



GrowXCD

Annual Report 2023-24

**EMPOWERING MSMEs,
ENRICHING LIVES**

GrowXCD Finance Private Limited
(formerly known as GrowXCD FinTech Private Limited)

A Year of Milestones & Growth

GrowXCD

In our first year, GrowXCD Finance Pvt Ltd has empowered MSMEs and low-income households by establishing twelve branches in Tamil Nadu, building strong credit infrastructure, and facilitating access to essential capital, driving local economic growth and innovation.



Reflecting on Our First Year

Our inaugural year began with a significant milestone: obtaining our Certificate of Registration (CoR) from the RBI on April 27, 2023. This achievement marked the start of a year full of impressive progress and expansion.

Key Achievements

Branch Expansion: Opened 10 new branches across Tamil Nadu taking the total branches to 12.

Collections Performance: Achieved exceptional results with a 100% collections rate and no overdue payments.

Customer Growth: Significantly increased our customer base.

Strategic and Financial Highlights

Series A Funding: Closed 50 crores in Series A Funding from Lok Capital strengthening our financial foundation.

New Products: Launched new loan products to meet diverse customer needs.

Digital Transformation: Implemented a fully digital lending process, achieving a milestone in cashless transactions.

Looking Forward

Despite global economic challenges, we remain confident in our ability to sustain growth. Our focus for the coming year includes scaling operations and expanding further, while maintaining a strong emphasis on customer satisfaction and operational efficiency.

Gratitude

We extend our heartfelt thanks to our Board, management team, employees, investors, and customers. Your support has been pivotal in our journey from concept to a thriving organization. With your continued backing, GrowXCD is poised for even greater success.

TABLE OF CONTENTS

CORPORATE OVERVIEW

1.	Business Overview	06
2.	Vision and Mission	09
3.	Corporate Information	11
4.	MD's Message	12
5.	Profile of Directors	14
6.	Profile of Senior Management Team	16

STATUTORY REPORTS

1.	Directors' Report	18
2.	Management Discussion and Analysis	28
3.	Form AOC 2	34
4.	Report on Corporate Governance	35
5.	Impact and ESG at GrowXCD	43

FINANCIAL STATEMENTS

1.	Independent Auditors' Report	47
2.	Balance Sheet	57
3.	Statement of Profit and Loss	58
4.	Cash Flow Statement	59
5.	Notes Forming Part of the Financial Statements	61

AGM NOTICE		100
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Your **Trusted** Partner for
Affordable Mortgage Loans



BUSINESS OVERVIEW

GrowXCD Finance Pvt Ltd is an RBI-registered Non-Banking Finance Company (NBFC) operating from twelve branches in Tamil Nadu. Founded in January 2022, GrowXCD aims to accelerate the economic growth of MSMEs and low-income households by providing them with essential access to capital.

With a vision to enhance economic growth for underserved segments, GrowXCD focuses on developing robust credit infrastructure that allows institutional capital to seamlessly flow into retail assets secured by mortgages. By establishing these credit rails, GrowXCD facilitates efficient fund allocation and promotes economic development in its target sectors.

Led by experienced professionals in the financial services industry, GrowXCD is dedicated to meeting the financial needs of micro, small, and medium enterprises (MSMEs) in India. Despite historical challenges in this segment, GrowXCD strives to simplify the credit access process for MSMEs. By doing so, the company aims to positively impact the lives of millions of hardworking Indians involved in informal activities, thereby contributing significantly to nation-building efforts.



**Empowering Growth,
Enabling Dreams**

VISION & MISSION

VISION

Our vision is to drive economic growth for MSMEs and low-income households by providing them with essential access to capital. We focus on developing robust credit infrastructure that allows institutional capital to flow seamlessly into retail assets secured by mortgages. By establishing these credit rails, GrowXCD aims to facilitate efficient fund allocation and promote economic development in our target segments.

MISSION

Our mission is to create a future where low-income households have equal access to credit facilities, fostering financial empowerment, resilience, and upward mobility for every member of our community.



**Pioneering
Inclusive
Economic
Growth**



**Innovative Loans for a
Brighter Tomorrow**

Fueling Business Potential, Transforming Lives

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Arjun Muralidharan
Managing Director & CEO

Mr. Jayaraman Chandrasekaran
Independent Director

Mr. G. S. Sundararajan
Nominee Director

Mr. Rajat Bansal
Nominee Director

Mr. HKN Raghavan
Non-Executive Director

STATUTORY AUDITOR

PKF Sridhar & Santhanam LLP, Chennai

REGISTERED OFFICE

First Floor, G R Complex Annexe,
(Stag Business Centre), 408 Anna Salai,
Nandanam, Chennai – 600 035,
Tamil Nadu, INDIA.

CIN : U64990TN2022PTC149101
RBI Regn No. : N-07-00898

CONTACT DETAILS

Phone : +91-44-48136918

Email: hello@growxcd.com

Website: www.growxcd.com

BOARD OBSERVER

Mr. Pranay Sultania

BANKS & FINANCIAL INSTITUTIONS

BANKERS/ LENDERS

AU Small Finance Bank Limited
HDFC Bank Limited
ICICI Bank Limited
Suryoday Small Finance Bank Limited

NON-BANKING LENDERS

MAS Financial Services Limited
Northern Arc Capital Limited



“Growth is the best antidote for poverty”

- Duvvuri Subbarao (22nd Governor of RBI)

MD'S MESSAGE

DEAR SHAREHOLDERS,

I am delighted to present to you our Company's Annual Report for the FY 2023-24.

This year started with a significant milestone as we obtained our CoR from RBI on April 27, 2023. As we reflect on the year's journey, we expanded by opening 10 new branches across Tamil Nadu and grew our Asset Under Management (AUM) to Rs. 29.97 Cr (On books- Rs. 26.58 Cr & Off books- Rs. 3.39 Cr). Moreover, our achievements include a remarkable 100% collections rate, with 0% 30+ DPD and 0% 90+ DPD. We are also delighted to report a significant expansion in our customer base, which now stands at 995 customers.

We remain committed to our core values to improve economic well-being of MSME and low-income household through ease of access to capital and to build credit rails for institutional capital to flow seamlessly to retail assets backed by mortgage.

The Company has raised Series A Funding for Rs. 49 Cr with Lok Capital IV LLC. Out of which, Rs. 30 Cr has been infused by Lok Capital in Nov 2023 as part of First Tranche. The net worth of the company as on March 31st 2024 is Rs. 43.09 Cr.

Our Progress in 2023-24

- ▶ We introduced two loan products - Grow Subham - Loan secured by mortgage of customer residential property and Grow Vyaapar - an unsecured loan for Micro-Enterprises, broadening our portfolio to better serve diverse customer needs and strengthen our market presence.

- ▶ Financially, our borrowings during the year amounted to Rs.12 crores, supporting our strategic growth initiatives despite a challenging interest rate environment.
- ▶ Our commitment to digital innovation has significantly enhanced operational efficiency and customer satisfaction. We developed proprietary software to digitize the entire lending process from sourcing to disbursement. Today, all aspects of customer on-boarding, disbursements, and collections are conducted digitally, achieving a milestone where 100% of financial transactions are digitized and cashless.
- ▶ We have appointed a strong Management Team to support our strategies and spread our outreach to Tier 2 & Tier 3 areas of Tamilnadu.

Looking ahead, while we acknowledge ongoing global economic challenges and potential headwinds such as inflation and further interest rate hikes, we remain confident in sustaining our growth momentum. Our digital transformation initiatives not only address productivity and operational efficiency challenges but also empower semi-urban and rural customers to transact digitally, contributing to a more inclusive digital economy.

As we celebrate our achievements and look forward to the future, we are optimistic that these growth drivers and enablers will pave the way for our Company's continued expansion in the years ahead. The performance in 2023-24 promises to build on our solid foundations and set the stage for even greater success.

During FY24-25, we will be focusing on achieving scale, efficiency by establishing more branches in the southern states of India, while maintaining our agility in serving our customers and keeping a focus on productivity and portfolio quality.

I would like to take this opportunity to thank our Board of Directors, Management team Bankers, Auditors and all our dedicated employees who have been crucial to our journey. I would also express my gratitude to our investor, Lok Capital, our Angel Investors and all the Lenders, for their unwavering faith in our vision and to the RBI for their steadfast support. Most importantly, heartfelt thanks to our customers whose trust has been instrumental in transforming the company from concept to a thriving organization.

With all your support, GrowXCD will continue to Grow and Exceed your expectations!

ARJUN MURALIDHARAN

Managing Director & CEO

PROFILE OF DIRECTORS

Mr. ARJUN MURALIDHARAN, FOUNDER, MANAGING DIRECTOR & CEO

Mr. Arjun has over 20 years of hands-on experience in the lending to rural and micro segment. As the CEO of Grama Vidiyal Micro Finance, he transformed the company from a non-profit to an NBFC. He had scaled the business from 20 Cr to 1500 Cr from 2005 to 2015 and later the company was acquired by IDFC FIRST Bank.



Post-acquisition, as the MD of the merged entity (IDFC FIRST Bharat), he spearheaded the integration and growth of the new entity. Over the course of his tenure, the business grew to 390 branches and Rs. 6800 Cr AUM as a banking subsidiary delivering rural retail financial products to 2 million customers. Leading a 9500-member strong team and ensuring 99% collections was a milestone during his tenure. Products managed during his tenure included microfinance, micro enterprise loans, LAP, affordable housing, two wheeler finance and consumer durable finance.

Mr. Arjun is an active supporter of startups and entrepreneurs and is a mentor at IIT Madras Incubation cell and provided inputs towards strategy and growth for deep tech startups. Mr. Arjun has a B.Tech from IIT Madras and a MS (Industrial Engineering and Operations Research) from University of California, Berkeley.

Mr. JAYARAMAN CHANDRASEKARAN, INDEPENDENT DIRECTOR

Mr. Jayaraman Chandrasekaran, a career banker, comes with an illustrious career spanning over three and a half decades at SBI and retired as Chief General Manager in September 2011. He was SBI's nominee director on the Board of SIDBI for 6 years, from June 2012 till June 2018.



During his career Mr. Jayaraman Chandrasekaran was involved in the areas of Mid Corporate, SME lending and Treasury. He headed SME the SME lending unit from 2002 to 2007, positioning SBI as thought leader in SME Mr. Jayaraman Chandrasekaran was a member of various RBI technical committees on the money and bond markets. He was a member of the RBI appointed Chakravarty Committee on restructuring and rehabilitation of distressed SME units, the recommendations of which were accepted and implemented by RBI. He holds a Bachelor's degree in Technology specializing in Chemical Engineering from Indian Institute of Technology, Madras.

He was an Independent Director in Equitas Holdings Co Ltd. Independent Director in Mahaveer Finance India Ltd. and a Nominee Director SBI CAP Trustee Co Ltd.

Mr. GS SUNDARARAJAN, NOMINEE DIRECTOR

Mr. Sundararajan holds the position of Nominee Director in our company. He earned a Bachelor of Engineering degree from Coimbatore and a Post Graduate Diploma in Management from the Indian Institute of Management (IIM), Ahmedabad. Currently, Mr. Gopalamudram Srinivasaraghavan Sundararajan serves on the boards of several esteemed companies in the Banking and Financial Service Industry. Additionally, he actively participates in the realm of Social Entrepreneurship in an advisory role.



Mr. Sundararajan played a crucial role as the Group Director at Shriram Group until mid-2020, having initially joined as the Managing Director of Shriram Capital Ltd. This company served as the Holding Company for Shriram Group's financial services and insurance businesses across India and overseas. His expertise in the Asian market and profound understanding of various countries and their business landscapes led to his inclusion on the Board of Sanlam Emerging Markets in South Africa in August 2013.

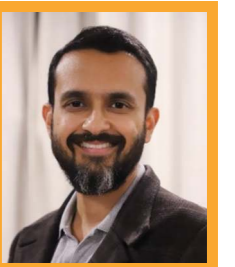
In his capacity as Group Director, Mr. Sundararajan served as a director on the Boards of subsidiaries, overseeing critical aspects of strategic growth opportunities. Notably, he was responsible for the Retail and MSME business at Shriram City Union Finance and the life and non-life insurance businesses in collaboration with Sanlam, South Africa.

Before joining Shriram, Mr. Sundararajan held the positions of CEO & Managing Director at Fullerton India Credit Company Ltd., a registered Non-Banking Finance Company catering to the financial services needs of retail and commercial mass markets. He also served as the Managing Director of Fullerton Enterprises Private Limited, a KPO that formed a strategic alliance with the Centurion Bank of Punjab to drive the SME business.

Mr. Sundararajan's extensive career includes roles such as being nominated to the Boards of two Financial Services investments of Temasek in China, managing Citibank's SME and Asset Based Finance business in India, and heading the captive finance arm of Eicher Mitsubishi in India after starting his career in Sales with the same company.

Mr. RAJAT BANSAL, NOMINEE DIRECTOR

Mr. Rajat holds the position of Nominee Director in our company. He has over 11 years of experience across private equity and corporate finance. He was with Lok from 2014 till 2017 and rejoined the firm as Principal in 2022. His focus in the current role is to build the growth stage BFSI and fintech portfolio for the fund while also leading fund raising from select investors. Prior to rejoining Lok, Rajat was an Investment Director with Sabre Partners, leading investments in financial services and healthcare. He also has experience in fund raising and corporate finance with IFMR Holdings and CEPA Ltd prior to his first stint with Lok. Mr. Rajat has an MBA from Indian Institute of Management Calcutta and Bachelors in Engineering from Delhi College of Engineering.



Mr. HKN RAGHAVAN, NON-EXECUTIVE DIRECTOR

Mr. Raghavan has over 37 years of professional experience and over 12 years in the financial services industry with Equitas. In Equitas, he scaled the MicroFinance and Commercial vehicle business. He was instrumental in launching SME, Micro LAP and Micro Housing products by leveraging the outreach. During his tenure the SME Micro Lap business scaled over 8000 cr book by 2021 which became the growth engine for Equitas. He was heading overall business at Equitas Small Finance Bank as their President and handling a business of over Rs 14,000 Cr.



Apart from business, he has handled the crucial responsibility of the transition of Equitas NBFC to Small Finance Bank. He established 350 bank branches in record one year; recruited Liability Teams; developed and implemented policy and process in place for liability book management. He headed consumer banking for close to 2 years. Raghavan also was on the IPO committee for Equitas Holding. He was also official spokesperson for Equitas Small Finance Bank interacting with Media and Investors.

Raghavan has also been active in the Microfinance SRO organizations and sectoral activities. He was elected and served a Director of MFIN board in 2015. He was also part of MFIN code of conduct enforcement committee and Member of Credit Bureau enhancement committee.

Apart from his financial services experience he has wide experience with cross section of FMCG, Retail, Micro Finance, SME Lending, Affordable housing lending, Lending to Farmer Producing Organizations and Farmers. Companies worked spanned across Hindustan Unilever, Agrotech Foods Ltd, Henkel, Dabur Foods, Subhiksha in the FMCG and retail space. He holds a B Com Osmania University 1985 and an Executive MBA from IIM Cal.

PROFILE OF SENIOR MANAGEMENT TEAM

Mr. ARJUN MURALIDHARAN, FOUNDER, MANAGING DIRECTOR & CEO

Mr. Arjun Muralidharan is the Founder, Managing Director and CEO of GrowXCD Finance Private Limited. He comes with 20+ years of professional work experience with core expertise in rural retail lending including Microfinance, Small Business Loans, Secured MSME loans, Affordable housing, Two-Wheeler loans and Consumer Durable loans.



Mr. Arjun was the CEO of Grama Vidiyal and instrumental in transforming the business into a regulated NBFC (Grama Vidyal Micro Finance). He enabled its growth from 20 branches & Rs. 20 Cr AUM to 350 branches in 6 states, 1.2 million customers and Rs. 1500 Cr AUM through organic growth. He raised capital from reputed impact investors and forged many new banking partnerships enabling the balance sheet growth. He spearheaded the acquisition of Grama Vidyal Micro Finance by IDFC Bank and was later appointed as the MD & CEO of IDFC FIRST Bharat (erstwhile Grama Vidiyal Micro Finance). In IDFC FIRST Bharat, he expanded the operations to cater to over 2 million customers while managing over Rs. 6700 Cr AUM across multiple products and pan-India operations.

Mr. Arjun is an active support of startups and entrepreneurs and is a mentor at IIT Madras Incubation cell and provided inputs towards their strategy and growth. He is also part of the guiding team of Paripoorna Software, which is a software development company working on cutting edge mobile and web application development for customers in India and Abroad. Mr. Arjun is a B.Tech from IIT Madras and a MS (Industrial Engineering and Operations Research) from University of California, Berkeley.

Mr. SATHISH KUMAR VIJAYAN, CO-FOUNDER & CTO

Mr. Sathish, has 22 years of hands-on experience in Information Technology in Banking, Financial Services, Insurance, Shipping, and Retail markets. He is a Microsoft Certified Azure Architect, comes from a strong IT Service Delivery and Product Engineering background over 2 decades, has worked closely with global clients, headed multi-cultural teams, nurturing large strategic accounts in North America, Asia Pacific, Australia, and the Middle East.



