii. Exposure to capital market**

Particulars	As at 31 March, 2025	As at 31 March, 2024
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii) Bridge loans to companies against expected equity flows / issues	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual fund	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All Exposure to the alternative investment funds:	-	-
i) Category I		
ii) Category II		
iii) Category III		
<b>Total Exposure to Capital Market</b>	<b>-</b>	<b>-</b>

**iii. Details of financing of parent company products**

The Company does not participate in the financing of its parent company's products. As a result, no disclosures regarding such financing are made in the financial statements.

**iv. Details of single borrower limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC**

During the current year as well as the previous year, the Company has maintained compliance with the prudential exposure limits throughout the entire duration. Consequently, there is no requirement for disclosure in the notes to the accounts concerning any exposures where the applicable NBFC may have exceeded the prudential exposure limits. The determination of exposure limits has been conducted by considering the higher value between the sanctioned limit and the entire outstanding amount.

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**v. Unsecured advances**

- a. According to RBI regulations, it is mandatory to disclose unsecured advances in the financial statements. Unsecured advances refer to loans where the collateral provided, such as rights, licenses, authorizations, and similar assets for projects, including infrastructure projects, are not considered tangible security. Such advances must be classified as unsecured and disclosed accordingly. However, the Company does not have any such unsecured advances where the rights, licenses, authorizations, and similar assets provided as collateral for projects, including infrastructure projects, are involved. In addition, the Company has unsecured advances totaling Rs. 698.45 Lakhs (Previous year Rs. 539.73 Lakhs), which have been provided to Micro and small medium enterprises and employees of the Company. It should be noted that these advances do not fall within the aforementioned category of unsecured advances and therefore have separate considerations.
- b. According to RBI regulations, it is a requirement to disclose the total amount of advances that have utilized intangible securities, such as charges over rights, licenses, authority, etc., as collateral. The estimated value of these intangible collaterals should also be disclosed. However, in the case of the Company, there have been no instances of financing unsecured loans that involve such intangible collateral. Therefore, there is no need to differentiate or provide separate disclosure for these loans as they do not exist within the Company's portfolio.

**f. MISCELLANEOUS**

- i. The Company is engaged in lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The Company had obtained its licence from Reserve Bank of India (RBI) to operate as Non deposit Accepting Non Banking Financial Company (NBFC-ND) on March 02, 2016 vide registration No. B.10.00236. The Company has not obtained registration from any other financial sector regulators apart from the Reserve Bank of India. As a result, no disclosure is required regarding registration with other regulators in the notes to the financial statements.
- ii. During the financial year, the Company did not incur any expenses towards penalties imposed by the Reserve Bank of India or any other regulators. Therefore, there is no requirement to disclose any penalties information in the financial statements.
- iii. The information regarding the related party transaction during the year is disclosed in Note 38 of the notes to the financial statements.
- vi. The information regarding the credit ratings assigned by credit rating agencies and any changes or migration of ratings during the year is disclosed in Note 43 of the notes to the financial statements.
- v. The information regarding the director remuneration during the year is disclosed in Note 38 and Note 42 of the notes to the financial statements.
- vi. During the financial year, the Company did not record any prior period items and did not make any changes in accounting policies. As a result, there is no requirement for disclosure regarding such items in the financial statements.
- vii. Apart from non-performing assets, the Company has not deferred revenue recognition due to uncertainty or any other circumstances.

**g. Additional disclosure**

- i. The Company is registered as a non-deposit accepting NBFC, and as a result, it has not accepted any deposits. Therefore, there is no requirement for disclosure regarding deposits in the financial statements.
- ii. Provisions and Contingencies: The information regarding provisions and contingencies is disclosed in Note 39 of the notes to the financial statements.
- iii. During the current year, the Company has only transferred an amount from the Surplus in the statement of profit and loss to the Statutory Reserve Fund, as required under section 45-IC of the RBI Act, 1934. There have been no drawdowns from the reserve during the year.



**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

		As at 31 March, 2025	As at 31 March, 2024
iv. <b>CONCENTRATION OF ADVANCES</b>			
Total advance to twenty largest borrowers	Rs. /Lakhs	618.36	577.97
Percentage of advances to twenty largest borrowers to total advances of the NBFC	%	0.18%	0.22%

v. <b>CONCENTRATION OF EXPOSURE</b>			
Total exposure to twenty largest borrowers/customers	Rs. /Lakhs	618.36	577.97
Percentage of exposure to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	%	0.18%	0.22%

vi. <b>CONCENTRATION OF NPA</b>			
Total exposure to top four NPA account	Rs. /Lakhs	70.90	73.38

vii. **SECTOR WISE NPA'S (Stage 3)**

Sectors	Percentage of NPAs to Total Advances in that Sector		Percentage of NPAs to Total Advances in that Sector	
	As at 31 March, 2025		As at 31 March, 2024	
	Rs. /Lakhs		Rs. /Lakhs	
Agriculture and allied activities	-	0.00%	-	0.00%
MSME	7,467.30	2.34%	4,316.38	1.77%
Corporate borrowers	-	0.00%	-	0.00%
Services	-	0.00%	-	0.00%
Unsecured personal loans	-	0.00%	-	0.00%
Auto loans	-	0.00%	-	0.00%
Other personal loans	-	0.00%	-	0.00%
Home Loan	832.72	2.96%	446.77	2.05%

viii. **MOVEMENT OF NPA's (Stage 3)**

Sector			As at 31 March, 2025	As at 31 March, 2024
i.	Net NPA's to Net Advance %	%	1.42%	1.00%
ii.	Movement of NPAs (Gross)			
a.	Opening Balance	%	4,763.15	1,581.08
b.	Additions during the year	%	8,034.46	4,933.92
c.	Reductions during the year	%	(4,497.60)	(1,751.85)
d.	Closing Balance	%	8,300.01	4,763.15
iii.	Movement of Net NPAs			
a.	Opening Balance	%	2,619.02	516.27
b.	Additions during the year	%	4,705.78	3,369.94
c.	Reductions during the year	%	(2,463.30)	(1,267.19)
d.	Closing Balance	%	4,861.51	2,619.02
iv.	Movement of provision for NPAs (Excluding provision on standard assets)			
a.	Opening Balance	%	2,144.13	1,064.80
b.	Additions during the year	%	3,328.68	1,563.99
c.	Write-off/Write back of excess provision	%	(2,034.29)	(484.66)
d.	Closing	%	3,438.51	2,144.13

ix The Company does not have any joint ventures and subsidiaries abroad during the year ended March 31, 2025 and March 31, 2024 and hence this disclosure is not applicable and preparation of Consolidated Financials Statements are not applicable.

x The Company does not have any Off-Balance sheet SPV's sponsored, which are required to be consolidated as per the accounting norms, during the financial year ended March 31, 2025 and March 31, 2024.

xi The Company does not have any off- Balance Sheet Exposure during the Financial year ended March 31, 2025 and March 31, 2024.

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

- h. **Disclosure pertaining to RBI master direction - RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.1.177/2021-22 Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021**

**Details of Securitisation during the year Securitisation of Standard Assets :**

Sl. No.	Particulars	As at 31 March, 2025	As at 31 March, 2024
1.	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	5	3
2.	Total amount of securitised assets as per books of the SPEs	27,877.25	18,167.75
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	6,491.43	3,418.62
	• Others	-	-
4.	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations	-	-
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
5.	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	29,511.80	16,227.06
6.	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7.	Performance of facility provided.	-	-
	(a) Amount paid	-	-
	(b) Repayment received	-	-
	(c) Outstanding amount	6,491.43	3,418.62
8.	Average default rate of portfolios	-	-
9.	Amount and number of additional/top up loan given on same underlying asset.	-	-
10.	Investor complaints		
	(a) Directly/Indirectly received	-	-
	(b) Complaints outstanding	-	-

The securitised loans disclosed in the above note 40(h) do not qualify for derecognition under IND-AS. Never the less, the information in the notes is presented to ensure compliance with the RBI disclosure requirement.

- i **Details of Stressed Loan transferred:-**

Sl. No.	Particulars	As at March 31, 2025		As at March 31, 2024	
		To asset reconstruction companies (ARC)		To asset reconstruction companies (ARC)	
		NPA	SMA	NPA	SMA
1.	No. of accounts	2489	-	-	-
2.	Aggregate principal outstanding of loans transferred	7,075.30	-	-	-
3.	Weighted average residual tenor of the loans transferred	less than 4 years	-	-	-
4.	Net book value of loans transferred (at the time of transfer)	4,068.54	-	-	-
5.	Aggregate consideration	5,305.63	-	-	-
6.	Additional consideration realised in respect of accounts transferred in earlier years	-	-	-	-