He is passionate about using his technology experience majorly in Hyper automation, Data Analytics, Cloud Computing, Cognitive technologies, and Blockchain, across various domains, enabling digital disruption. Mr. Sathish has been associated with large key strategic accounts like Canadian Imperial Bank of Commerce in Toronto, Medibank in Melbourne, and also headed technology units for various start-ups like Colive, Artha Money, etc.

Sathish has completed Post-Graduate Management Programme from the Indian Institute of Management, Lucknow, and holds a Master's degree in Computer Applications from the University of Madras.

Mr. JAYARAMAN V, CHIEF BUSINESS OFFICER

Mr. Jayaraman V is a highly experienced Senior Business Leader in the Banking and Financial Services industry, with over 25 years of expertise. Mr. Jayaraman has excelled in diverse environments, including start-ups, turnarounds, and growth scenarios. With extensive experience in both B2B and B2C markets, he has effectively applied Sales and Marketing strategies across various companies.



As a dynamic leader, Mr. Jayaraman is known for his high-energy approach, motivating teams to drive change agendas and deliver results. He has managed large teams of up to 4500 employees, catering to customers through multiple channels. Throughout his career, Mr. Jayaraman has demonstrated a comprehensive understanding of the financial sector, spanning Sales, Marketing, Product Management, Customer Services, Operations, IT, Risk, and Compliance.

Key roles in his career include EVP of Financial Services at WayCool Foods, EVP & Business Head at Vistaar Financial Services and Business Head at Fullerton India Credit Company, and other leadership positions.

Mr. Jayaraman holds executive education from Harvard Business School, an MBA from IISWBM, Calcutta, and a Bachelor's in Mechanical Engineering from IEST, Shibpur. His career reflects a dedication to driving business growth, operational excellence, and strategic leadership in BFSI.

Mr. RADHAKRISHNA SISTLA, HEAD-CREDIT RISK & UNDERWRITING

Mr. Radhakrishna Sistla is a highly accomplished professional with 26 years of diverse experience spanning Credit Analysis & Underwriting, Risk Management, and Operational Excellence in leading companies such as RBL Bank, HDFC Bank, Fullerton, Shriram, ICICI. He has experience across all products lines such as MSME, SME, Home, Affordable Home, Mortgage, Retail, Vehicle, and Business Loans.



In his long career as a credit & risk professional he has developed great on-hand experience apart from his skills in formulating operational policies, resource allocation, and achieving long-term organizational success. He is Proficient in risk management, ensuring compliance with regulatory requirements and maintaining a strong credit culture. He is known for his visionary leadership, driving business growth, and resolving complex issues to enhance performance such as Successfully leading rehabilitation efforts, including restructuring and managing distressed loans. He is a Commerce Graduate from Acharya Nagarjuna University and MBA (Banking and Finance) from Sikkim Manipal University.

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting their 3rd Report on the business and operations of GrowXCD Finance Private Limited (*formerly known as GrowXCD FinTech Private Limited*) ("**your Company**" or "**the Company**") together with the Audited Financial Statements for the financial year ended March 31, 2024 ("**FY 2023-24**" or "**period under review**" or "**Financial Year**").

1. FINANCIAL PERFORMANCE/SUMMARY

The Company's financial performance for the financial year ended March 31, 2024 as compared to the previous financial year ended March 31, 2023 are summarized below:

(Rupees in Lakhs)

S.No.	Particulars	Amount as on 31.03.2024	Amount as on 31.03.2023
1.	Total Revenue	375.88	60.71
2.	Total Expense	502.67	86.44
3.	Profit before tax	(126.79)	(25.73)
4.	Current tax	0.00	0.00
5.	Pertaining to loss/profit for the current period Adjustment to tax relating to earlier period MAT Credit Entitlement	0.00	0.00
6.	Deferred tax liability/asset	(38.23)	0.00
7.	Profit / (loss) after tax (3 - 6)	(88.56)	(25.73)

2. BUSINESS OVERVIEW

The revenue from operations is INR 26.70 lakhs and the interest earned on Fixed Deposits with Banks is INR 111.62 lakhs for the period ended 31st March 2024. However, the expenses incurred during FY 2023-24 was on the higher side due to business setup cost and branch establishment costs. Based on the application to RBI for a CoR, the company was issued a Certificate of Registration to carry on the business of non-banking financial institution without accepting public deposits on 27th April 2023 and the Company is thankful to the Members for their trust in this Company and the Management to come forward with the investments. During the year, the Company was also acting as a Business Correspondent with Suryoday Small Finance Bank (SSFB).

3. TRANSFER TO RESERVES

Nil

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis (MD&A) Report forms an integral part of this Board's Report, and it gives details of the overall industry structure, economic developments, performance and state of affairs of your Company and Company's business, risk management systems and other material developments during the year under review. The MD&A Report is annexed as Annexure -A.

5. DIVIDEND

The Company has decided not to recommend any dividend for the Financial Year ended March 31, 2024.

6. HOLDING COMPANY / SUBSIDIARY COMPANY / ASSOCIATE COMPANY

As on March 31, 2024 the company does not have any subsidiaries, joint ventures or associate companies.

7. COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

There were no Companies which have become or ceased to be its Subsidiaries, Joint Venture or Associate Companies.

8. PUBLIC DEPOSITS

During the financial year 2023-24, the Company has not accepted any public deposit.

9. CHANGE IN NATURE OF BUSINESS

The company was incorporated on January 10, 2022 thereafter the company was issued Certificate of Registration (non acceptance of deposits) vide Reg. No. N-07-00898 dated 27.04.2023. Based on the instructions from RBI and upon obtaining approval from shareholders vide EGM dated 28.02.2024 the company had approved amendment in object clause to reflect NBFIs activities as its main line of activity and subsequently MCA vide Certificate of Registration had confirmed shareholders resolution approving change of Corporate Identification Number (CIN) from U67200TN2022PTC149101 to U64990TN2022PTC149101.

10. CONSOLIDATED FINANCIAL STATEMENTS

Since the Company has no Subsidiary or Associate Company, consolidation of Financial Statement is not required.

11. SHARE CAPITAL

Authorized Share Capital

The Authorized Share Capital of the Company as on March 31, 2024, was INR 21,00,00,000 (Rupees Twenty-One Crore) divided into 1,20,00,000 (One Crore Twenty Lakhs) Equity Shares of Rs.10/- each and 90,00,000 (Ninety Lakhs) Preference Shares of Rs.10/- each.

During the year the company has increased the authorized share capital twice:

1. The company vide EGM dated 27.09.2023 had increased the authorized share capital from INR 10,00,00,000 (Rupees Ten Crore) divided into 1,00,00,000/- (Rupees One Crore) Equity Shares of Rs.10/- each to Rs. 11,00,00,000/- (Rupees Eleven Crore) divided into 1,10,00,000 (One Crore and Ten Lakh) Equity Shares of Rs. 10/-.

- The company vide EGM dated 03.11.2023 had increased the authorized share capital from INR 11,00,00,000 (Rupees Eleven Crore only) divided into 1,10,00,000 (one Crore Ten Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs 21,00,00,000 (Rupees Twenty one Crore) comprising 1,20,00,000 (One Crore Twenty Lakhs) Equity Shares of Rs. 10/- each and 90,00,000 (Ninety Lakhs) Preference Shares of Rs. 10/- each.

Subscribed and Paid-Up Share capital:

The subscribed share capital as on March 31, 2024 was INR 19,20,67,710 (Indian Rupees Nineteen Crore Twenty Lakh Sixty Seven Thousand Seven Hundred and Ten) divided into 1,08,73,437 (One Crore Eight Lakh Seventy Three Thousand Four Hundred and Thirty Seven) Equity shares of Rs. 10/- each and 83,33,334 (Eighty Three Lakh Thirty Three Thousand Three Hundred and Thirty Four) Preference Shares of Rs. 10/- each.

The paid-up equity share capital as on March 31, 2024 was INR 18,29,74,659/- (Indian Rupees Eighteen Crore Twenty Nine Lakh Seventy Four Thousand Six Hundred and Fifty Nine Only) divided into 98,63,098 (Ninety Eight Lakh Sixty Three Thousand Ninety Eight) Fully paid Equity shares of Rs.10/- each, 10,10,339 (Ten Lakh Ten Thousand Three Hundred and Thirty Nine) Partly paid equity shares of Rs. 1/- each and 83,33,334 (Eighty Three Lakh Thirty Three Thousand Three Hundred and Thirty Four) Preference Shares of Rs.10/- each.

During the year under review, the Company has made 3 (three) allotments as detailed below:

- 6,25,002 (Six Lakh Twenty Five Thousand Two) Equity shares having face value of Rs. 10/- (Rupees Ten only) aggregating to INR 62,50,020/- (Rupees Sixty Two Lakh Fifty Thousand Twenty) on 04th October, 2023.
- 83,33,334 (Eighty Three Lakh Thirty Three Thousand Three Hundred and Thirty Four) Preference shares having face value of Rs. 10/- (Rupees Ten only) aggregating to INR 8,33,33,340/- (Rupees Eight Crores Thirty Three Lakh Thirty Three Thousand Three Hundred and Forty) on 18th November, 2023.
- 10,10,339 (Ten Lakh Ten Thousand Three Hundred and Thirty Nine) Partly paid Equity shares having face value of Re. 1/- (Rupee One only) aggregating to INR 10,10,339/- (Rupees Ten Lakh Ten Thousand Three Hundred and Thirty Nine) on 01st December, 2023.

12. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 and Section 134 of the Companies Act, 2013, the Annual Return for the Financial Year 2023-24 is available on its website www.growxcd.com

13. PARTICULAR OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Nil

14. NUMBER OF MEETINGS OF BOARD OF DIRECTORS

During the period under review, 9 (Nine) meetings of the Board of Directors of the Company were held as mentioned below. The intervening gap between the two continuous meetings was within the period prescribed under the Companies Act, 2013.

S.No.	Date on which Board Meetings were held	Directors Present	Leave of Absence granted
1.	11th April, 2023	Five	Nil
2.	15th May, 2023	Five	Nil
3.	30th June, 2023	Four	One
4.	05th September, 2023	Five	Nil
5.	26th September, 2023	Five	Nil
6.	03rd November, 2023	Five	Nil
7.	13th November, 2023	Four	One
8.	18th November, 2023	Five	Nil
9.	15th February, 2024	Five	Nil

Attendance of Directors in the Board Meetings held in the financial year 2023-24 is given below:

S.No.	Name of the Director	DIN	Board Meetings	
			Designation	No. of Meetings attended
1.	Mr. Arjun Muralidharan	02726409	Managing Director & Chief Executive Officer	9
2.	Mr. Jayaraman Chandrasekaran	01118392	Independent Director	9
3.	Mr. HKN Raghavan	02736792	Director	9
4.	Mr. G S Sundararajan *	00361030	Nominee Director	1
5.	Mr. Rajat Bansal **	08463009	Nominee Director	1
6.	Mr. Sankaran Swaminathan ***	02517856	Director	7
7.	Mr. Sathish Kumar Vijayan ***	08854779	Director	7

* Appointed in the Board Meeting held on Nov 18th 2023 but did not attend the said meeting and attended as Nominee Director only in the Board Meeting held on 15.02.2024

** Appointed in the Board Meeting held on Nov 18th 2023 and attended the meeting as an Invitee. Attended as Nominee Director in the Board Meeting held on 15.02.2024

*** Both the directors have resigned from the position of director with effect from 18.11.2023 therefore attendance of meetings scheduled between 11.04.2023 and 18.11.2023 were considered.

During the period under review, 8 (Eight) Borrowing and Investment Committee meetings were held as mentioned below:

S.No.	Date on which Borrowing and Investment Committee Meetings were held	Directors Present	Leave of Absence granted
1.	18th November, 2023	Two	One
2.	26th December, 2023	Two	One
3.	27th December, 2023	Two	One
4.	09th January, 2024	Two	One
5.	29th February, 2024	Two	One
6.	11th March, 2024	Two	One
7.	18th March, 2024	Two	One
8.	23rd March, 2024	Two	One

Attendance of Directors in the Borrowing and Investment Committee Meetings held in the financial year 2023-24 is given below:

S.No.	Name of the Director	DIN	Board Meetings	
			Designation	No. of Meetings attended
1.	Mr. Arjun Muralidharan	02726409	Managing Director & Chief Executive Officer	8
2.	Mr. Jayaraman Chandrasekaran	01118392	Independent Director	0
3.	Mr. HKN Raghavan	02736792	Director	8

During the period under review, 1 (One) Risk Management Committee meeting was held as mentioned below.

S. No.	Date on which Risk Management Committee Meetings were held	Directors Present	Leave of Absence granted
1.	15th February, 2024	Three	Nil

Attendance of Directors in the Risk Management Committee Meetings held in the financial year 2023-24 is given below:

S.No.	Name of the Director	DIN	Board Meetings	
			Designation	No. of Meetings attended
1.	Mr. Arjun Muralidharan	02726409	Managing Director & Chief Executive Officer	1
2.	Mr. Jayaraman Chandrasekaran	01118392	Independent Director	1
3.	Mr. HKN Raghavan	02736792	Director	1
4.	Mr. Rajat Bansal	08463009	Nominee Director	0*

* Mr. Rajat Bansal became member of the Risk Management Committee vide approval at the Board Meeting held on 15.02.2024 (Board Meeting was conducted immediately after conducting Risk Management Committee held on the same day). Therefore he was not counted for the meeting held on 15.02.2024

15. A STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE, AND EXPERIENCE (INCLUDING PROFICIENCY) OF INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

The Board of Directors are of the opinion that the Independent Director appointed by the Company has adequate expertise to support the organization towards achieving good corporate governance and for improving the financial performance of the Company.

16. DECLARATION OF INDEPENDENCE

The Company has received a declaration from the Independent Directors that they meet the criteria of independence as specified under sub-section (6) of Section 149 of the Companies Act, 2013.

17. AUDITORS

i. Statutory Auditors

The Company has appointed M/s PKF Sridhar & Santhanam LLP, (Firm Registration No. 003990S/S200018) as the Statutory Auditors of the Company in the 1st Annual General Meeting ('AGM') held on 30th September, 2022, for a period of five years to hold office from the conclusion of the 1st Annual General Meeting till the conclusion of 6th Annual General Meeting.

ii. Internal Auditors

The appointment of Internal Auditors as per the provision of Section 138 of the Companies Act, 2013 is not applicable to this Company.

iii. Secretarial Auditors

The provisions relating to submission of Secretarial Audit Report are not applicable to the Company for the financial year ended 31st March, 2024.

18. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS, IF ANY

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act.

19. EXPLANATIONS OR COMMENTS BY BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE

A) BY THE STATUTORY AUDITOR

There is no qualification, reservation or adverse remark or disclaimer in audit report issued by the auditors of the Company. The Notes on financial statement referred to in the Auditor's report are self-explanatory and do not call for any further comments.

B) BY THE COMPANY SECRETARY IN PRACTICE IN SECRETARIAL AUDIT REPORT

Not Applicable

20. RELATED PARTY TRANSACTIONS

During the financial year 2023-24, all contracts, arrangements and transactions entered by the Company with related parties were in the ordinary course of business and on arm's length basis.

Your directors also draw the attention of the members to the financial statement (notes to Accounts point No 29) which sets out related party disclosures. Particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013 in form AOC-2 is annexed as **Annexure -B** to the Board's Report.

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of your Company is duly constituted in accordance with the Companies Act, 2013. The Company has the following 5 (five) Directors on the Board as on March 31, 2024.

S.No.	Name of the Director	DIN	Designation
1.	Mr. Arjun Muralidharan	02726409	Managing Director & Chief Executive Officer
2.	Mr. Jayaraman Chandrasekaran	01118392	Independent Director
3.	Mr. HKN Raghavan	02736792	Non Executive - Director
4.	Mr. G S Sundararajan	00361030	Nominee Director
5.	Mr. Rajat Bansal	08463009	Nominee Director

Further, below are the Key Managerial Personnel (KMP) as on March 31, 2024:

Name of the KMP	Designation
Mr. Arjun Muralidharan	Managing Director & Chief Executive Officer
Mr. Sathish Kumar Vijayan	Chief Technology Officer

Changes in the composition of Directors and KMPs

The changes in the composition of Directors and KMPs during the financial year are as follows:

Mr. G S Sundararajan and Mr. Rajat Bansal were appointed as (Nominee Directors) in the Board Meeting held on 18th November, 2023.

Mr. Swaminathan Sankaran and Mr. Sathish Kumar Vijayan had resigned from the position of directors with effect from 18th November, 2023.

22. RISK MANAGEMENT

Business risk evaluation and management is an ongoing process within the Company.

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

The Provisions of this particular disclosure are not primarily applicable to the company hence the disclosures are either Nil or Not applicable. Company is continuously capitalising on the technology front to enhance customer experience and operational efficiency and parallelly leverage that on business level as well.

Foreign exchange Earnings and Outgo

(i) Foreign Exchange Earnings: Nil

(ii) Foreign Exchange Outgo: Nil

24. STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE, ITS DIRECTORS, AND THAT OF ITS COMMITTEES

Being a Private Company, the provisions of Section 134(3)(p) are not applicable to the Company.

25. ESTABLISHMENT OF CORPORATE SOCIAL RESPONSIBILITY POLICY AND RELATED DISCLOSURE / COMPLIANCES

The threshold limit provided under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 relating to Corporate Social Responsibility has not been achieved and hence establishment of Corporate Social Responsibility Policy and related disclosure is not applicable to the Company.