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**j. Sectoral exposure**

Sectors	As at 31 March, 2025			As at 31 March, 2024		
	Total exposure (included on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to Total exposure in that Sector	Total exposure (included on balance sheet and off-balance sheet)	Gross NPAs	Percentage of Gross NPAs to Total exposure in that Sector
	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs	Rs. /Lakhs
<b>Agriculture and allied activities</b>						
<b>Industry</b>						
- Micro and small medium enterprise loans	3,19,552.70	7,467.29	2.34%	2,43,797.30	4,316.38	1.77%
- Corporate borrowers	-	-	-	-	-	-
<b>Subtotal</b>	<b>3,19,552.70</b>	<b>7,467.29</b>	<b>2.34%</b>	<b>2,43,797.30</b>	<b>4,316.38</b>	<b>1.77%</b>
<b>Services</b>						
<b>Personal loans</b>						
- Unsecured	-	-	-	43.35	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>43.35</b>	<b>-</b>	<b>0.00%</b>
<b>(b) Others</b>						
- Home Loan	28,164.76	832.72	2.96%	21,807.27	446.77	2.05%
<b>Subtotal</b>	<b>28,164.76</b>	<b>832.72</b>	<b>2.96%</b>	<b>21,807.27</b>	<b>446.77</b>	<b>2.05%</b>
<b>(c)</b>						
<b>Total</b>	<b>3,47,717.46</b>	<b>8,300.01</b>	<b>2.39%</b>	<b>2,65,647.92</b>	<b>4,763.15</b>	<b>1.79%</b>

**k. Intra-group exposures**

There is no intra-group exposures during the year 2024-25 (For the Year 2023-24 Nil).

**l. Unhedged foreign currency exposure**

The Company is required to disclose details of its unhedged foreign currency exposures. However, there were no outstanding foreign currency exposures at the year-end and in the previous year. The accounting policy for foreign currencies is disclosed in Note 1.7.1 - Foreign Currencies, and further details can be found in Note 33 - Risk Management - Objective and Policies.

The summary of expenditure in foreign currency are as follows:

	31 March, 2025	31 March, 2024
	Rs. /Lakhs	Rs. /Lakhs
Reimbursement of charges	-	-
Purchase of goods and services	-	-
	-	-

m. The Company did not generate any earnings in foreign currency during the reporting period.

n. During the year, the Company has not assigned any loan and have no exposure on the assignment of assets accordingly there is no disclosure made in the financial statements.

o. The disclosure of complaints is provided in Note 41 of the notes to the financial statements.

p. The Company does not have any exposure to gold loans, and it is not involved in gold auctions.

q. The Company have no loan account past due 90 days which is not treated as impaired.

r. The Company have not proposed and paid any dividend for the year 2024-25 (For the year 2023-24 Nil).

s. The Company have not any perpetual debt instrument as on 2024-25 (as on 2023-24 Nil).

t. The Company have not any entered in credit event transactions during the year 2024-25 (for the year 2023-24 Nil).

u. The securities of the Company's promoters have not been pledged during the year 2024-25 (for the year 2023-24 Nil).

v. The Company have not restructured any Advances during the year 2024-25 (for the year 2023-24 Nil).

w. Company is fully compliant with the provision of Companies Act, 2013, Regulations and directives issued by the Reserve Bank of India and all other applicable laws regarding the composition, role and functions of various committees, as well as the frequency of their meetings. Furthermore, the company ensure compliance with the coverage and review functions as mandate.

x. During the year the company has not granted any loans to directors, Senior officers and their relatives and entities associated with directors and their relatives. (For the year 2023-24 Nil).

y. During the year the company does not have any credit default swaps exposure. (For the year 2023-24 Nil).

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**41 Disclosure of complaints**

**41.1 Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman**

Sr. No	Particulars	31 March, 2025	31 March, 2024
	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	182	137
3	Number of complaints disposed during the year	181	137
3.1	Of which, number of complaints rejected by the NBFC	76	6
4	Number of complaints pending at the end of the year	1	-
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	62	71
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	62	71
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)	-	-

**41.2 Top five grounds of complaints received by the NBFCs from customers**

31 March 2025					
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
Ground - 1 Foreclosure (FC) Letter Related	-	52	20.9%	-	-
Ground - 2 Loan Documents/NOC Required	-	17	100.0%	-	-
Ground - 3 Loan/EMI Related	-	11	100.0%	-	-
Ground - 4 Staff behaviour	-	7	-12.5%	-	-
Ground - 5 Interest and charges clarification	-	4	-77.8%	-	-
Others (includes invalid/duplicate complaints rejected by the Company)	-	91	295.7%	-	-
<b>Total</b>	-	<b>182</b>	<b>32.8%</b>	-	-

31 March 2024					
Ground - 1 Foreclosure (FC) Letter Related	-	43	290.9%	-	-
Ground - 2 Updation of credit bureau reports related	-	25	13.6%	-	-
Ground - 3 Clarification on releasing of property documents timelines	-	20	100.0%	-	-
Ground - 4 Interest and Charges Clarification	-	18	100.0%	-	-
Ground - 5 Staff behaviour	-	8	166.7%	-	-
Others	-	23	43.8%	-	-
<b>Total</b>	-	<b>137</b>	<b>101.0%</b>	-	-

Note:- % increase/decrease in the number of complaints is arrived by comparing each ground of complaints with corresponding ground of complaints from the previous year.

**Disclosure of Customer Complaints:-**

a) No. of Complaints pending at the beginning of the year	-
b) No. of Complaints received during the year	182
c) No. of Complaints redressed during the year	181
d) No of Complaints pending at the end of the year	1

**FINOVA CAPITAL PRIVATE LIMITED**  
CIN- U65993RJ2015PTC048340  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**42 TRANSACTION WITH NON-EXECUTIVE DIRECTORS**

			(Rs. /Lakhs)	
<b>Name of non-executive director</b>	<b>Transaction type</b>		<b>31 March 2025</b>	<b>31 March 2024</b>
a. Arjun Dan Ratnoo (Independent Director)	Fee for attending board & committee meetings		4.50	3.50
b. Arjun Dan Ratnoo (Independent Director)	Commision		2.65	-
c. Sathyan David (Independent Director)	Fee for attending board & committee meetings		3.90	3.35
d. Sathyan David (Independent Director)	Commision		2.65	-
			<b>13.70</b>	<b>6.85</b>

\* For the 31 March, 2025 amount is excluding GST under reverse charge

**43 DETAILS OF RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATING DURING THE YEAR**

<b>Instrument</b>	<b>Rating agency</b>	<b>Date of rating assigned /reviewed</b>	<b>Rating valid upto</b>	<b>2024-25</b>	<b>2023-24</b>
Bank Loan	ACUITE	17-Mar-25	26-Nov-25	ACUITE A+/Positive	ACUITE A+/Stable
Bank Loan	CARE	10-Sep-24	9-Sep-25	CARE A/Stable	CARE A/Stable
Bank Loan (Overdraft)	CARE	10-Sep-24	9-Sep-25	CARE A/Stable	NA
Pass Through Certificates	CARE	27-Nov-24	28-Mar-26	CARE AA+ (SO)	Provisional CARE AA+ (SO)
Pass Through Certificates	CARE	27-Nov-24	27-Mar-26	CARE AA+ (SO)	Provisional CARE AA+ (SO)
Pass Through Certificates	CARE	27-Nov-24	29-Jan-26	CARE AA+ (SO)	Provisional CARE AA+ (SO)
Pass Through Certificates	CARE	26-Aug-24	12-Jun-25	CARE AA+ (SO)	NA
Pass Through Certificates	CARE	21-Mar-25	20-Mar-26	Provisional CARE AAA (SO)	NA
Non-Convertible Debentures	ACUITE	29-Sep-23	NA	NA	ACUITE A+/Stable