26. DETAILS OF NON-CONVERTIBLE DEBENTURES WHICH HAVE NOT BEEN CLAIMED BY THE INVESTORS OR NOT PAID BY THE COMPANY

The company has not issued any non-convertible debentures since incorporation.

27. SIGNIFICANT ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

There are no significant material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

28. CORPORATE GOVERNANCE

Your Company has a strong and committed corporate governance framework, which encompasses policies, processes and by directing, controlling and managing activities with objectivity, transparency and integrity. Your Company is committed to ensuring fair and ethical business practice, transparent disclosures and reporting. The focus of the Company is on statutory compliance, regulations and guidelines and ethical conduct of business throughout the organization with the primary objective of enhancing stakeholder's value while being a responsible corporate citizen. A report on Corporate Governance is annexed as **Annexure-C** and forms part of the Board's Report.

The Company confirms compliance with the applicable requirements of Secretarial Standards.

29. SEXUAL HARASSMENT POLICY FOR WOMEN UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias, and sexual harassment. The company has in place a Prevention of Sexual Harassment Policy as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the 'said Act'). An Internal Complaints Committee (ICC) has been constituted for the financial year 2023-24 with Ms. Harini R as Presiding Officer, along with Mr. RadhaKrishna Sistla and Ms. Srividya Swaminathan constitute members of the committee.

The Company is strongly opposed to sexual harassment and employees are made aware about the constitution and consequence of ICC. During the year under review, no complaints were filed with the Committee under the provisions of the Act.

30. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial Position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

31. INTERNAL FINANCIAL CONTROL SYSTEMS

The Company has in place adequate systems of Internal Financial Control to ensure compliance with policies and procedures. It is being constantly assessed and strengthened with new / revised standard operating procedures and tighter Information Technology controls.

32. MAINTENANCE OF COST RECORDS

The provisions of section 148(1) of the Act are not applicable to our company and consequently, the company is not required to maintain cost records and accounts of the same as required by the Act.

33. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 ('the Act') do not apply to this company for the FY under review, as there was no dividend declared and paid last year.

34. DETAILS OF ISSUING OF EQUITY SHARES OR EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS

The Company has not issued any equity shares or equity shares with differential voting rights hence the information required to be furnished in terms of provision of Rule 4(4) and Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is not applicable.

35. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, the Board of Directors of the Company hereby state and confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis.
- e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

36. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

No application has been made under the Insolvency and Bankruptcy Code by the Company; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year, is not applicable.

37. 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

Not applicable to the Company.

38. PARTICULARS OF EMPLOYEES

There was no employee whose remuneration was in excess of the limits prescribed under Rule 5(2) & (3) of rules The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

39. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company being a Private Limited Company the provisions of Section 178 of the Companies Act, 2013 are not applicable to the Company.

40. STATUTORY DISCLOSURES

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

- ▶ Buy Back of shares
- ▶ Issue of sweat equity shares to employees of your Company except issue of 15 lakhs ESOP options/ equity shares as per the terms and conditions as governed in GrowXCD Employees Stock Option Plan 2023
- ▶ There was no instance of one-time settlement with any Bank or Financial Institution.

41. ACKNOWLEDGEMENT

We take the opportunity to express our deep sense of gratitude to Bankers and Customers for their continued guidance and support. Your directors would like to record their sincere appreciation of the dedicated efforts put in by employees across all levels in the organization, which have enabled the company to start operations. And to you, our shareholders, we are deeply grateful for the confidence and faith that you have always placed in us.

For and on behalf of the board of directors of

GrowXCD Finance Private Ltd.

(formerly known as GrowXCD FinTech Private Limited)

(Arjun Muralidharan)

Managing Director & CEO

DIN: 02726409

(Jayaraman Chandrasekaran)

Independent Director

DIN: 01118392

Date : 25th July, 2024

Place : Chennai

MANAGEMENT DISCUSSION & ANALYSIS

ANNEXURE-A

MACRO-ECONOMIC OVERVIEW

The International Monetary Fund (IMF) has updated its growth estimate for India's GDP, predicting a 6.80% expansion in fiscal year 2024–25 and a 6.50% expansion the following year. The IMF stated in its World Economic Outlook for April 2024 that the most recent FY25 forecast represents an upward adjustment of 0.30% from the January estimate.

Despite challenges such as post-pandemic supply disruptions, the geopolitical tension from Russia's invasion of Ukraine, and global energy and food crises, the global economy has demonstrated resilience with steady growth and inflation rates returning to target levels, the IMF observed.

The IMF predicted that by the end of 2025, median headline inflation for the world economy will have decreased from 2.80% at the end of current year to 2.40%. After peaking at 2.30% at the end of 2022, it predicted 3.20% global output growth in 2024 and 2025.

MSME INDUSTRY INSIGHTS

As of March 2023, India has around 75 million micro, small, and medium enterprises (MSMEs), contributing approximately 30% to the country's GDP, comprised 43.60% of merchandise exports, and generating nearly 123 million jobs. The sector is vital for sustainable economic growth, though it faces challenges including technology gaps, skill deficiencies, market access, and limited infrastructure. Access to formal credit remains a significant hurdle for MSMEs, impacting their operational efficiency and scaling potential.

A study by Transunion CIBIL and SIDBI highlights that out of 630 lakh MSME corporates, only 250 lakhs have accessed credit from formal sources. The sector is expected to grow at a 2.5% CAGR. Despite the adverse effects of the COVID-19 pandemic, MSMEs are recovering, with a 33% increase in loan demand and improving delinquency rates.

MARKET OPPORTUNITY

MSMEs, many of which rely on informal credit due to insufficient documentation, represent a significant opportunity for lenders. GrowXCD Finance Private Limited is positioned to bridge this gap with its unique approach to assessing income potential and leveraging technology for streamlined onboarding and underwriting.

Delinquency rate	Borrower Type			Bank Type		
	Micro	Small	Medium	PSU Bank	Private Bank	NBFC
Q4 FY 2023	3.1%	2.0%	1.9%	3.0%	1.4%	3.6%
Q4 FY 2020	3.7%	3.1%	4.1%	5.3%	2.1%	4.6%

Source: Small Industries Development Bank of India.

KEY FOCUS AREAS OF THE COMPANY

GrowXCD Finance Private Limited (the "Company") is a private limited company domiciled in India and incorporated on 10th January 2022. The Company has received CoR with RBI as a NBFC-ND and the license was granted by RBI on 27th April 2023 vide COR No. N-07-00898 to commence / carry on business of Type II

Non Banking Financial Company Non-Systemically Important Non-Deposit taking company ('NBFC-NSI-ND'). The Company operates in the area of providing Loan against property finance and MSME finance to Economically Weaker Sections and Lower income households as well as micro, small, and medium enterprises in India who do not have access to formal finance source. As on 31st March 2024, we were present in Tamil Nadu with 12 branches.

Overall, we would be reaching the MSME, self-employed and salaried customers belonging to the LIG (Low Income Households) and EWS (Economically Weaker Sections) through the following products in the semiurban and rural areas:

- ▶ **Secured:** Medium to Long term – Loan against property (residential property mortgage)
- ▶ **Unsecured:** Short term - Financial inclusion loans, Micro business loans and Small Business Loans

Our Core Strengths

- ▶ Customer Understanding - Tailoring products to the needs of rural and semi-urban customers.
- ▶ Work-force - With 132 employees comprising of 72 field officers, 23 monitoring staffs and 37 other branch personnels as of March-24, we are touted to offer best-in-class customer experience.
- ▶ Geographical presence – 12 branches spread across 9 districts catering to tier II and III cities of Tamil Nadu.
- ▶ Efficient Disbursal mechanism - Powered with the help of technology we have developed in house Loan Operating Systems (LOS) digitalising end-to-end lending process to keep our turnaround time for disbursal to the minimum.

GROWXCD UNDERWRITING METHODOLOGY

As an organization that operates in providing loans to underserved segment, GrowXCD has unique credit methodologies for different customer segments. We study our customers' enterprises in detail and assess the respective business activities including their income, cashflows, ability to repay, intention to repay, business sustainability and credit behavior history reported by other Financial Institutions through credit bureaus. They are subject to scrutiny through traditional and non-traditional methods including field visits, online verification etc.. Impact Analysis is performed on the existing customer base and the customer segments are classified as High/ Medium and Low Risk.

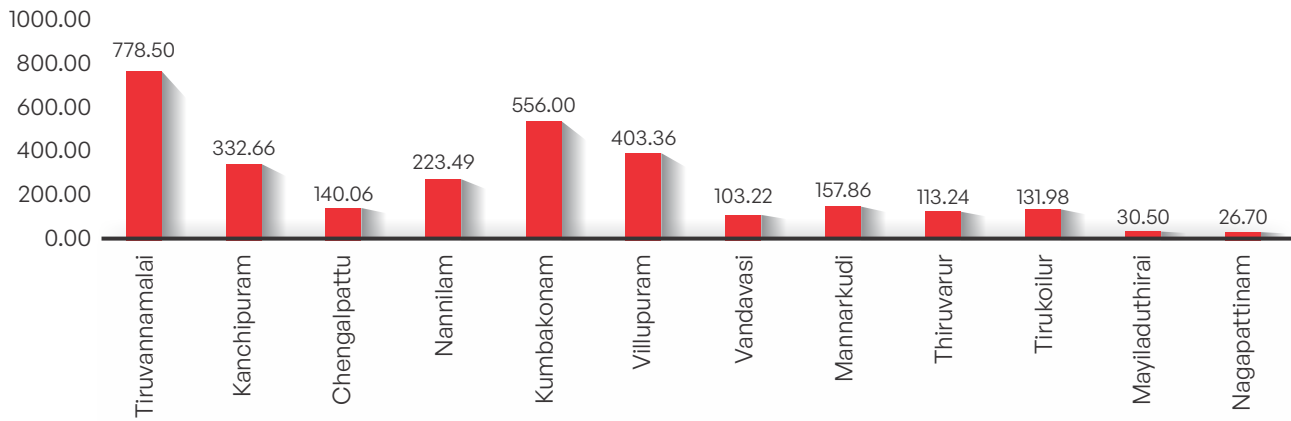
While we do undertake income document checks with available documents and credit bureau checks, the primary credit assessment is through non-traditional income documents and reference checks. The credit assessment gets additional strength from the collateral, which is taken for moral suasion. The Company has developed and implemented a credit score-card model for appraisal of loans and for assigning risk-based pricing. This ensures an objective underwriting process and aids in achieving minimal turnaround time for approvals.

PORTFOLIO GROWTH

GrowXCD has made an impact in the lives of 995 customers as of March 31, 2024. The Company has a loan portfolio of Rs. 26.58 crores (on books) as of March 31, 2024. The share of secured loan portfolio, i.e., Loan Against Property comprising of 70% of loan portfolio and unsecured loan portfolio, i.e., Micro enterprise loan stands at 30% of loan portfolio. We closed the year with a disbursement of Rs. 27.51 crores.

- ▶ Currently operating in 1 state and 9 districts via 12 branches.
- ▶ Older branches have higher portfolio

Principal O/s (Rs. in lakhs)



ASSET QUALITY

As on 31st March, 2024 we had 100% collection rate with 0% 30+DPD and 0% 90+DPD.

CAPITAL

The total amount of capital available to the Company is an important parameter to represent the strength of the institution. To present a perspective of the scale of improvement on this critical parameter, the total paid-up capital and securities premium of the Company is Rs. 4443.82 lakhs on March 31, 2024. During FY 2023-24, company received funds from new investors viz. Lok Capital, to the tune of Rs. 30 crores and also received funds from existing investors to help build a strong capital base during challenging times which took the Net worth to Rs. 4308.73 lakhs as of March 31, 2024. The Company has maintained a healthy capital adequacy ratio well above the levels directed by the RBI. As of March 31, 2024, the capital adequacy ratio of the Company is robust at 95%. The net worth of the Company as of 31st March, 2024 stands at 43.09 crores.

DIVERSIFIED FUNDING PROFILE

The funding for the business is from an optimum mix of equity and debt. The Company continues to follow the policy of diversification of funding sources. The Company has existing relationships with 4 lenders across Banks and NBFC. During the year, the company has availed fresh borrowings aggregating to Rs. 11.96 Crores.

During the year, the company has been glad to welcome new lenders collaborating in our growth namely Northern Arc, AU Small Finance Bank Limited, Suryoday Small Finance Bank Limited and MAS Financial Services Limited.

INVESTMENTS

The Investment Policy approved by the Board of Directors envisages deployment of temporary cash surplus, arising out of the gap between cash inflows and outflows, in liquid schemes of mutual funds and/or fixed deposits with Banks. The investment function ensures adequate levels of liquidity to support business requirements, maintaining a high degree of safety and optimising the level of returns, consistent with acceptable levels of risk by investing in short-term instruments. As at March 31, 2024, the investment in Mutual Funds stood at 17 Crores and investment in Fixed Deposits stood at Rs. 8.91 Crores which includes 5.13 Crores of lien marked Fixed Deposits.

ASSET LIABILITY MANAGEMENT

The Company has a conservative and prudent policy for matching funding to assets, which translates to a robust Asset Liability stability. As a key strategy to manage healthy cash flows, the Company typically maintains two months of cash requirements in the form of undrawn limits or in cash equivalents. The strong ALM strategy is one of the key pillars of strength of the Company on a structural basis. From an interest rate sensitivity perspective, the Company has a mix of fixed and floating rate borrowings. While the Company lends on fixed rate basis for all loans, it primarily focusses on maintaining the net interest spread at optimum level.

INTERNAL CONTROL SYSTEMS

The system of internal controls in place at the company is intended to offer a high level of assurance about the efficacy and efficiency of operations, the sufficiency of asset safeguards, the dependability of financial controls, and compliance with relevant laws and regulations. All companies and functions have access to an internal control architecture that includes internal financial controls, explicit power delegation, and standard operating procedures. There is a distinct division of labor between different functions. The Company has put in place sufficient procedures to guarantee that assets and transactions are approved, recorded, and reported in order to protect assets against losses that might result from unauthorised use or disposal. For improved management, the two main operational processes—finance and operations—are centralized at head office. The Business has implemented a strong IT security system to ensure information security. By implementing robust Loan Management Systems, it has further strengthened its system controls. All policies are reviewed and approved by the board on a periodic basis.

INFORMATION TECHNOLOGY

GrowXCD keeps utilizing technology to meet its goals of increasing efficiency and productivity. Process automation has been used in many areas of the company to automate repetitive, labor intensive, and manual operations. In the current digital era, going digital has changed the game by revolutionizing customer journeys and making it possible for customers to interact with businesses quickly and easily throughout their lifetime. GrowXCD has provided its clients with the greatest possible digital experience, and it still does.

All digital projects ultimately aim to provide decision makers with quick access to data so they can act proactively. This is achieved by having suitable data access restrictions and the capacity to impose needs driven access to data. We regularly create and improve the experience for both external and internal stakeholders. The technology backbone for the company is ready to act as catalyst for the next phase of growth.

RISK MANAGEMENT

In order to support a proactive approach in reporting, assessing, and resolving issues related to the business, the company has established a strong risk management framework. The company is dedicated to generating value for its stakeholders through sustainable business growth. In order to develop sophisticated risk management and underwriting capabilities, the company keeps investing in people, procedures, and cutting edge technologies. An independent risk governance structure was established in accordance with regulatory requirements, taking into account the division of labor and guaranteeing the independence of risk measurement, monitoring, and control tasks in order to facilitate effective risk management.

OPERATIONAL OVERVIEW

The key operational highlights of the year 2023-24 are:

- ▶ Assets under management stood at Rs. 26.58 crores.
- ▶ Total Income stood at Rs. 3.76 crores.
- ▶ Customer base stood at 995.
- ▶ Employee base stood at 132.

Balance Sheet

The summarized version of the Company's Balance sheet is given below:

Rs. in Crores

Particulars	Mar-24	Mar-23	YOY Growth %
ASSETS			
Fixed Assets	0.71	0.01	7000
Cash & Cash Equivalents	10.43	11.61	(10.16)
Short-term Investments	17.00	0.00	1700
Loan Assets	26.59	0.00	2659
Other Assets	1.37	0.14	878.57
TOTAL	56.10	11.76	
LIABILITIES			
Net-worth	43.09	11.72	267.66
Borrowings	11.96	0.00	1196
Other Liabilities	1.05	0.42	150
TOTAL	56.10	11.76	

Statement of Profit & Loss

The summary of financials years for the last two financials years is as follows:

Rs. in Crores

Particulars	Mar-24	Mar-23	YOY Growth %
Revenue from operations	3.73	0.61	511.48
Other Income	0.03	0.00	3
Total Income (A)	3.76	0.61	
Employee cost	2.98	0.52	473.08
Finance Cost	0.25	0.00	25
Depreciation	0.08	0.02	300
Other Operating Cost	1.45	0.32	353.13
Provisions & Losses	0.27	0.00	27
Total Expense (B)	5.03	0.86	
Profit Before Tax (PBT) (A-B)	(1.27)	(0.26)	
Current and Deferred Tax	0.38	0.00	38
Profit After Tax (PAT)	(0.89)	(0.26)	

Key Financial Ratios are as follows:

Particulars	FY 2023-24 (in %)	FY 2022-23 (in %)
PBT / Total Income	(33.78)	34.13
NIM	26.18	16.32
Return on Total Assets (RoTA)	(1.59)	(2.21)
Return on Equity (RoE)	(6.43)	(4.31)
EPS		
Basic (Rs.)	(0.92)	(0.59)
Diluted (Rs.)	(0.92)	(0.59)
Debt/ Equity	0.28	0.00
Capital Adequacy	95	0.00

HUMAN RESOURCES

Our most valuable resource and the cornerstone of the company is its workforce. Our objective is to establish a welcoming and supportive work atmosphere that fosters development and learning for our staff. We periodically give our middle and senior management leadership training as part of our effort to develop future leaders. Our organization wide cultivation and emphasis of our culture is how we aim to differentiate ourselves. Our concept has always placed the welfare of our workers at its core. As on March 31, 2024, the Company had 132 employees.