**44 DETAILS OF IMPAIRMENT LOSS ALLOWANCE RESERVE**

**Details of impairment loss allowance reserve as at 31 March 2025: -**

<b>Asset Classification as per norms of the Reserve Bank</b>	<b>Asset classification as per Ind AS 109</b>	<b>Gross Carrying Amount as per Ind AS</b>	<b>Loss Allowance (Provisions) as required under Ind AS 109</b>	<b>Net Carrying Amount</b>	<b>Provisions required as per IRACP norms</b>	<b>Difference between IND AS 109 provisions and IRACP norms</b>
<b>1</b>	<b>2</b>	<b>3 (Rs. /Lakhs)</b>	<b>4 (Rs. /Lakhs)</b>	<b>(5)=(3)-(4) (Rs. /Lakhs)</b>	<b>6 (Rs. /Lakhs)</b>	<b>(7)=(4)-(6) (Rs. /Lakhs)</b>
<b>Performing assets</b>						
Standard	Stage 1	3,30,575.08	448.09	3,30,126.99	1,309.40	(861.30)
	Stage 2	8,842.37	863.99	7,978.39	35.73	828.26
<b>Subtotal</b>		<b>3,39,417.46</b>	<b>1,312.08</b>	<b>3,38,105.38</b>	<b>1,345.13</b>	<b>(33.04)</b>
<b>Non-performing assets (NPA)</b>						
Substandard (A)	Stage 3	8,132.51	3,369.42	4,763.09	1,221.90	2,147.52
<b>Doubtful</b>						
Up to 1 year	Stage 3	149.51	61.71	87.80	37.38	24.33
1 to 3 years	Stage 3	17.99	7.39	10.60	7.19	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful (B)</b>		<b>167.49</b>	<b>69.09</b>	<b>98.40</b>	<b>44.57</b>	<b>24.33</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA (C) = (A+B)</b>		<b>8,300.01</b>	<b>3,438.51</b>	<b>4,861.50</b>	<b>1,266.47</b>	<b>2,171.85</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal (D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (C - D)</b>	Stage 1	<b>3,30,575.08</b>	<b>448.09</b>	<b>3,30,126.99</b>	<b>1,309.40</b>	<b>(861.30)</b>
	Stage 2	<b>8,842.37</b>	<b>863.99</b>	<b>7,978.39</b>	<b>35.73</b>	<b>828.26</b>
	Stage 3	<b>8,300.01</b>	<b>3,438.51</b>	<b>4,861.50</b>	<b>1,266.47</b>	<b>2,171.85</b>
<b>Grand Total</b>		<b>3,47,717.46</b>	<b>4,750.59</b>	<b>3,42,966.87</b>	<b>2,611.60</b>	<b>2,138.80</b>

\*Loss allowances (Provision) as required under Ind AS 109 is greater than the provision required as per IRACP norms, hence the Company is not required to create impairment reserve.

FINOVA CAPITAL PRIVATE LIMITED  
CIN- U65993RJ2015PTC048340  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Details of impairment loss allowance reserve as at 31 March 2024: -

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount	Provision for loss allowances as per Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between IND AS 109 provisions and IRACP norms
1	2	3 (Rs. /Lakhs)	4 (Rs. /Lakhs)	(5)=(3)-(4) (Rs. /Lakhs)	6 (Rs. /Lakhs)	(7)=(4)-(6) (Rs. /Lakhs)
<b>Performing assets</b>						
Standard	Stage 1	2,57,071.83	1,054.98	2,56,016.85	1,037.60	17.39
	Stage 2	3,812.94	67.30	3,745.64	19.47	47.83
<b>Subtotal</b>		<b>2,60,884.77</b>	<b>1,122.28</b>	<b>2,59,762.49</b>	<b>1,057.07</b>	<b>65.22</b>
<b>Non-performing assets (NPA)</b>						
Substandard (A)	Stage 3	4,400.69	1,977.81	2,422.88	450.07	1,527.74
<b>Doubtful</b>						
Up to 1 year	Stage 3	362.46	166.32	196.14	77.69	88.63
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful (B)</b>		<b>362.46</b>	<b>166.32</b>	<b>196.14</b>	<b>77.69</b>	<b>88.63</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA (C) = (A+B)</b>		<b>4,763.15</b>	<b>2,144.13</b>	<b>2,619.02</b>	<b>527.76</b>	<b>1,616.37</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal (D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (C - D)</b>	Stage 1	<b>2,57,071.83</b>	<b>1,054.98</b>	<b>2,56,016.85</b>	<b>1,037.60</b>	<b>17.39</b>
	Stage 2	<b>3,812.94</b>	<b>67.30</b>	<b>3,745.64</b>	<b>19.47</b>	<b>47.83</b>
	Stage 3	<b>4,763.15</b>	<b>2,144.13</b>	<b>2,619.02</b>	<b>527.76</b>	<b>1,616.37</b>
<b>Grand Total</b>		<b>2,65,647.92</b>	<b>3,266.41</b>	<b>2,62,381.52</b>	<b>1,584.83</b>	<b>1,681.59</b>

\*Loss allowances (Provision) as required under Ind AS 109 is greater than the provision required as per IRACP norms, hence the Company is not required to create impairment reserve.