OUTLOOK

Our outlook for the coming year involves consolidating the existing product verticals and focus on efficiency in operation and growth.

Our main goal as the company prepares for the next stage of expansion is to make sure that we consistently show development and advancement in all three important areas: profitability, productivity, and AUM growth.

CAUTIONARY NOTE

Certain statements in this Report may be forward-looking and are stated as may be required by applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government and other incidental/related factors.

FORM AOC 2

ANNEXURE-B

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

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014].

1. All contracts/arrangements/transactions entered into by the Company with related parties during the year ended March 31, 2024 were at arm's length basis.

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Durations of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value (Rs.)	Date of approval by the Board	Amount paid as advances
1.	Paripoorna Software Private Limited - Mr. Arjun Muralidharan, MD is a common director	Resource Augmentation charges	Completed on 31.03.2024	Amount paid to Paripoorna in lieu of service availed from its employee	30.06.2023	NA
2.	Lok Capital IV LLC	Share capital infusion	Ongoing	Issue of 82,08,334 Cumulative Compulsorily Convertible Preference Shares (CCCPS) at Rs. 36/- per share	13.11.2023	NA
3.	Mr. Arjun Muralidharan, MD & CEO	Rent payment	Completed on 31.03.2024	Rent paid towards registered office	30.06.2023	Nil

2. Details of material contracts and arrangements or transactions not at arm's length basis: Nil

For and on behalf of the board of directors of

GrowXCD Finance Private Ltd.

(formerly known as GrowXCD FinTech Private Limited)

(Arjun Muralidharan)

Managing Director & CEO

DIN: 02726409

(Jayaraman Chandrasekaran)

Independent Director

DIN: 01118392

REPORT ON CORPORATE GOVERNANCE

ANNEXURE-C

Corporate Governance signifies an organization's commitment to ethics, fairness, and transparency in its dealings with stakeholders such as Customers, Employees, Lenders, Investors, Government, Regulators, Vendors, and the Community. It is fostered through external market commitments, legislation, and a robust board culture that guides the organization's policies and principles. Your company is dedicated to upholding strong Corporate Governance across all its operations.

Corporate Governance Philosophy

GrowXCD Finance Private Limited adheres to the highest standards of accountability, transparency, and fairness in all facets of its operations and interactions with stakeholders. The Board oversees the appointment of capable management and continuously monitors to ensure responsible, ethical, and transparent conduct.

Board of Directors

In line with our Corporate Governance principles, all statutory and significant information is presented to the Board of Directors and its committees. The Board, comprising five directors, includes one Independent Director, two Investor Nominee Directors, one Non-Executive Director, and a Managing Director. The dates of the meetings of the Board of Directors which were held in FY 2023-24 are 11th April, 2023, 15th May, 2023, 30th June, 2023, 05th September, 2023, 26th September, 2023, 03rd November, 2023, 13th November, 2023, 18th November, 2023 and 15th February, 2024.

Particulars of the Composition of the Board of Directors, Directors' attendance to the Board Meeting and particulars of their other company directorships are given below:

Sl. No.	Name of Director	Director from date	Capacity (i.e. Executive / Non-Executive / Chairman / Promoter Nominee / Independent)	DIN	No. of Board Meetings		No. of other Directorship	Remuneration		No. of shares held
					Held	Attended		Salary & other Compensation (Rs. in Lakhs)	Sitting Fee (Rs. in Lakhs)	
1.	Mr. Arjun Muralidharan	10/01/2022	Managing Director & Chief Executive Officer	02726409	9	9	1	10.71	Nil	44,50,339
2.	Mr. Jayaraman Chandrasekaran	04/11/2022	Independent Director	01118392	9	9	2	Nil	2.45	Nil
3.	Mr. HKN Raghavan	04/11/2022	Non-Executive Director	02736792	9	9	2	Nil	Nil	10,27,778
4.	Mr. G S Sundararajan	18/11/2023	Nominee Director	00361030	1	1	4	Nil	Nil	Nil
5.	Mr. Rajat Bansal	18/11/2023	Nominee Director	08463009	1	1	1	Nil	Nil	Nil

*(including partly paid equity shares)

Changes in Board Constitution:

During the year ended March 31, 2024, the following were the changes in the Board constitution:

S.No.	Name of Director	Capacity (i.e. Executive / Non-Executive / Chairman / Promoter nominee / Independent)	Nature of change (Resignation, appointment)	Effective date
1.	Mr. G S Sundararajan (DIN: 00361030)	Nominee Director of Lok Capital IV LLC	Appointment – Mr. G S Sundararajan was appointed as the Additional Director (Nominee Director of Lok Capital IV LLC) in the Board Meeting held on 18th November, 2023. Regularisation – Change in designation. Mr. G S Sundararajan who was appointed as the Additional Director was regularised as the Nominee Director of Lok Capital IV LLC in the Extra-Ordinary General Meeting of the Company held on 18th November, 2023.	18th November, 2023
2.	Mr. Rajat Bansal (DIN: 08463009)	Nominee Director of Lok Capital IV LLC	Appointment – Mr. Rajat Bansal was appointed as the Additional Director (Nominee Director of Lok Capital IV LLC) in the Board Meeting held on 18th November, 2023. Regularisation – Change in designation. Mr. Rajat Bansal who was appointed as the Additional Director was regularised as the Nominee Director of Lok Capital IV LLC in the Extra-Ordinary General Meeting of the Company held on 18th November, 2023.	18th November, 2023
3.	Mr. S. Swaminathan (DIN: 02517856)	Director	Resignation - Mr. S. Swaminathan, Director of Company, has resigned from the position of Director.	18th November, 2023
4.	Mr. Sathish Kumar Vijayan (DIN: 08854779)	Director	Resignation - Mr. Sathish Kumar Vijayan, Director of Company, has resigned from the position of Director.	18th November, 2023

Code of Conduct

The Company has adopted a Code of Conduct for members of the Board and the Senior Management. The code aims at ensuring consistent standards of conduct and ethical business practices across the organisation. All the members of the Board and the Senior Management have duly adhered to the Code of Conduct.

Committees of the Board

The Board has constituted committees to support the Board in discharging its responsibilities. As at March 31, 2024, the Company has two (2) Committees of the Board, constituted in accordance with the provisions of the Act viz.,

1. Risk Management Committee
2. Borrowings and Investment Committee

The Board at the time of constitution of each committee fixes the terms of reference and also delegates powers from time to time. Various recommendations of the committees are submitted to the Board for approval.

Risk Management Committee

Terms of Reference

1. To identify, monitor and measure the risk profile of the Company (including market risk, liquidity risk, operational risk, reputational risk, fraud management and credit risk).
2. To review and monitor the activities of the company in the area of Operational Risk, Information Security Risk and Fraud Risk.
3. To develop and oversee the risk management policy for approval by the Board.
4. To develop Company's operational risk, fraud management and information security risk policies for approval by the board.
5. To oversee promotion of awareness of a risk-based culture and achieving a balance between risk minimization and reward for risks accepted.
6. To monitor and review the risk management plan of the Company.
7. To review management's formulation of procedures, action plans and strategies to mitigate risks on short term as well as long term basis.
8. To liaise, as necessary, with other Board Committees, especially where there is a perceived or actual overlapping of responsibilities regarding particular risk and compliance issues.
9. To monitor compliance of various risk parameters by operating departments.
10. The Committee shall have direct access to, and complete and open communication with the Company's management and may obtain advice and assistance from legal, risk or other advisors.
11. The Company shall provide for appropriate funding, as determined by the Committee, for the payment of (i) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities and (ii) compensation to independent legal, risk and other advisors retained by the Committee.
12. Reviewing adequacy of insurance policies taken by Management to cover risks/transfer risk exposures.
13. To carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

Composition & Meetings

The Risk Management Committee was reconstituted in the Risk Management Committee Meeting held on February 15, 2024, as below:

Name of the Members (Before)	Name of the Members (Now)
Mr. Jayaraman Chandrasekaran (Chairman)	Mr. Jayaraman Chandrasekaran (Chairman)
Mr. H K N Raghavan	Mr. H K N Raghavan
Mr. Arjun Muralidharan	Mr. Rajat Bansal
	Mr. Arjun Muralidharan

The composition of the committee as on March 31, 2024, is given below:

Name of the Members	Designation
Mr. Jayaraman Chandrasekaran (Chairman)	Independent Director
Mr. H K N Raghavan	Non-Executive Director
Mr. Rajat Bansal	Nominee Director
Mr. Arjun Muralidharan	Managing Director & Chief Executive Officer

The details of the meetings of the Committee held during the year ended March 31, 2024, is given below:

S.No.	Name of the member	Member of Committee from & till date	Capacity (i.e. Executive / Non-Executive / Chairman / Promoter Nominee / Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Jayaraman Chandrasekaran (Chairman)	From May 15, 2023, till date	Independent Director	1	1	NIL
2.	Mr H K N Raghavan	From May 15, 2023, till date	Non-Executive Director	1	1	10,27,778
3.	Mr. Arjun Muralidharan	From May 15, 2023, till date	Managing Director & Chief Executive Officer	1	1	44,50,339*
4.	Mr. Rajat Bansal **	From February 15, 2024 till date	Nominee Director	0	0	0

* (including partly paid equity shares)

** Mr. Rajat Bansal became member of the Risk Management Committee only at the Board Meeting held on 15.02.2024 (Board Meeting was conducted immediately after conducting Risk Management Committee held on the same day). Therefore he was not counted for the meeting held on 15.02.2024.

Borrowings and Investment Committee

Terms of Reference

- To open, operate and close different accounts viz., Current Account, Fixed Deposit Account, etc with banks, in the name of the company and to avail internet and online banking facilities offered by the Bank and to authorise such officers/employees of the company as the Committee may deem fit to operate such accounts on behalf of the Company;
- To invest the surplus funds of the Company up to Rs 50 crore with liberty to invest in fixed deposits / mutual funds / such other schemes as may be beneficial for the Company, however subject to the regulations under the Companies Act 2013 / as laid down by the Reserve Bank of India.
- To open demat account in the name of the Company;

4. To avail cash management services offered by the banks / other agencies on such terms and conditions as the Committee may deem fit;
5. To borrow from time to time (including the money already borrowed by the Company apart from non-fund based facility in the form of letter of credits, bank guarantees, etc. obtained from Company's bankers in the ordinary course of business) by obtaining loans, overdraft facilities, lines of credit, commercial papers, non-convertible debentures, external commercial borrowings or by any other form(s) (collectively Debt instruments) from banks, financial institutions, insurance companies, mutual funds, or other corporates or other eligible investors, whether in India or abroad, in one or more series, and in one or more tranches, on a private placement basis or through any other mode as applicable, to eligible investors under the applicable laws, regulations, guidelines etc. on such terms and conditions as the Committee may deem fit, provided that the total outstanding amount of money to be borrowed together with the money already borrowed by the Company, shall not at any time exceed an aggregate limit of INR 100 crore;
6. To sign, execute and submit all such documents as are necessary in connection with 1 to 5 above and to do all such acts, deeds and things as may be necessary in this connection;

Composition & Meetings:

The composition of the committee as on March 31, 2024, and the details of the meetings of the Committee held during the year ended March 31, 2024, is given below:

S.No.	Name of the member	Member of Committee from & till date	Capacity (i.e. Executive / Non-Executive / Chairman / Promoter Nominee / Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Arjun Muralidharan	From November 18, 2024 till date	Managing Director & Chief Executive Officer	8	8	44,50,339*
2.	Mr. Jayaraman Chandrasekaran	From November 18, 2024 till date	Independent Director	8	0	NIL
3.	Mr. H K N Raghavan	From November 18, 2024 till date	Non-Executive Director	8	8	10,27,778

*(including partly paid equity shares)

During the year ended March 31, 2024, eight (8) meetings of the Committee were held on 18th November, 2023, 26th December, 2023, 27th December, 2023, 09th January, 2024, 29th February, 2024, 11th March, 2024, 18th March, 2024 and 23rd March, 2024.

General Body Meetings

During the period from April 01, 2023 to March 31, 2024, apart from the Annual general meeting (AGM), six Extraordinary General Meetings (EGM) were held as per details given below:

Type of Meeting	Date	Venue	Resolutions passed
AGM	29.09.2023	Registered office of the company	<ul style="list-style-type: none"> ▶ Adoption of accounts for the year ended 31.03.2023; ▶ Appointment of Mr. Chandrasekaran as Director of the company; ▶ Appointment of Mr. HKN Raghavan as Non-Executive Director of the company; ▶ Fixing of borrowing limits of not exceeding 100 crores; Creation of charges of not exceeding 100 crores
EGM	15.05.2023	Registered office of the company	<ul style="list-style-type: none"> ▶ Issue of 10,00,000 ESOP options / equity shares on a private placement basis
EGM	27.09.2023	Registered office of the company	<ul style="list-style-type: none"> ▶ Increase in authorised share capital from Rs.10 crores to Rs.11 crores; ▶ Issue of 6,25,002 equity shares on a private placement basis amounting to Rs.2.25 crores
EGM	03.11.2023	Registered office of the company	<ul style="list-style-type: none"> ▶ Increase in authorised share capital from Rs.11 crores to Rs.21 crores
EGM	13.11.2023	Registered office of the company	<ul style="list-style-type: none"> ▶ Approval for issue of 83,33,334 CCCPS amounting to Rs. 30 crores
EGM	18.11.2023	Registered office of the company	<ul style="list-style-type: none"> ▶ Approval for amendment of existing articles of association to confirm to the agreement; ▶ Approval for entrenched provisions contained in the proposed amendment to the articles of association; ▶ Issue of equity shares to the founder; ▶ Appointment of Mr. GS Sundararajan as Nominee Director; ▶ Appointment of Mr. Rajat Bansal as Nominee Director;
EGM	28.02.2024	Registered office of the company	<ul style="list-style-type: none"> ▶ Amendment of object clause of MoA

The Annual General Meeting for the last two years were held on 30th September, 2022 and 29th September, 2023.

All the proposed resolutions, including special resolutions, were passed by the shareholders as set out in their respective Notices.

Separate posts of Chairperson and Managing Director/Chief Executive Officer

Mr. Arjun Muralidharan is the Managing Director & Chief Executive Officer of the Company and there is no separate Chairperson of the Company. The Chairman for the meetings of the Board and the shareholders are elected at every meeting respectively.

Risk Management

The company operates under a Board-approved Risk Management Policy, ensuring periodic updates to the Board on significant risks and mitigation strategies.

Regulatory & Statutory Compliances

The Company has complied with all the guidelines, circulars, notifications and directions issued by Reserve Bank of India and other regulators from time to time. The Company also places before the Board of Directors at regular intervals all such circulars and notifications to keep the Board informed and report on the actions initiated on the same.

The Company has also been following provisions of the Companies Act, 2013 including the applicable Secretarial Standards issued by ICSI, applicable accounting standards, the Income Tax Act 1961, and other applicable statutory requirements.

Compliance Report

The Board reviews the compliance of all applicable laws every quarter which are complied by the Company and validated by the internal auditors and gives appropriate directions, wherever necessary.

Related party transactions

The particulars of transactions between the Company and its related parties, as defined in Accounting Standard 18, are set out in the financial statements. There were no material transactions with related parties i.e., transactions of the company of material nature, with its promoters, the directors or the management, their associates or relatives etc. that may have potential conflict with the interest of company at large.

General Shareholder Information

Financial year: April 1st to March 31st

Shareholding pattern as on March 31, 2024:

Category	Number of Shares	% of total
Promoter & Relatives	46,44,784	24.18%
Resident Individual Investors	53,28,653	27.74%
Non-Resident Individual Investors holding shares on repatriation basis	Nil	0%
Employees & their Relatives	9,00,000	4.68%
Institutional Investors	83,33,334	43.40%
Total	1,92,06,771	100.00%

Address for Correspondence:**GrowXCD Finance Private Limited**

First Floor GR Complex Annexe
408 Anna Salai, Nandanam, Chennai -35
Tel.: 044-48136918
E-mail: hello@growxcd.com
Website: <https://growxcd.com/>

For and on behalf of the board of directors of
GrowXCD Finance Private Limited
(formerly known as *GrowXCD FinTech Private Limited*)

(Arjun Muralidharan)

Managing Director & CEO
DIN: 02726409

(Jayaraman Chandrasekaran)

Independent Director
DIN: 01118392

Date : 25th July, 2024

Place : Chennai

IMPACT AND ESG AT GROWXCD

The year 2023-24 marks the first year for Environmental, Social and Governance (ESG) Report as part of the Company's Annual Report.

We have adopted the ESG Code and Guidelines in our Board Meeting dated 18th November 2023 and we believe that integrating environmental, social and governance principles in our operations benefits society and creates value to our stakeholders. GrowXCD, being a start-up, we wanted to incorporate the ESG Code from the early stages to showcase our ability to generate sustainable returns to our stakeholders.

Financial Impact

The micro, small, and medium enterprises (MSMEs) sector is the backbone of the Indian economy, particularly in underserved regions. Despite their critical role, MSMEs in Tier II and Tier III towns often face significant challenges in accessing finance. Recognizing this gap, GrowXCD has dedicated itself to bridging the financial divide and empowering these businesses.

Our unique approach to MSME financing sets us apart from other players in the industry. We leverage our deep understanding of local markets, enabled by several years of combined experience of the founders, to offer financial solutions that address the specific needs of businesses in these regions. Our customer-centric approach enables us to understand the backgrounds and requirements of our MSME customers and provide tailored support through our financial products. Through a combination of physical branches, field officers and tech-enabled processes, we can offer flexible loan products, quick turnaround time and personalized services to our customers – handholding them in times of need.

Geographically, we envisage our branches to be in South India, which is relatively well penetrated in terms of financial products. Within these geographies, we prioritise micro markets located in Tier II, Tier III, and beyond towns, where access to financial services remains limited. This forward-looking impact strategy emphasizes our commitment to enhancing access in underserved states. Within these target states, GrowXCD plans to operate in Tier II and Tier III towns where significant white spaces still exist, ensuring that we address the regions with the greatest need for financial inclusion.

In the past year, we have successfully expanded our operations to 12 branches spread across new towns, significantly increasing our presence in underserved regions. This expansion has enabled us to offer critical financial support to local businesses, helping them to overcome financial barriers and achieve their growth ambitions. Our regional presence not only facilitates easier access to credit but also strengthens local economies by creating job opportunities and fostering entrepreneurship. By investing in these communities, we intend to lay the groundwork for long-term economic resilience and stability.

Income enhancement for our customers is the core thesis of GrowXCD's model. Our target MSME customers earn incomes in the range of INR 25,000 to 75,000 per month and borrow primarily to deploy capital in their businesses. Anecdotally, during our field visits, we have observed customers borrowing for additional working capital, making capital expenditures on machinery, and purchasing cattle for additional milk production. These investments lead to significant income enhancements, enabling businesses to expand their operations, increase productivity, and generate higher revenues.

Our commitment to quality is further demonstrated through the implementation of end-to-end tech solutions for maximising process efficiency across the loan cycle. This enables us to enhance the customer experience, making it easier, transparent and more efficient for customers to interact with GrowXCD. By prioritizing quality in our services, aided by detailed Standards of Procedures for our front-end staff on lending and collections, we aim to build long-lasting relationships based on trust and satisfaction. We also ensure that our team keeps developing new relevant skills and adheres to the company's ethos by maintaining a high degree of focus on training and performance improvement.

By providing timely and adequate credit, we enable MSMEs to overcome their financial constraints and unlock their growth potential. Our financing solutions help businesses invest in new equipment, expand their operations, hire additional staff, and increase their production capacity. Through our targeted efforts, we have facilitated business expansion and job creation, contributing to the overall socio-economic development of these regions.

We conduct thorough market research and engage with local stakeholders to better service the specific requirements of each community. This localized approach ensures that our support is relevant, effective, and impactful.

Our impact is reflected in the success stories of countless MSMEs that have flourished with our support. From small retail shops to manufacturing units, our clients span a wide range of industries, each benefiting from our dedicated financial services. By supporting MSMEs, we not only drive economic growth but also contribute to the diversification and resilience of local economies.

Gender Focus

Empowering women entrepreneurs is a cornerstone of our mission at GrowXCD. We recognize the pivotal role that women play in driving economic growth and social progress, and we are committed to supporting their entrepreneurial endeavours. Our focus on gender inclusivity is reflected in the significant percentage of our loans that have women as co-borrowers, demonstrating our dedication to empowering women in business.

In the past year, more than half of our loans have been extended to women as primary or co-borrowers, underscoring our intentional targeting of women customers. This focus is not just a numerical target, but a strategic priority aimed at fostering a more inclusive and equitable business environment.

By supporting women in business, we contribute to their personal success and to the broader socio-economic development of their communities. Women entrepreneurs often reinvest their earnings into their families and communities, creating a multiplier effect that drives sustainable development. Our efforts to empower women are aligned with our broader goals of promoting gender equality and social inclusion.

GHG Accounting

At GrowXCD, we are acutely aware of our environmental responsibilities and the need to operate sustainably. Our commitment to sustainability is evident in our comprehensive Greenhouse Gas (GHG) accounting practices for Scope 1, 2 and 3 emissions in adherence to international guidelines, which enable us to meticulously track and manage our carbon footprint. By integrating environmental considerations into our business operations, we ensure that our activities align with global environmental standards and contribute to the fight against climate change.

Over the past year, we have implemented several initiatives aimed at reducing our carbon emissions. These include adopting energy-efficient practices within our offices and promoting digital transactions to minimize paper usage.

Our ongoing efforts in GHG accounting underscore our dedication to environmental stewardship. We regularly assess our environmental impact and identify opportunities for further improvement. By reducing our carbon footprint, we not only contribute to global climate goals but also set an example for our clients and stakeholders, encouraging them to adopt more sustainable practices.

Head-Start with Strong Governance

Strong governance is the bedrock of our operations at GrowXCD. Our top management of four people brings over 100+ years of experience in the financial services space. We believe that good governance practices are essential for building trust, ensuring accountability, and achieving long-term success. Our commitment to governance is reflected in our establishment of a stellar board of directors with decades of industry experience across renowned financial institutions, who act as a sounding board for the company and ensure appropriate checks and balances to uphold a high degree of business integrity.

Our adherence to Environmental, Social, and Governance (ESG) standards is a testament to our commitment to responsible business practices. We have implemented an ESG Management System (ESG MS) that guides our decision-making processes and ensures that we operate with the highest standards of integrity, transparency, and accountability. This system encompasses policies related to environmental sustainability, social responsibility, and corporate governance, providing a comprehensive framework for ethical conduct.

We ensure that we do not enter into any transactions with any client that is engaged in the activity listed under the Exclusion List.

In addition to our ESG MS, we have also adopted proactive policies that prioritize employee welfare and minimize the impact of workforce reductions. These policies are designed to support affected employees through fair compensation, retraining programs, and job placement assistance. Our approach to retrenchment reflects our commitment to treating our employees with dignity and respect, even during challenging times.

We continuously review and enhance our governance practices to align with international best practices, ensuring that we remain at the forefront of ethical and responsible business conduct. By maintaining strong governance, we build trust with our stakeholders, attract investment, and create a stable and resilient organization.

Alignment with CPP

The lending undertaken by GrowXCD is conducted in accordance with the Client Protection Principles, a set of internationally recognised principles, promoted under The Smart Campaign, that focus on protecting the interest of the borrowers.

Designed for the Microfinance Institutions, the Consumer Protection Principles (CPP) are not directly applicable to our operations. Nevertheless, we are committed to aligning with these international best practices. Our focus on customer-centricity, transparency, and fairness ensures that we uphold the highest standards of consumer protection. We believe that protecting the rights and interests of our customers is essential for building long-lasting relationships based on trust and mutual respect.

To align with CPP, we have implemented several measures to safeguard the interests of our customers. These include clear and transparent communication of loan terms, fair and competitive pricing, and effective grievance redressal mechanisms in local languages. We ensure that our customers fully understand the terms and conditions of their loans, including interest rates, repayment schedules, and any associated fees. Our customer service team is trained to provide accurate and timely information, addressing any queries or concerns promptly.

We support our customers in making informed financial decisions and managing their finances prudently. By empowering our customers with transparent knowledge sharing, we strive to enhance their financial well-being and foster responsible borrowing practices.

At GrowXCD, we firmly believe that success is linked to the well-being of the communities we serve. We are thankful for your support on this journey towards sustainable development in creating a better environment.

For **GrowXCD Finance Private Limited**
(formerly known as *GrowXCD FinTech Private Limited*)

Arjun Muralidharan
Managing Director & CEO

INDEPENDENT AUDITORS' REPORT

To the Members of GrowXCD Finance Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of GrowXCD Finance Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2024, and the statement of Profit and Loss and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, its losses and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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 Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report / Directors report / the management report, but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of the Management and Board of Directors for Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, losses and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management and Board of Directors are 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 are also responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing our opinion under section 143(3)(i) of the Act on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- ▶ Conclude on the appropriateness of 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- ▶ 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.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India 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.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph h(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014.
 - (c) The Balance Sheet, the Statement of Profit and Loss 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 accounting standards (AS) specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) Pursuant to MCA notification dated 13th June 2017, reporting on adequacy of the internal financial controls with reference to the financial statements is exempted for this company.
 - (g) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above and paragraph (h) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014.

- (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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations as at 31 March 2024 which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024; and
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(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, as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(c) Based on such 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 (a) and (b) contain any material misstatement.
 - v. The Company has not paid/declared any dividend during the financial year. Accordingly, reporting on compliance with the provisions of Section 123 of the Act is not applicable.
 - vi. Relying on representations/explanations from the company and software vendor, and based on our examination which included test checks, and according to the information and explanations given the Company has used two accounting software's (a loan management software (LMS) and a general ledger maintenance software) for maintaining its books of accounts.
The General ledger maintenance software has a feature of audit trail (edit log) facility. However, it has not been enabled during the year for the transactions recorded in such software. Moreover, the software is such that it has no database, but only objects and collections as explained in Note No 42, and hence no changes are possible at database level.
The LMS belongs to an outsourced vendor who has confirmed the existence of an audit trail (edit log) facility both at transactional level and database levels, and that it has operated throughout the year for all relevant transactions.

3. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India 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.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

S Rajeshwari

Partner

Membership No.024105

UDIN : 24024105BKAOEV6009

Date : 25th July, 2024

Place : Chennai

ANNEXURE A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of GrowXCD Finance Private Limited (“the Company”) on the financial statements as of and for the year ended 31 March 2024.

(l) (a)

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

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination, we report that, the company does not have any immovable properties as at Balance Sheet date and hence, this clause is not applicable.

(d) The Company has not revalued its Property, Plant and Equipment and intangible assets during the year and hence this clause is not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The company does not have any Tangible inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(b) Based on our audit procedures & according to the information and explanation given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

(iii) Based on our audit procedures and according to the information and explanation given to us, the Company has not made investments in, provided any guarantee or security and has granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties in respect of which:

(a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

- (b) Based on our audit procedures and according to the information and explanation given to us, the terms and conditions of the grant of all above mentioned loans and advances in the nature of loans are not prejudicial to the Company's interest.
- (c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated. Note 2.14 to the Financial Statements explains the Company's accounting policy relating to impairment of assets that include loan assets. Disclosures in respect of such loans have been provided in Note 6 and 10 to the Financial Statements.
- (d) There are no amounts overdue for more than ninety days as at the balance sheet date in respect of loans given.
- (e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.
- (f) Based on our audit procedures and according to the information and explanation given to us, 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 and hence the question of aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause 76 of section 2 of the Act does not arise. Accordingly, paragraph 3(iii)(f) of the Order is not applicable.
- (iv) Based on our audit procedures and according to the information and explanation given to us, the Company has neither given any loan, guarantees and security nor made any investment during the year covered under section 185 and 186 of the Act. Therefore paragraph 3(iv) of the Order is not applicable to the Company.
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company has been regular in depositing the undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities, except for Professional tax payments where there has been significant delays in a large number of cases. According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of statutory dues were in arrears, as at 31 March 2024 for a period of more than six months from the date they became payable except as follows:
- Name of the statute - The Tamil Nadu Tax on Professions, Trades, Callings and Employments Act, 1992.

Nature of dues- Professional Tax

Period to which it relates	Amount (in Rs.)	Due date	Date of payment
Apr - Sep	7,572	01-10-2023	07-02-2024
Apr - Sep	8,248	01-10-2023	24-11-2023
Apr - Sep	4,765	01-10-2023	30-11-2023
Apr - Sep	9,888	01-10-2023	05-10-2023
Oct - Mar	4,564	01-04-2024	29-06-2024
Oct - Mar	3,620	01-04-2024	Cheques deposited and the same is under clearance

- (b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- (viii) As per the information and explanations given by the management and on the basis of our examination of the records of the Company, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company.
- (ix)
- (a) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us and the records of the Company examined by us, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and the records of the Company examined by us, no funds raised on short term basis have been utilized for long-term purposes.
- (e) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any subsidiary, associate or joint venture and hence the question of the Company taking loan from any entity or person on account of or to meet the obligations of its subsidiaries, joint ventures or associate companies does not arise. Accordingly, paragraph 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any subsidiary, associate or joint venture and hence the question of the Company raising any loans during the year on pledge of securities held in its subsidiaries, joint ventures or associate companies does not arise. Accordingly, paragraph 3(ix)(f) of the Order is not applicable to the Company.

- (x) (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

According to the information and explanations given to us, the Company has made private placement of shares during the year and requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

- (xi) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year.

- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of Section 143 of the 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 of India for the period covered by our audit.

As represented to us by Management, there are no whistle blower complaints received during the year by the company.

- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, paragraph 3(xii)(a) to (c) of the Order is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv)(a) In our opinion and based on our examination, the company did not have an internal audit system during the period under audit and is not required to have an Internal Audit system as per provisions of the Companies act 2013 of the act.

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

- (xvi)(a) Based on our audit procedures and according to the information and explanations given to us, the Company is required to be registered under Section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934) and the registration has been obtained.

- (b) Based on our audit procedures and according to the information and explanations given to us, the Company has conducted Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934

- (c) Based on our audit procedures and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the questions of fulfilling criteria of a CIC, and in case the Company is an exempted or unregistered CIC, whether it continues to fulfill such criteria, do not arise. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.

- (d) Based on our audit procedures and according to the information and explanations given to us the company is not part of any Group and hence the question of number of CICs which are part of the Group does not arise. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The company has incurred cash losses of Rs.117.97 lakhs in the financial year and Rs. 24.09 Lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) Based on our audit procedures and according to the information and explanations given to us, the company is not required to spend the amount for Corporate Social Responsibility and accordingly, paragraph 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

S Rajeshwari
Partner
Membership No.024105
UDIN : 24024105BKAOEV6009

Date : 25th July, 2024
Place : Chennai

BALANCE SHEET AS AT 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,829.74	923.81
Reserves and surplus	4	2,478.99	248.05
		4,308.73	1,171.86
Non-Current Liabilities			
Long-term borrowings	5	851.78	-
Long-term provisions	6	27.11	0.79
		878.89	0.79
Current Liabilities			
Short-term borrowings	7	344.02	-
Trade payables	8		
a. Total outstanding dues of micro enterprises and small enterprises		4.70	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		3.29	-
Other current liabilities	9	53.51	3.43
Short-term provisions	10	16.72	-
		422.24	3.43
Total		5,609.86	1,176.08
ASSETS			
Non-current assets			
Fixed assets			
Property, Plant and Equipment	11.1	9.78	0.92
Intangible fixed assets	11.2	61.10	-
Deferred tax asset (net)	12	38.23	-
Long-term loans and advances	13	2,131.28	-
Other non-current assets	14	28.91	2.00
		2,269.30	2.92
Current assets			
Investments	15	1,700.00	-
Trade Receivables	16	2.46	4.99
Cash & Cash Equivalents	17	1,043.97	1,161.41
Short term loans and advances	18	536.82	-
Other current assets	19	57.31	6.76
		3,340.56	1,173.16
Total		5,609.86	1,176.08

Significant accounting policies

2

The accompanying notes are an integral part of these financial statements

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No. 003990S/S200018

S. Rajeshwari
Partner
Membership No.: 024105

Date : 25th July, 2024
Place : Chennai

For and on behalf of the board of directors of
GrowXCD Finance Private Ltd.
CIN: U64990TN2022PTC149101

Arjun Muralidharan
Managing Director & CEO
DIN: 02726409

HKN Raghavan
Director
DIN: 02736792

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
Revenue			
Revenue from operations	20	373.16	60.69
Other income	21	2.72	0.02
Total Revenue (I)		375.88	60.71
Expenses			
Employee benefit expenses	22	297.97	52.34
Finance Cost	23	25.33	0.01
Depreciation	11	8.82	1.63
Provision and loan losses	24	26.59	-
Other Expenses	25	143.96	32.46
Total Expenses (II)		502.67	86.44
Profit/(Loss) before exceptional and extraordinary items and tax		(126.79)	(25.73)
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		(126.79)	(25.73)
Exceptional items		-	-
Profit/(Loss) before tax III = I - II		(126.79)	(25.73)
Tax Expense			
Current Tax			
Current year		-	-
Earlier years		-	-
Deferred Tax			
Current year	38	(38.23)	-
Earlier years		-	-
Total Tax Expense/(Income) IV		(38.23)	-
Profit / (Loss) after tax for the year (V = III - IV)		(88.56)	(25.73)
Earnings per equity share of Rs. 10 each	31		
Basic		(0.92)	(0.59)
Diluted		(0.92)	(0.59)

Significant accounting policies 2

The accompanying notes are an integral part of these financial statements

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No. 003990S/S200018

S. Rajeshwari
Partner
Membership No.: 024105

Date : 25th July, 2024
Place : Chennai

For and on behalf of the board of directors of
GrowXCD Finance Private Ltd.
CIN: U64990TN2022PTC149101