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**45 As required of Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023**

**I. Schedule to the Balance Sheet**

		Rs./ Lakhs	
S.No	Particulars	Amount Outstanding	Amount Overdue
<b>Liabilities side</b>			
1	<b>Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:</b>		
a	Debentures : Secured	-	-
	Debentures : Unsecured	-	-
	(other than falling within the meaning of public deposits*)	-	-
b	Deferred Credits	-	-
c	Term Loans (other than debt securities)	2,12,643.44	-
d	Inter corporate loans and borrowings	-	-
e	Commercial Paper	-	-
f	Public Deposit	-	-
g	Associated liabilities in respect of securitisation transactions	22,691.65	-
h	Other loans ( lease liability)	478.84	-
2	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)</b>		
a	In the form of Unsecured debentures	-	-
b	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
c	Other public deposits	-	-
<b>Assets side</b>			
3	<b>Break-up of Loans and Advances including bills receivables *</b>		
a	Secured		3,42,274.22
b	Unsecured		692.65
4	<b>Break up of Leased Assets and stock on hire and other assets counting</b>		-
1	Lease assets including lease rentals under sundry debtors		
(a)	Financial lease		-
(b)	Operating lease		-
2	Stock on hire including hire charges under sundry debtors		
(a)	Assets on hire		-
(b)	Reposessed Assets		-
3	Other loans counting towards asset financing activities		
(a)	Loans where assets have been reposessed		-
(b)	Loans other than (a) above		-
5	<b>Break up of investments</b>		
	<b>Current Investments</b>		
1	<b>Quoted</b>		
(i)	Shares		-
	(A) Equity		-
	(B) Preference		-
(ii)	Debentures and Bonds		-
(iii)	Units of Mutual Funds		11,844.76
(iv)	Government Securities		-
(v)	Others (Please specify)		-
2	<b>Unquoted</b>		
(i)	Shares		-
	(A) Equity		-
	(B) Preference		-
(ii)	Debentures and Bonds		42,483.93
(iii)	Units of Mutual Funds		-
(iv)	Government Securities		-
(v)	Others (Security Receipts to ARC)		4,509.78

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Assets side	Amount Outstanding
<b>Long Term Investments**</b>	
<b>1 Quoted</b>	
(i) Shares	
(A) Equity	-
(B) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others (Please specify)	-
<b>2 Unquoted</b>	
(i) Shares	
(A) Equity	-
(B) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others - Units of Alternative Investment Fund & Security Receipts in Asset Reconstruction Company	-

**6 Borrower group-wise classification of assets financed as in (3) and (4) above:**

Category	Amount net of provision		
	Secured	Unsecured	Total
a Subsidiaries	-	-	-
b Companies in the same group	-	-	-
c other related parties	-	-	-
Other than related parties	3,42,274.22	692.65	3,42,966.87
<b>Total</b>			

**7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)**

Category	Market Value	Book value (net of provisions) #
<b>Related Party</b>		
a Subsidiaries	-	-
b Companies in the same group	-	-
c Other related parties	-	-
<b>Other than related parties</b>	-	-
<b>Total</b>	-	-

**8 Other information**

Particulars	Amount
<b>Gross Non Performing Assets</b>	
a. Related parties	-
b. Other than related parties	8,300.01
<b>Net Non Performing Assets</b>	
a. Related parties	-
b. Other than related parties	4,861.50
<b>Asset acquired in satisfaction of debt</b>	-

\* Net of impairment loss allowance

# Book value is carrying value as per IND AS



FINOVA CAPITAL PRIVATE LIMITED  
CIN- U65993RJ2015PTC048340  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**46 DETAILS IN RESPECT OF RESOLUTION FRAMEWORK FOR COVID-19 RELATED STRESS' AND 'MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) SECTOR — RESTRUCTURING OF ADVANCES**

The Company has restructured the accounts as per RBI circular circulars DBR.No.BP.BC.100/21.04.048/2017-18 dated February 07, 2018, DBR.No. BP.BC. 108/21.04.048/2017-18 dated June 6, 2018, circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019, circular DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC.4/21.04.048/2020-21 dated August 06, 2020.