Arjun Muralidharan
Managing Director & CEO
DIN: 02726409

HKN Raghavan
Director
DIN: 02736792

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
A. Cash flows from Operating activities:		
Net Profit/(loss) before taxation	(126.79)	(25.73)
Adjustments for		
ESOP Expense	5.42	-
Profit on Sale of Investment	(2.02)	-
Provision for standard assets	26.59	-
Interest Expenses for borrowings	23.54	-
Interest Income on Bank Deposits	(111.62)	-
Interest on Income Tax Refund	(0.70)	-
Depreciation	8.82	1.63
Operating profit before working capital changes	(176.76)	(24.10)
Adjustments for		
(Increase)/Decrease in Long term Loans and Advances	(2,131.28)	-
(Increase)/Decrease in Other Non Current assets	(26.91)	-
(Increase)/Decrease in Trade Receivables	2.53	(4.99)
(Increase)/Decrease in Short term Loans and Advances	(536.82)	(2.31)
(Increase)/Decrease in Other Current assets	(50.54)	(6.23)
Increase/(Decrease) in Long term Provision	5.11	-
Increase/(Decrease) in Trade Payables	7.99	-
Increase/(Decrease) in Short term Provision	11.32	0.79
Increase/(Decrease) in Other Current liabilities	50.08	3.33
Operating cash flows before taxes	(2,845.28)	(33.51)
Taxes paid	-	-
Interest on Income Tax Refund	0.70	-
Net Cash generated from / (used in) operating activities	(2,844.58)	(33.51)
B. Cash flow from Investing Activities		
Addition to fixed assets	(78.77)	-
Investment in Bank Deposits	(6,783.71)	(1,143.56)
Amount received on maturity of Bank Deposits	7,108.92	-
Interest Income on Bank Deposit	111.62	-
Purchase of Investments (Mututal Funds)	(1,900.84)	-
Proceeds from sale of Investments (Mutual Funds)	202.86	-
Net Cash generated from / (used in) investing activities	(1,339.92)	(1,143.56)

Contd.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
C. Cash flow from Finance Activities		
Proceeds from issue of Equity Shares including share premium	3,220.01	1,175.00
Proceeds from borrowings	1,200.00	-
Repayments of borrowings	(4.20)	-
Interest Payments	(23.54)	-
Net Cash generated from / (used in) financing activities	4,392.27	1,175.00
Net Increase in cash and cash equivalents (A+B+C)	207.77	-2.06
Cash and Cash equivalent at the beginning of the year	20.41	22.48
Cash and Cash equivalent at the end of the year	228.18	20.41
Adjustment for unrealized gain on reinstatement of cash	-	-
Net Increase in cash and cash equivalents	207.77	-2.06

Significant accounting policies

2

The accompanying notes are an integral part of these financial statements

As per our report of even date attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No. 003990S/S200018

For and on behalf of the board of directors of
GrowXCD Finance Private Ltd.
CIN: U64990TN2022PTC149101

S. Rajeshwari
Partner
Membership No.: 024105

Arjun Muralidharan
Managing Director & CEO
DIN: 02726409

HKN Raghavan
Director
DIN: 02736792

Date : 25th July, 2024
Place : Chennai

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

1 Company overview

GrowXCD Finance Private Limited (the "Company") is a private limited company domiciled in India and incorporated on 10th January, 2022 under the provisions of the Companies Act, 2013. The Company has received Certificate of Registration (CoR) with RBI as a NBFC-ND and the license was granted by RBI on 27th April 2023 vide CoR No. N-07-00898 to commence / carry on business of of Type II Non Banking Financial Company-Non systematically important-non deposit taking company ('NBFC-NSI-ND').

The Company operates in the area of providing Loan against property finance and MSME finance to Economically Weaker Sections and Lower income households as well as micro, small, and medium enterprises in India who do not have access to formal finance source.

2 Significant accounting policies

The accounting policies set out below have been applied consistently to the year presented in the financial statements.

2.1 Basis of preparation of financial statements

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016, the guidelines issued by RBI in respect of NBFCs and other accounting principles generally accepted in India (IGAAP) to the extent applicable.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of the products and services and the time between acquisition of assets for processing and their realization, in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities, except for receivables considered doubtful, which are shown as non-current.

The Financial Statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions which are considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

2.3 Revenue recognition

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

- (i) Interest Income from financing activity is recognised on accrual basis. Income on Non Performing Assets is recognized only when realized and any interest accrued until such asset became a non performing asset and remaining overdue, is de-recognized totally by reversing the interest income.
- (ii) Loan Processing fee Income is recognised upfront as and when the certainty of income is established which is generally at the time of disbursement of loan to borrower.
- (iii) Initial Money Fees collected at the time of login of file is to be recognised as Documentation Fees. In case of rejection of case the same would be non refundable.
- (iv) Revenue from service is recognised in accordance with specific terms of the contract with the customer.
- (v) Additional Finance Charges, Cheque bounce charges, Field visit charges and other penal / servicing charges are recognised as income only on realisation due to uncertainty in its collection.
- (vi) Profit / loss on sale of investments is recognised at the time of sale or redemption.

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realisation / collection.

2.4 Property Plant and Equipment

2.4.1 Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of a tangible asset comprises its purchase price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use.

Subsequent expenditure related to an item of tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gain or losses arising from derecognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses. Advances paid towards acquisition of Fixed Assets are included under long term loans and advances.

2.4.2 Tangible Fixed Assets

Intangible assets both internally developed and acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are 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. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed 3 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 3 years, the Company amortizes the intangible asset over the best estimate of its useful life. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset need to be impaired.

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 such differences are recognized in the statement of profit and loss when the asset is derecognized.

2.4.3 Depreciation and Amortization

Depreciable amount of an asset is the cost of the asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in respect of certain categories of assets, in whose case the life of the assets has been assessed as under, taking into account the nature of the asset, its estimated usage and its operating conditions:

Asset	Estimated Useful life as assessed by the Company	Rate of Depreciation
Office Equipment	5 Years	20%
Furniture and Fixtures	5 Years	20%
Computers	3 Years	33%

Leasehold Improvements are depreciated over the remaining primary lease period or 3 years, whichever is lower.

Assets individually costing less than Rs.5,000 each are fully depreciated in the year of capitalization.

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 year is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS - 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

2.5 Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date if there is any indication of impairment, based on internal/external factors. If such an indication exists, the Company estimates the recoverable amount of the asset. An impairment loss is recognised in the Statement of Profit and Loss, wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's 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 risk specific to the asset. After impairment, depreciation/ amortization is provided on the revised carrying amount of the asset over its remaining useful life.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

2.6. Investments

Transactions for purchase and sale of investments are recorded as at the trade date. Investments are accounted at cost inclusive of brokerage, fees and stamp charges. Investments which are readily realisable and intended to be held for not more than one year from the date of reporting are classified as current investments. All other investments are classified as long term investments.

Investments which are long term in nature, are stated at cost, net of provision, if any, for diminution, other than temporary, in the value of investments. Current investments are valued at lower of cost and fair value.

Investments in units of mutual funds are carried at lower of cost or market value/net asset value.

2.7 Employee Benefits

Defined contribution plan - Provident fund

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense as it falls due based on the amount of contribution required to be made and when the services are rendered by the employees. The Company has no other obligation, other than the contribution payable to the provident fund.

Defined benefit plans - Gratuity

The Company provides for Gratuity, being a defined benefit retirement plan covering all employees and forming part of employee's overall CTC. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out, for assessing liability as at the reporting date.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise.

Short-term employee benefits

The amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

These benefits include performance incentive which are expected to occur within twelve months after the end of the period in which the employee renders the related service and earned leave encashment.

Earned leave payments are encashed by employees at year end and no carry forward of leave is permitted as per the leave policy. All the leave remaining to be encashed at year end are fully provided.

2.8 Employee stock option Scheme

Employees (including senior executives) of the Company also receives entitlement in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent

to which the vesting year has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a year represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

2.9 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items, other than unabsorbed depreciation and carry forward losses, only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

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

2.10 GST Input Tax Credit

GST input tax credit input is accounted for in the books in the period in which the underlying service is received. The Company can avail 50% of GST credit on input and input services each month. In line with this, reversal of GST input credit to the extent of 50% of the total credit is expensed to the statement of profit and loss.

2.11 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

2.12 Earning Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.13 Provisions and Contingencies, contingent liabilities and assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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

Contingent assets are neither recognised nor disclosed in the financial statements.

2.14 Provisioning for Non-Performing Assets and Standard Assets

Provision for Non-Performing Assets is made as per the provisioning norms approved by the Board for each type of lending activity subject to minimum provisioning specified under prudential norms for Income Recognition and Asset Classification and provisioning norms prescribed by the "Master Direction - Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023".

Provision for Standard Assets is made as per internal estimates, based on past experience, realization of security, and relevant factors, on the outstanding amount of standard assets for all type of lending subject to minimum provisioning requirements prescribed by the "Master Direction - Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023".

2.15 Share issue expenses

Share issue expenses are debited to securities premium account or statement of profit and loss in accordance with the provisions of section 52 of the Companies Act, 2013.

2.16 Trade Receivables

Trade receivables are stated net of provisions, if any, held in accounts for bad and doubtful debts except Contingent Provision for Standard Assets which is disclosed separately under long term provisions.

2.17 Receivables under Financing Activity

All loan exposures are stated at the full agreement value after netting off repayments appropriated up to the balance sheet date. Accrued finance charges outstanding at the reporting date will be shown separately as current asset.

2.18 Cash and Cash Equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.19 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

3 Share Capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised Share Capital		
1,20,00,000 Equity Shares of Rs. 10 each [31-Mar-2023 1,00,00,000 Equity Shares of Rs.10 each]	1,200.00	1000.00
90,00,000 Preference Shares of Rs. 10 each [31-Mar-2023 Nil]	900.00	-
Issued, subscribed and fully paid up Share Capital		
98,63,098 Equity Shares of Rs. 10 each [31-Mar-2023 92,38,096 Equity Shares of Rs.10 each]	986.31	923.81
83,33,334 Compulsory Convertible Cumulative Preference Shares of Rs.10 each [31-Mar-2023 - Nil]	833.33	-
Issued, subscribed but not fully paid up Share Capital		
10,10,339 Equity Shares of Rs. 10 each, Re. 1 paid up [31- Mar-2023 - Nil]	10.10	-
Total	1,829.74	923.81

a. Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting year.

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the commencement of the year	92,38,096	923.81.00	2,50,000	25.00
Issued during the year*	16,35,341	72.60	89,88,096	898.81
At the end of the year	1,08,73,437	996.41	92,38,096	923.81

* includes partly paid share of 10,10,339

Reconciliation of number of preference shares outstanding at the beginning and at the end of the reporting year.

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the commencement of the year	-	-	-	-
Issued during the year	83,33,334	833.33	-	-
At the end of the year	83,33,334	833.33	-	-

b. Terms and rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of declaration of dividend the same will be declared in Indian Rupees (₹). In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year, company has issued Partly paid equity share whose paid up value is Re. 1 per share. Terms attached ranks pari passu mentioned above.

Terms and rights attached to Preference shares

During the year, company has issued Compulsory Convertible Cumulative Preference Shares having a par value of Rs. 10 per share. The holders of the CCCPS shall be entitled to receive cash dividends at the rate of 0.01% p.a. Each preference shares is entitled to convert into 1 equity share of the company (equity settled transaction). The CCCPS shall be convertible at any time before the expiry of 19 years from the Closing Date at the option of the holders of the CCCPS.

c. Shares held by holding company and its associates

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	Amount	No. of Shares	Amount
Holding Company	-	-	-	-
Associate company	-	-	-	-
	-	-	-	-

d. (i) Particulars of shareholders holding more than 5% of equity shares of Rs. 10/- each fully paid

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	% Holding	No. of Shares	% Holding
Mr. Arjun Muralidharan	34,40,000	34.88%	34,40,000	37.24%
Mr. KR Ganesh	20,73,889	21.03%	19,35,000	20.95%
Mr. Sathish Kumar Vijayan	9,00,000	9.12%	9,00,000	9.74%
Mr. HKN Raghavan	10,27,778	10.42%	7,50,000	8.12%
Mr. Janarthanan B	7,38,096	7.48%	7,38,096	7.99%
Ms. Shirley Devaraj	5,00,000	5.07%	5,00,000	5.41%

(ii) Particulars of shareholders holding more than 5% of equity shares of Re. 1/- each partly paid

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	% Holding	No. of Shares	% Holding
Mr. Arjun Muralidharan	10,10,339	100%	-	-

(iii) Particulars of shareholders holding more than 5% of preference shares of Rs. 10/- each fully paid

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	% Holding	No. of Shares	% Holding
Lok Capital IV LLC	82,08,334	98.50%	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

e. Particulars of increase in Authorised Share capital

During the year, the authorised share capital has increased from Rs.1,000 lakhs to Rs. 2,100 lakhs, divided into Rs. 1200 lakhs equity share capital and Rs. 900 lakhs preference share capital.

f. Particulars of shares issued during the year

During the year 2023-24, the company held Extraordinary General Meetings (EGMs) where special resolutions were approved for issuing shares by way of preferential allotment. In September 2023, 6,25,002 fully paid equity shares with a face value of Rs. 10 each and a premium of Rs. 26 per share were allotted. Subsequently, in November 2023, 83,33,334 preference shares of Rs. 10 face value each, also at a premium of Rs. 26 per share, were issued. In December 2023, the company further issued 10,10,339 partly paid equity shares, nominally Re. 1 each having face value of Rs. 10 each with a premium of Rs. 26 per share. These issuances were aimed at raising capital and were approved separately at the respective EGMs.

g. Disclosure of shareholding of promoters and percentage of change during the year

Promoter Name	As at March 2024 No of Shares held	% Holding*	% Change during the year
Mr. Arjun Muralidharan	44,50,339	40.93%	3.69%
	44,50,339		

* includes Partly Paid Shares

Promoter Name	As at March 2023 No of Shares held	% Holding	% Change during the year
Mr. Arjun Muralidharan	34,40,000	37.24%	-22.76%
	34,40,000		

h. The Company does not have any outstanding shares issued under options.

i. The Company has not issued any bonus shares or shares for consideration other than cash and has not bought back any shares till March 31, 2024 from the date of incorporation.

Note 4

Particulars	As at 31 March 2024	As at 31 March 2023
Reserves and surplus		
Statutory Reserve (Created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)	-	-
Balance as at the beginning of the year	-	-
Add : Transferred from surplus in Profit and Loss Account	-	-
Balance as at the end of the year	-	-

Note 4 Contd..

Particulars	As at 31 March 2024	As at 31 March 2023
Securities Premium		
Balance as at the beginning of the year	276.19	-
Additions during the Current year	2,329.16	276.19
Utilized during the Current year	(15.08)	-
Balance as at the end of the year	2,590.27	276.19
Surplus / (deficit) the statement of profit and loss		
Balance at the beginning of the year	(28.14)	(2.41)
Add : Transferred from statement of profit and loss	(88.56)	(25.73)
Less: Transferred to statutory reserve	-	-
Balance as at the end of the year	(116.70)	(28.14)
Share Option Outstanding Account (ESOS, 2023)		
Balance as at the beginning of the year	-	-
Add : Compensation Cost recognised during the year	5.42	-
Less : Appropriations	-	-
Balance as at the end of the year	5.42	-
(Refer Note 37)		
Total	2,478.99	248.05

Nature of Reserves & Surplus -

1. Securities premium contains amount of premium received on shares issued. The reserves is utilised in accordance with the provision of the Act. During the year, the securities premium has been utilised against share issue expenses.
2. Surplus in statement of Profit and Loss represent companies cumulative earnings/losses since its formation.
3. In pursuant to section 45-IC of Reserve bank of India Act, 1934 the company is required to transfer 20% of its profit after tax to statutory reserve. Since the company did not generate any profit during the year, the corresponding amount was not transferred to statutory reserve.

Note 5

Particulars	As at 31 March 2024	As at 31 March 2023
Long Term Borrowings		
(a) Term loan (Secured)		
From banks	362.18	-
From Others	489.60	-
	851.78	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Nature of Securities and Terms of Repayment for Secured loan

Particulars of Loan	Interest Rate	Tenure	Nature of Security
Northern Arc Capital Ltd. - Term Loan 01	14.50%	Repaid in 36 monthly installments with last installment payable on 05-01-2027	Exclusive charge on Hypothecated Loan Receivables portfolio and Book debts of the company
Northern Arc Capital Ltd. - Term Loan 02	14.50%	Repaid in 36 monthly installments with last installment payable on 25-03-2027	Exclusive charge on Hypothecated Loan Receivables portfolio and Book debts of the company
AU Small Finance Bank - Term Loan	14.50%	Repaid in 37 monthly installments with last installment payable on 18-03-2027	Exclusive charge on Hypothecated Loan Receivables portfolio and Book debts of the company
Suryoday Small Finance Bank - Term Loan	14.50%	Repaid in 36 monthly installments with last installment payable on 05-04-2027	Exclusive charge on Hypothecated Loan Receivables portfolio and Book debts of the company
MAS Finance Service Ltd. - Term Loan	15.00%	Repaid in 36 monthly installments with last installment payable on 05-04-2027	Exclusive charge on Hypothecated Loan Receivables portfolio and Book debts of the company

Note 6

Particulars	As at 31 March 2024	As at 31 March 2023
Long term provisions		
Provision for Employee benefits -Gratuity (Refer Note 30)	5.89	0.79
Contingent provisions against standard assets	21.22	-
Total	27.11	0.79
Movement in Contingent provisions against standard assets		
Opening Balance	-	-
Add: Provision made during the year	21.22	-
Closing Balance	21.22	-

Note 7

Particulars	As at 31 March 2024	As at 31 March 2023
Short Term Borrowings		
Current maturities of long-term debt	137.82	-
a) From banks	206.20	-
b) From Others	344.02	-

Note 8

Particulars	As at 31 March 2024	As at 31 March 2023
Trade Payables		
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 33)	4.70	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	3.29	-
	7.99	-

Trade Payables ageing as on 31.03.24 based on date of transaction

Particulars	Outstanding for the following periods from transaction date				
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	4.70	-	-	-	4.70
(ii) Others	3.29	-	-	-	3.29
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

Trade Payables ageing as on 31.03.23 based on date of transaction

Particulars	Outstanding for the following periods from transaction date				
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

Note 9

Particulars	As at 31 March 2024	As at 31 March 2023
Other current liabilities		
Statutory dues including tax deducted at source	21.60	1.70
Employee benefits payable	10.17	-
Interest accrued but not due on borrowings (Net of TDS)	4.68	-
Other Payables	17.06	1.73
Total	53.51	3.43

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Note 10

Particulars	As at 31 March 2024	As at 31 March 2023
Short term provisions		
Contingent provisions against standard assets	5.37	-
Provision toward Non-Performing Advances	-	-
Provision for Gratuity (Refer Note 30)	0.01	-
Provision for expenses	11.34	-
Total	16.72	-
Movement in Contingent provisions against standard assets		
Opening Balance	-	-
Add: Provision made during the year	5.37	-
Closing Balance	5.37	-

Note 11.1 Property, plant and equipment

Particulars	Leasehold Improvement	Furniture and fixtures	Office equipments	Computers and accessories	Electrical Fittings	Total
Cost						
Balance as at 1 April 2022	-	-	-	-	-	-
Additions	0.65	1.18	-	0.56	0.17	2.55
Adjustments	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 31 March 2023	0.65	1.18	-	0.56	0.17	2.55
Additions	4.00	7.97	0.73	4.11	0.76	17.57
Adjustments	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 31 March 2024	4.65	9.15	0.73	4.67	0.93	20.12
Accumulated depreciation						
Balance as at 1 April 2022	-	-	-	-	-	-
Additions	0.09	1.04	-	0.33	0.17	1.63
Adjustments	-	-	-	-	-	-
On disposals	-	-	-	-	-	-
Balance as at 31 March 2023	0.09	1.04	-	0.33	0.17	1.63
Additions	0.54	6.89	0.48	0.51	0.29	8.71
Adjustments	-	-	-	-	-	-
On disposals	-	-	-	-	-	-
Balance as at 31 March 2024	0.63	7.93	0.48	0.84	0.46	10.33

Note 11.1 Property, plant and equipment (Contd..)

Particulars	Leasehold Improvement	Furniture and fixtures	Office equipments	Computers and accessories	Electrical Fittings	Total
Net block						
As at 31 March 2023	0.56	0.14	-	0.23	-	0.92
As at 31 March 2024	4.02	1.22	0.25	3.83	0.47	9.78

Note 11.2 Intangible assets

Particulars	Computer Softwares	Total
Cost		
Balance as at 1 April 2022	-	-
Additions	-	-
Adjustments	-	-
Disposals	-	-
Balance as at 31 March 2023	-	-
Additions	61.21	61.21
Adjustments	-	-
Disposals	-	-
Balance as at 31 March 2024	61.21	61.21
Accumulated amortization		
Balance as at 1 April 2022		
Additions	-	-
Adjustments	-	-
On disposals	-	-
Balance as at 31 March 2023	-	-
Additions	0.11	0.11
Adjustments	-	-
On disposals	-	-
Balance as at 31 March 2024	0.11	0.11
Net block		
As at 31 March 2023	-	-
As at 31 March 2024	61.10	61.10

Note 12

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax assets (Net)		
Deferred tax assets (Refer Note 38)	38.23	-
	38.23	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Note 13

Particulars	As at 31 March 2024	As at 31 March 2023
Long-term loans and advances		
Loan given - Receivables under financing activity		
(A) Secured - considered good	1,690.15	-
(B) Unsecured - considered good	431.63	-
Capital Advance	9.50	-
Total	2,131.28	-

Note 14

Particulars	As at 31 March 2024	As at 31 March 2023
Other Non Current Assets		
Security deposits (unsecured, considered good)	28.91	2.00
Total	28.91	2.00

Note 15

Particulars	As at 31 March 2024	As at 31 March 2023
Current investments		
Investment in units of Mutual Funds (Quoted), At Cost	1,700.00	-
Total	1,700.00	-

Scheme Name - Debt	No. of units	Market Value
ABSL Money Manager Fund Gr-Direct	59,767.54	203.68
ICICI Prudential Mutual Fund Liquid Fund-Dp Growth	28,452.14	101.69
ICICI Prudential Mutual Fund Liquid Fund - Growth	28,287.15	100.24
ABSL Liquid Fund - Growth-Regular Plan	51,995.93	200.53
Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option (LFAGG)	3,425.51	202.41
Nippon India Liquid Fund - Growth Plan - Growth Option (LFAGG)	1,715.45	100.09
Total (A)	1,73,643.71	908.65
Scheme Name - Equity	No. of units	Market Value
ABSL Arbitrage Fund - Gr-Direct	3,86,811.39	100.69
Equity Arbitrage Fund - Drt Growth	3,00,682.58	100.68
HDFC Arbitrage Fund - WS - Growth	5,36,357.95	150.65
Invesco India Arbitrage Fund - Regular Growth	3,43,237.37	100.41
Kotak Equity Arbitrage - Gr	4,39,023.86	150.60
SBI Arbitrage Opportunities Fund - Direct Plan - Growth	3,07,470.68	100.65
SBI Arbitrage Opportunities Fund - Regular Plan - Growth	3,24,133.95	100.44
Total (B)	26,37,717.79	804.12
Grand Total (A + B)	28,11,361.50	1,712.77

Note 16

Particulars	As at 31 March 2024	As at 31 March 2023
Trade Receivables		
Outstanding for a period exceeding six months		
(a) Secured, considered good;	-	-
(b) Unsecured, considered good;	-	-
(c) Doubtful;	-	-
Outstanding for a period not exceeding six months		
(a) Secured, considered good;	2.46	4.99
(b) Unsecured, considered good;	-	-
(c) Doubtful;	-	-
Total	2.46	4.99

Trade Receivables ageing as on 31.03.24 based on due date of payment

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(I) Undisputed Trade receivables – considered good	2.46	-	-	-	-	2.46
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Trade Receivables ageing as on 31.03.23 based on due date of payment

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(I) Undisputed Trade receivables – considered good	4.99	-	-	-	-	4.99
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Note 17

Particulars	As at 31 March 2024	As at 31 March 2023
Cash & Cash Equivalents		
(A) Cash and Bank Balance		
Cash on hand	-	0.00
Bank balances		
- in current accounts	153.13	20.41
- Fixed deposits (with original maturity of less than 3 months)	75.05	-
(B) Other bank balances		
- Fixed deposits (with original maturity of more than 3 months but less than 12 months from reporting date)		
(a) Lien Marked	512.78	-
(b) Others	303.01	1,141.00
	1,043.97	1,161.41

Note 18

Particulars	As at 31 March 2024	As at 31 March 2023
Short-term loans and advances		
Loans		
Loan given - Receivables under financing activity		
(A) Secured - considered good	164.24	-
(B) Unsecured - considered good	372.58	-
Total	536.82	-

Note 19

Particulars	As at 31 March 2024	As at 31 March 2023
Other current assets		
Accrued Interest on FD (Net of TDS)	1.80	1.99
GST credit receivable	-	0.08
TDS receivables	12.63	4.26
Prepaid Expenses	6.79	0.43
Interest accrued on loans given	33.52	-
Others	2.57	-
Total	57.31	6.76

Note 20

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from Operations		
Interest Income		
Interest on loans	159.49	-
Interest income on fixed deposits	111.62	31.11
Other Financial Services		
Processing Fees	62.92	-
Documentation Fees	11.78	-
Service Income	26.70	29.58
Other Fees	0.65	-
Total	373.16	60.69

Note 21

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Other Income		
Foreign Exchange Gain (Net)	-	0.02
Profit on Sale of Investment	2.02	-
Others - Interest on Income tax refund	0.70	-
Total	2.72	0.02

Note 22

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Employee Benefit Expenses		
Salaries, Wages and Bonus (Refer Note 29 for related party)	261.57	49.78
Contribution to Provident and other funds (Refer Note 30)	21.20	1.58
ESOP Expense (Refer Note 37)	5.42	-
Staff welfare expense	9.78	0.98
Total	297.97	52.34

Note 23

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Finance Cost		
Interest expenses	14.54	0.00
Processing Fees	9.00	0.00
Bank charges	1.79	0.01
Total	25.33	0.01

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Note 24

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Provision and Loan Losses		
Provision for Standard Advances	26.59	-
Provision for NPA	-	-
Total	26.59	-

Note 25

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Other Expenses		
Rent (Refer Note 29 for related party)	21.43	4.01
Communication	1.68	0.88
Travelling and conveyance	17.92	4.67
Info Tech expenses	18.92	1.04
Auditor's Remuneration		
- Statutory Audit	5.00	1.00
Internal Audit Fee	0.76	-
Professional and consultancy fees	35.03	9.34
Directors' Sitting Fees (Refer Note 29 for related party)	2.45	0.25
Office expenses- EB	1.95	1.62
Office Maintenance	6.44	1.50
Printing and Stationery (including postage & Courier)	5.10	0.55
Business Promotion and Advertisement	3.15	-
Rates & Taxes	18.55	7.06
Insurance Expenses	3.62	-
Miscellaneous expenses	1.96	0.54
Total	143.96	32.46

Note 26

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Earnings in foreign currency (on accrual basis)		
Service Income	-	4.78
Total	-	4.78

Note 27

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Expenditure in foreign currency		
Expenditure in foreign currency	-	-
Total	-	-

Note 28 Derivative contracts

The company has not entered into any derivative transactions during the year.

Note 29 Related Party disclosures**(a) Names of related parties and nature of relationship:**

Nature of Relationship	Name of Related Party
Common Directorship held	Paripoorna Software Pvt Limited
	Mr. Arjun Muralidharan - Managing Director & CEO
Directors (other than Nominee Directors)	Mr. Harathy Kasthury Narasimma Raghavan - Non-Executive Director
	Mr. Jayaraman Chandrasekaran - Independent Director
Key Management Personnel	Mr. Arjun Muralidharan - Managing Director & CEO Mr. Sathish Kumar - Chief Technology Officer
Relative of Key Management Personnel	S Muralidharan
Entity which has significant influence over the company	LOK Capital IV LLC

Name of Related Party	Year ended 31 March 2024	Year ended 31 March 2023
1. Arjun Muralidharan		
Salary & Allowance*	15.83	-
Rent Paid	7.60	-
2. Sathish Kumar		
Salary & Allowance*	14.07	-
3. Paripoorna Software P Limited		
Resource Augmentation Charges	12.81	-
Reimbursement of InfoTech Expenses	3.30	0.97
4. S Muralidharan		
Rent Paid	-	1.60
5. Jayaraman Chandrasekaran		
Director sitting fee	2.45	-
6. Issue of Preference Shares		
LOK Capital IV LLC	2,955.00	-

*The provision for gratuity is made on the basis of actuarial valuation for all employees of the company, including managerial personnel. Proportionate amount of gratuity is not included in the above disclosure since the exact amount is not ascertainable

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Note 30 Disclosure pursuant to Accounting Standard (AS) 15 (Revised) “Employee benefits”

a. Defined Contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as expense towards contribution to provident fund for the year aggregated to Rs. 14.51 lakhs (March 31, 2023 - Rs. 1.35 lakhs).

b. Defined Benefit plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods and the benefit is discounted to determine its present value. Any unrecognised past services and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually, commencing from current year (FY 2023-24) by a qualified actuary using the projected unit credit method. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement / exit.

I. Assumptions

Particulars	As at 31 March 2024
Mortality table	IALM (2012-14) ult
Discount rate	7.20%
Rate of increase in compensation levels	8.00%
Expected rate of return on plan assets of employees (in years)	4.88
Average remaining working life (years)	26.29
Retirement Age	58 years
Withdrawal Rate	
Age upto 30 years	20.00%
Age 31 - 40 years	20.00%
Age 41 - 50 years	20.00%
Age above 50 years	20.00%

II. Table Showing Changes In Present Value Of Obligations:

Particulars	As at 31 March 2024
Present value of obligation as at the beginning of the year	0.79
Acquisition adjustment	-
Transfer In / (Out)	-
Interest cost	0.04
Past service cost	-
Current service cost	0.52
Curtailement Cost / (Credit) & Settlement Cost / (Credit) Benefits paid	-
Actuarial (Gain) / Loss on obligations	4.56
Present value of obligation as at the end of the year	5.90

Information about Plan asset is not applicable as the plan is non funded

III. Actuarial (Gain) / Loss Recognised:

Particulars	Year ended 31 March 2024
Actuarial (Gain) / loss for the year – Obligations	4.56
Actuarial (Gain) / Loss for the year – Plan assets	-
Total (Gain) / Loss for the year	4.56
Actuarial (Gain) / Loss recognised in the year	4.56
Unrecognised actuarial (Gain) / Loss at the end	-

Information about Plan asset is not applicable as the plan is non funded

IV. The Amounts To Be Recognised In The Balance Sheet:

Particulars	As at 31 March 2024
Present value of obligation at the end of year	5.90
Fair value of the plan assets at the end of year	-
Surplus / (Deficit)	-5.90
Current liability	0.01
Non-current liability	5.89
Unrecognised past service cost	-
Amount not recognised as asset (Para 59(b) limit of AS 15)	-

V. Expense Recognised In The Statement Of Profit And Loss:

Particulars	Year ended 31 March 2024
Current service cost	0.52
Acquisition (Gain) / Loss	-
Past service cost	-
Interest cost	0.04
Expected return on plan assets	-
Curtailement or settlement (Gain) / Loss	-
Transfer In / (Out)	-
Actuarial (Gain) / Loss recognised in the year	4.56
Expenses recognised in the statement of profit & loss at the end of year	5.12

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

VI. Sensitivity Analysis:

Particulars	Change in present value of obligation
Impact of change in discount rate when the base assumption is decreased/increased by 100 basis points	0.26
Impact of change in salary increase rate when the base assumption is decreased/increased by 100 basis points	0.20
Impact of change in withdrawal rate when the base assumption is decreased/increased by 100 basis points	0.01

Note 31

Earnings Per Share (as per Accounting Standard 20: Earnings per share)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Earnings		
Profit / (Loss) for the year (88.56) (25.73)	(88.56)	(25.73)
Less: Dividend on preference shares & tax thereon	-	-
Net profit / (Loss) attributable to equity shareholder for calculation of EPS	(88.56)	(25.73)
Outstanding number of shares		
Weighted Average number of Equity Shares for Basic EPS calculation	95.78	43.35
Weighted Average number of Shares for Dilutive EPS calculation	95.78	43.35
Earnings Per Share - Basic	(0.92)	(0.59)
Earnings Per Share - Diluted	(0.92)	(0.59)

Note 32

Unhedged Foreign Currency Exposure

The details of foreign currency balances, which are not hedged as at the balance sheet date are as follows:

Particulars	31 March 2024		31 March 2023	
	FCY	Rs.	FCY	Rs.
Trade receivables	-	-	-	-

The company does not have any unhedged foreign currency exposure as at the year end [Mar 31, 2023 - Nil]

Note 33**Micro, Small and Medium entities**

Following are the transaction with Micro, Small and Medium Enterprises:

Particulars	As at 31 March 2024	As at 31 March 2023
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year	4.70	-
Interest on the above, remaining unpaid at the end of the accounting year	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note 34**Commitment and Contingent liability**

Particulars	2023 - 2024	2022 - 2023
Contingent liability	Nil	Nil
Estimated amount of contracts remaining to be executed on capital account	Nil	Nil

Note 35**Segment Reporting**

The Company is a NBFC primarily engaged in the business of lending. Accordingly, the Company has concluded that its operations may be aggregated into one reportable primary segment for disclosure required by the Accounting Standard 17 on "Segment Reporting". The Company is primarily operating in India which is considered as a single geographical segment.

Note 36**Previous year figures**

Previous year figures have been reclassified and regrouped as necessary to meet the current year classifications.