Disclosure made vide Notification RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 pertaining to Resolution Framework for COVID-19 related Stress read with RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 pertaining to Resolution Framework - 2.0

Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan-position as at the end of the previous year (A)	Of (A) aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as standard consequent to implementation of resolution plan-position as at the end of this year
	(A)	(B)	(C)	(D)	(E)
Personal Loans	4.62	0.00	0.00	0.33	4.29
Business Loans	0.00	0.00	0.00	0.00	0.00
Small Business	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>4.62</b>	<b>0.00</b>	<b>0.00</b>	<b>0.33</b>	<b>4.29</b>

**47 PUBLIC DISCLOSURE ON LIQUIDITY RISK**

**a. Funding concentration based on significant Counterparty as at 31 March, 2025**

			(Rs. /Lakhs)
Number of significant counterparties	Amount	% Of Total Deposit	% Of Total Liabilities
32	2,23,191.99	-	92.30%

**Funding concentration based on significant Counterparty as at 31 March, 2024**

			(Rs. /Lakhs)
Number of significant counterparties	Amount	% Of Total Deposit	% Of Total Liabilities
30	1,81,167.79	-	92.40%

**b. Top 20 large deposits (amount in Rs lakhs and % of Total Deposits)**

The company does not take the deposits hence - Nil.

**c. Top 10 borrowings**

Particulars	31 March, 2025	31 March, 2024
	(Rs. /Lakhs)	(Rs. /Lakhs)
Total Value of top 10 Borrowings	1,26,827.48	1,03,887.32
% of Total Borrowings	53.89%	54.53%

**d. Funding concentration based on significant Instrument/Product**

Particulars	31 March 2025		31 March 2024	
	Amount	% Of Total Liabilities	Amount	% Of Total Liabilities
	(Rs. /Lakhs)		(Rs. /Lakhs)	
a. Term Loans	2,12,643.44	87.93%	1,74,000.54	88.74%
b. Non-Convertible Debentures	-	0.00%	468.82	0.24%
c. Borrowings under securitisation (secured)	22,691.65	9.38%	16,030.36	8.18%
	<b>2,35,335.09</b>	<b>97.31%</b>	<b>1,90,499.72</b>	<b>97.16%</b>

**e. Stock ratios**

Name of the Instrument/Product		%
i.	a. Commercial Papers as a % of Total Public Funds	NIL
	b. Commercial Papers as a % of Total Liabilities	NIL
	c. Commercial Papers as a % of Total Assets	NIL
ii.	a. Non-Convertible Debentures (original maturity of less than one year) as a % of Total Public Funds	NIL
	b. Non-Convertible Debentures (original maturity of less than one year) as a % of Total Liabilities	NIL
	c. Non-Convertible Debentures (original maturity of less than one year) as a % of Total Assets	NIL
iii.	a. Other Short-Term Liabilities as a % of Total Public Funds	NIL
	b. Other Short-Term Liabilities as a % of Total Liabilities	29.86%
	c. Other Short-Term Liabilities as a % of Total Assets	16.55%

**f. Institutional set-up for liquidity risk management**

The Board has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Asset Liability Management Committee (ALCO) is responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy. The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions at an entity level.

**48 OPERATING SEGMENTS**

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". There are no individual customer contributing more than 10% of Company's total revenue. Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

The Company operates in single segments only. There are no operations outside India and hence there is no external revenue or assets which require disclosure

**49 The Code on Social Security, 2020**

Social security means the measures of protection afforded to employees, inclusive of unorganized workers, gig workers and platform workers to ensure access to health care and to provide income security, particularly in cases of old age, unemployment, sickness, invalidity, work injury, maternity or loss of a breadwinner by means of rights conferred on them and schemes framed, under the Code on Social Security, 2020

The Code on Social Security, 2020 subsumes nine central labour legislations, i.e., The Employees' Compensation Act, 1923, The Employees' State Insurance Act, 1948, The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, The Maternity Benefit Act, 1961, The Payment of Gratuity Act, 1972, The Cine Workers Welfare Fund Act, 1981, The Building and Other Construction Workers Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act 2008.

The objective of the Code on Social Security, 2020 is to amend and consolidate the existing labour laws relating to social security with the wider goal of extending social security benefits to all employees and workers irrespective of belonging to the organised or unorganised sector. The Code on Social Security, 2020 brings, within itself the self-employed workers, home workers, wage workers, migrant workers, the workers in the unorganised sector, gig workers and platform workers for the purpose of social security schemes, including life insurance and disability insurance, health and maternity benefits, provident fund.

**50 The Reserve Bank of India (RBI) has introduced the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs ('the Framework') through Circular No. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 issued in October 2021. Under this Framework, NBFCs are categorized into different layers, namely Base Layer (NBFC-BL), Middle Layer (NBFC-ML), Upper Layer (NBFC-UL), and Top Layer (NBFC-TL).**

The Company has been classified as a "Middle Layer" NBFC in accordance with the Framework.

**51 The disclosures in respect of fraud as per the Master Direction Reserve Bank of India (Fraud Risk Management in NBFCs) Directions, 2024 dated July 15, 2024.**

(a) There is no case during the financial year ended March 31, 2025 (March 31, 2024 - Nil)

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**52 Disclosure on significant ratios:**

Particulars	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	Variance (%)
Debt-Equity Ratio	[(Debt securities+ Borrowings (other than Debt Securities))]	Total equity	1.21	1.64	-26.13%
Net profit margin	Net profit after tax	Total revenue from operations	24.28%	28.63%	-15.20%
Total debts to total assets	[(Debt securities+ Borrowings (other than Debt Securities))]	Total assets	53.95%	60.99%	-11.55%
Gross Non-Performing Assets	Gross Stage III loans EAD	Gross total loans EAD	2.39%	1.79%	33.35%
Net Non-Performing Assets	(Gross Stage III loans EAD - Impairment loss allowance for Stage III)	(Gross total loans EAD-Impairment loss allowance for Stage III )	1.41%	0.99%	42.63%
Asset cover ratio (no. of times)	Amount of secured assets	Secured debt	1.47	1.40	5.70%
Provision coverage ratio (%)	Impairment loss allowance for Stage III	Gross Stage III loans EAD	41.43%	45.01%	-7.96%
<b>Basis of ratios</b>			<b>Year ended 31 March 2025</b>	<b>Ratio</b>	<b>Year ended 31 March 2024</b>
<b>a. Debt-Equity Ratio</b>					<b>Ratio</b>
Total debt			2,35,335.09	1.21	1,90,499.72
Total equity (Equity share capital+ other equity)			1,94,436.33		1,16,266.73
<b>b. Net profit margin</b>					
Net profit after tax (total comprehensive income)			18,509.10	24.28%	15,155.50
Total revenue from operations			76,226.85		52,928.70
<b>c. Total debts to total assets</b>					
Debt securities+ Borrowings (other than lease liabilities)			2,35,335.09	53.95%	1,90,499.72
Total assets			4,36,245.45		3,12,336.96
<b>d. Gross Non-Performing Asset</b>					
Gross Stage III loans EAD			8,300.01	2.39%	4,763.15
Gross total loans EAD			3,47,717.46		2,65,647.92
<b>e. Net Non-Performing Assets</b>					
(Gross Stage III loans EAD - Impairment loss allowance for Stage III)			4,861.50	1.41%	2,619.02
(Gross total loans EAD-Impairment loss allowance for Stage III )			3,44,278.95		2,63,509.79
<b>f. Asset cover ratio (no. of times)</b>					
Amount of secured assets			3,47,019.01	1.47	2,65,108.19
Secured debt			2,35,335.09		1,90,030.90
<b>g. Provision coverage ratio (%)</b>					
Impairment loss allowance for Stage III			3,438.51	41.43%	2,144.13
Gross Stage III loans EAD			8,300.01		4,763.15

**FINOVA CAPITAL PRIVATE LIMITED**  
**CIN- U65993RJ2015PTC048340**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**53 Events after the reporting period**

There are no significant events or matters occurring after the balance sheet date that require disclosure in the financial statements

**54** The figures for the previous year have been regrouped and rearranged to align with the current year's classification.

The accompanying notes are forming part of financial statements

In terms of our report attached  
**For T R Chadha & Co LLP**  
Chartered Accountants  
Firm's Registration No. 006711N/500028

**For and on behalf of Board of Directors of**  
**FINOVA CAPITAL PRIVATE LIMITED**

sd/-  
**Aashish Gupta**  
Partner  
Membership No. 097343  
Place: Gurugram  
Date: 29 April, 2025

sd/-  
**Mohit Sahney**  
Managing Director & CEO  
DIN: 07280918  
Place: Jaipur  
Date: 29 April, 2025

sd/-  
**Sunita Sahney**  
Executive Director  
DIN: 02395354  
Place: Jaipur  
Date: 29 April, 2025

sd/-  
**Ravi Sharma**  
Chief Financial Officer  
  
Place: Jaipur  
Date: 29 April, 2025

sd/-  
**Jaikishan Premani**  
Company Secretary  
M. No: A42043  
Place: Jaipur  
Date: 29 April, 2025