Note 37**Options issued under GrowXCD Employee Stock Option Scheme (ESOS 2023)**

The shareholders of the company have approved ESOS, 2023 on 15th May, 2023 enabling the board to grant 10,00,000 equity shares of the company (equity settled transaction). The ESOS, 2023 is established to align the interests of employees with those of shareholders by providing an opportunity for employees to share in the company's long-term success and growth.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

As at 31 March 2024, the outstanding options under the GrowXCD ESOS, 2023 is as follows:

Plan	Grant date	Number of options	Exercise price in Rs.	Vesting period	Vesting condition
ESOS 2023	15-02-2024	3,50,000	10	1 to 4 years	Time based vesting

Reconciliation of options under ESOS, 2023:

Outstanding at the beginning of the year	-
No. of options granted during the year	3,50,000
No. of options forfeited during the year	-
No. of options exercised during the year	-
No. of options lapsed during the year	-
Outstanding at the end of the year	3,50,000
No. of options exercisable at the end of the year	-

Vesting Schedule:

At end of 1st year from the date of grant	- 20%
At end of 2nd year from the date of grant	- 20%
At end of 3rd year from the date of grant	- 30%
At end of 4th year from the date of grant	- 30%

Method of accounting: Intrinsic Value

The company has opted for expensing of the options using the intrinsic value of the options. Hence the difference between the Fair Value and Exercise Price of Rs. 5.42 lakhs is recognised as ESOP Expense under Employee benefit cost (Refer Note 22).

Exercise Schedule:

Vested option should be exercised within 3 years from the date of vesting.

Note 38

Deferred tax

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liability:		
Written down value (excess of net book value over written down value as per the provisions of the Income Tax Act, 1961)	0.04	-
Subtotal (A)	0.04	-
Deferred tax asset:		
Provision for standard assets	6.91	-
Provision for gratuity	1.33	-
Provision for ESOP Expenses	1.41	-
Cumulative Loss for the year as per Income Tax	28.62	-
Subtotal (B)	38.27	-

Note 38 Contd..

Particulars	As at 31 March 2024	As at 31 March 2023
Net Deferred Tax Asset/ (Liability) [B-A]	38.23	-
Net Deferred Tax Asset/(Liability) recognized in Statement of P/L	38.23	-

Note 39**Other Statutory Information**

- (i) The Company does not have any Benami property. No proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not advanced to or loaned to or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that such Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (iii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (iv) The Company has not entered into any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (v) The Company has not been declared as a wilful defaulter as prescribed by Reserve Bank of India.
- (vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vii) The company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (viii) There are no title deeds which are not in the name of the company.
- (ix) During the year, the company has not revalued its Property, Plant & Equipments.
- (x) The company has not provided any loans and advances to its Promoter, Director, Key managerial personnel or related parties.

Note 40**Relationship with Struck off Companies**

During the year, the Company had not entered into transactions with a company which was struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

Note 41**Provision for Standard Assets**

As per the Reserve Bank of India (RBI) guidelines, NBFCs are required to maintain provisions for standard assets at a minimum of 0.40% of total standard assets. However, the Company has adopted a more conservative approach and maintains provisions for standard assets at 1% of total standard asset.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Note 42

Audit Trail

The company uses two softwares for accounting the transactions namely Loan Management System and General Ledger maintenance software. Although the audit trail (edit log) feature is present in the general ledger maintenance software, it has not been enabled during the year. The same was enabled in FY 24-25 in general ledger software, maintaining a comprehensive edit log of all transactional activities. The software is such that it has no traditional database structure but employs objects and collections for storing and managing financial data. Hence no changes are possible at that level.

Outsourced vendor manages the Loan Management System to maintain Loan Books, ensuring the availability and continuous operation of an audit trail (edit log) facility for all relevant transactions throughout the year.

The audit trail (edit log feature) has not been tampered with during the year.

Note 43

Analytical Ratios

Ratio	FY 2023 - 24	FY 2022 - 23	% Variance	Formula used	Remarks
Debt-equity ratio	0.28	-	0.28	Total Debt / Networth	Inclusion of Debt in the capital structure
Debt service coverage ratio	-3.14	-	-3.14	EBITDA (plus loss on sale of fixed assets) / Debt Service (interest + Lease Payment + Principal Repayment)	There is no Debt in the previous year
Current Ratio	7.91	342.22	-98%	Current Asset / Current liabilities	Due to loan disbursal and investment made during Current FY
Return on equity ratio	-6.43%	-4.31%	49%	PAT/Average Shareholder's Equity	Fresh issue of capital in the current year
Net profit ratio	-23.73%	-86.98%	-73%	PAT/Revenue from operations	No revenue in the previous year
Return on capital employed (ROCE)	-1.85%	-2.20%	-16%	EBIT / Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	
Return on investment	-2.61%	-4.29%	-39%	PAT/Avg. Total Assets	Due to loan disbursal and investment made during Current FY

Note 44 Asset Liability Management

(a) Maturity pattern of certain items of Assets and Liabilities as at 31 March 2024:

Outflows	Day - 1	2 - 7 Days	8 - 14 Days	15 - 30 Days	31 Days & upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Capital	-	-	-	-	-	-	-	-	-	-	1,829.74	1,829.74
Reserves & Surplus	-	-	-	-	-	-	-	-	-	-	2,478.99	2,478.99
Borrowings	-	2.26	-	6.04	29.37	29.83	90.13	186.39	822.35	29.43	-	1,195.80
Other Liabilities	-	13.33	0.15	59.70	0.41	0.42	1.31	2.90	9.04	6.30	11.77	105.33
Total	-	15.59	0.15	65.74	29.78	30.25	91.44	189.29	831.39	35.73	4,320.50	5,609.86
Inflows												
Cash	-	-	-	-	-	-	-	-	-	-	-	-
Balance with other banks	153.11	78.06	-	-	-	11.19	-	801.59	-	-	-	1,043.95
Investments	-	-	-	325.00	1,375.00	-	-	-	-	-	-	1,700.00
Loans & Advances	-	19.57	15.04	-	40.74	41.65	130.88	288.95	903.59	629.70	588.49	2,658.61
Fixed Asset	-	-	-	-	-	-	-	-	-	70.88	-	70.88
Other assets	-	-	-	41.37	1.14	0.97	2.90	13.39	67.15	9.50	-	136.42
Total	153.11	97.63	15.04	366.37	1,416.88	53.81	133.78	1,103.93	970.74	710.08	588.49	5,609.86
Mismatch	153.11	82.04	14.89	300.63	1,387.10	23.56	42.34	914.64	139.35	674.35	(3,732.00)	(0.00)
Cumulative Mismatch	153.11	235.15	250.04	550.67	1,937.77	1,961.32	2,003.67	2,918.30	3,057.65	3,732.00	(0.00)	(0.00)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

(b) Maturity pattern of certain items of Assets and Liabilities as at 31 March 2023:

Outflows	Day-1	2 - 7 Days	8 - 14 Days	15 - 30 Days	31 Days & upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Capital	-	-	-	-	-	-	-	-	-	-	923.81	923.81
Reserves & Surplus	-	-	-	-	-	-	-	-	-	-	248.05	248.05
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Other Liabilities	-	-	-	4.22	-	-	-	-	-	-	-	4.22
Total	-	-	-	4.22	-	-	-	-	-	-	1,171.86	1,176.08
Inflows												
Cash	0.00	-	-	-	-	-	-	-	-	-	-	0.00
Balance with other banks	20.41	-	-	-	25.00	10.00	155.00	951.00	-	-	-	1,161.41
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Loans & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Fixed Asset	-	-	-	-	-	-	-	-	-	0.92	-	0.92
Other assets	-	-	-	-	11.75	-	-	-	-	-	2.00	13.75
Total	20.41	20.41	20.41	(4.22)	36.75	10.00	155.00	951.00	0.92	0.92	2.00	1,176.08
Mismatch	20.41	20.41	20.41	(4.22)	36.75	10.00	155.00	951.00	0.92	0.92	(1,169.86)	(0.00)
Cumulative Mismatch	20.41	20.41	20.41	16.18	52.94	62.94	217.94	1,168.94	1,168.94	1,169.86	(0.00)	(0.00)

Note 45 Disclosure of Related party as required by RBI scale based disclosures

Outflows	Parent		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Entity which has significant influence over the company		Others		Total	
	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
	Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances given during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/ other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/ other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration & Director Sitting Fees Paid	-	-	-	-	-	-	29.90	-	-	-	-	-	2.45	-	32.35	-
Rent Paid	-	-	-	-	-	-	7.60	-	1.60	-	-	-	-	-	7.60	1.60
Resource Augmentation Charges	-	-	-	-	-	-	-	-	-	-	-	12.81	-	-	12.81	-
Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	3.30	0.97	3.30	0.97
Issue of Preference Shares	-	-	-	-	-	-	-	-	-	-	2,955.00	-	-	-	2,995.00	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Note 46

Exposure to real estate sector*

The company does not have any direct or indirect exposure to the real estate sector other than residential properties mortgaged as collateral by its customers.

Particulars	31 March 2024
i) Direct exposure	
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits	1,854.38
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –	
i. Residential	-
ii. Commercial Real Estate	-
ii) Indirect Exposure	
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-
Total Exposure to Real Estate Sector	1,854.38

Note 47

Key Ratios*

Particulars	31 March 2024
Gross Non Performing Assets % (GNPA)	0.00%
Gross Non Performing Assets % (GNPA) including Managed book	0.00%
Net Non Performing Assets % (NNPA)	0.00%
Net Non Performing Assets % (NNPA) including Managed book	0.00%
Provision Coverage Ratio (PCR') for Standard assets	1.00%
Provision Coverage Ratio (PCR') for Non performing assets	0.00%

As per notification RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 LCR is not applicable to the company.

Note 48**Sectoral exposure***

Sectors	For the year ended March 31, 2024		
	Total Exposure (₹ Lacs)	Gross NPAs (₹ Lacs)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	778.87	-	0.00%
2. Industry			
2.1 Micro and Small	1,072.20	-	0.00%
2.2 Medium	-	-	0.00%
2.3 Large	-	-	0.00%
2.4 Others, if any, Please specify	-	-	0.00%
3. Services			
3.1 Transport Operators	-	-	0.00%
3.2 Computer Software	-	-	0.00%
3.3 Tourism, Hotel and Restaurants	-	-	0.00%
3.4 Shipping	-	-	0.00%
3.5 Professional Services	-	-	0.00%
3.6 Trade	-	-	0.00%
3.7 Commercial Real Estate	-	-	0.00%
3.8 NBFCs	-	-	0.00%
3.9 Aviation	-	-	0.00%
3.10 Other Services	807.53	-	0.00%
4. Personal Loans			
i...	-	-	0.00%
ii...	-	-	0.00%
Others	-	-	0.00%
5. Others, if any			
Total (1+2+3+4+5)	-	-	0.00%
	2,658.60	-	0.00%

* Since the company has commenced its operations during the FY 23-24, the previous year figures for the FY 22-23 have not been given

Note 49**Restructuring of account:***

Disclosure as per format prescribed under RBI circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 ("RBI Resolution Framework- 2.0") for the period ended 31 March 2024

As on March 31, 2024	
No of accounts restructured	Amount (Rs.)
0	0

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Particulars	Individual Borrowers Personal Loans	Small Businesses
i) Number of requests received for invoking resolution process under Part A of the Resolution Framework- 2.0	NA	NIL
(ii) Number of accounts where resolution plan has been implemented under this window	NA	NIL
(iii) Exposure to accounts mentioned at (ii) before implementation of the plan	NA	NIL
(iv) Of (iii), aggregate amount of debt that was converted into other securities	NA	NIL
(iv) Additional funding sanctioned, if any, including between invocation of the plan and implementation	NA	NIL
(v) Increase in provisions on account of the implementation of the resolution plan	NA	NIL

Note 50

Disclosure of Complaints - Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman*

Particulars	For the year ended 31 March 2024
Complaints received by the NBFC from its customers	
1. Number of complaints pending at beginning of the year	0
2. Number of complaints received during the year	0
3. Number of complaints disposed during the year	0
Of which, number of complaints rejected by the NBFC	0
4. Number of complaints pending at the end of the year	0
Maintainable complaints received by the NBFC from Office of Ombudsman	0
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	0
Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	0
Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0
Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	0

Note 50 Contd..

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
Current Year					
Difficulty in operation of accounts	0	0	0%	0	0
Mis-selling	0	0	0%	0	0
Recovery Agents/ Direct Sales Agents	0	0	0%	0	0
Loans and advances	0	0	0%	0	0
Levy of charges without prior notice/ excessive charges/ foreclosure charges	0	0	0%	0	0
Non-observance of fair practices code	0	0	0%	0	0
Staff behaviour	0	0	0%	0	0
Others	0	0	0%	0	0
Total	0	0		0	0

* Since the company has commenced its operations during the FY 23-24, the previous year figures for the FY 22-23 has not been given

Note 51**Capital Adequacy ratio***

Particulars	As at March 2024
Tier 1 Capital	4,202.61
Risk weighted assets	4,447.15
CRAR %	95%

* Since the company has commenced its operations during the FY 23-24, the previous year figures for the FY 22-23 has not been given

Note 52**Exposure to Capital Market**

There is no exposure to capital markets

Note 53**Intra-group exposures**

The company does not have any intra-group exposures

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Note 54

Additional Disclosures

In accordance with the RBI notification no. RBI/DNBR/2016-17/44- Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016- Master Direction - Non Banking Financial Company - Non Systemically Important Non Deposit taking Company (Reserve Bank) Directions, 2016 ("Master Direction"), refer Annexure-I for additional NBFC disclosure.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No. 003990S/S200018

S. Rajeshwari
Partner
Membership No.: 024105

Date : 25th July, 2024
Place : Chennai

For and on behalf of the board of directors of
GrowXCD Finance Private Ltd.
CIN: U64990TN2022PTC149101

Arjun Muralidharan
Managing Director & CEO
DIN: 02726409

HKR Raghavan
Director
DIN: 02736792

**Additional disclosures pursuant to Master Directions - NBFC - NSI-ND
taking company & Deposit taking company (Reserve Bank)
Directions, 2016 (as amended) issued by RBI**

ANNEXURE-I

Schedule to the Balance Sheet as on March 31, 2024

Particulars	₹ in Lakhs)	
	Amount Outstanding	Amount Overdue
Liabilities side		
1. Loans and advances availed by the non-banking financial Company inclusive of interest accrued thereon but not paid		
(a) Debentures : Secured	-	-
: Unsecured	-	-
(other than falling within the meaning of public deposits*)		
(b) Deferred credits	-	-
(c) Term loans	1,195.80	-
(d) Inter-corporate loans and borrowing	-	-
(f) Public deposits*	-	-
(g) Other loans	-	-
2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
(a) In the form of unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-
Particulars	₹ in Lakhs)	
	Amount Outstanding	

Assets side

3. Break-up of loans and advances including bills

receivables [other than those included in (4) below]:

(a) Secured	1,854.39
(b) Unsecured	804.21

4. Break up of leased assets and stock on hire and other assets counting towards AFC activities

(i) Lease assets including lease rentals under sundry debtors:	
(a) Financial lease	-
(b) Operating lease	-
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	-
(b) Repossessed Assets	-
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(All amounts are in Indian Rupees in lakhs, except share data and as stated)

Particulars	(₹ in Lakhs)
	Amount Outstanding
5. Break-up of investments	
Current investments	
1. Quoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	1,700.00
(iv) Government securities	-
(v) Others (please specify)	-
2. UnQuoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	-
(iv) Government securities	-
(v) Others (please specify)	-
Long term investments	
1. Quoted	
(i) Share	
(a) Equity	-
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	-
(iv) Government securities	-
(v) Others (please specify)	-
2. Unquoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	-
(iv) Government securities	-
(v) Others (please specify)	-

6. Borrower group-wise classification of assets financed as in (3) and (4) above:

Category	Amount Outstanding		
	Secured	Unsecured	Total
Secured unsecured total			
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	1,854.39	804.21	2,658.60
Total	1,854.39	804.21	2,658.60

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value / Break up or fair value or NAV	Book value (Net of Provision)
1. Related Parties **		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	1,712.77	1,700.00
Total	1,712.77	1,700.00

8. Other information

Particulars	Amount
(I) Gross non-performing assets	
(a) Related parties	-
(b) Other than related parties	-
(ii) Net non-performing assets	
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-

AGM NOTICE

NOTICE is hereby given that the Third Annual General Meeting of the Members of **M/s GrowXCD Finance Private Limited** will be held at the Registered Office of the Company located at First Floor G R Complex Annexe (Stag Business Centre), 408 Anna Salai Nandanam Chennai - 600035 on Wednesday, 28th August 2024, 10:00 AM to consider the following businesses:

Ordinary Business:

Item No. 1 – Adoption of Financial Statements

To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024 and the reports of the Board of Directors (“the Board”) and Auditors thereon.

Place : Chennai
Date : 25th July, 2024

On behalf of the Board of Directors

Arjun Muralidharan
Managing Director & CEO
DIN: 02726409

NOTES

1. A member (other than a body corporate) entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll on his/ her behalf and the proxy need not be a member of the company.
2. A person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this notice. Proxies submitted on behalf of limited companies etc., must be supported by an appropriate resolution/ authority, as applicable.
3. Where a body corporate is a member, it can attend the General Meetings by appointing individual(s) as its authorised representative(s) by way of passing a resolution through its board of directors or governing body, as the case may be.
4. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection at the Annual General Meeting.
5. The route map showing directions to reach the venue of the Annual General Meeting is annexed.

ATTENDANCE SLIP

Venue of the meeting : First Floor, GR Complex Annexe, 408 Anna Salai, Nandanam, Chennai – 600 035, Tamil Nadu, India

Date and Time: Wednesday, 28th August 2024, 10:00 AM

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name	
Address	
Folio No.	
DP ID No.	
No. of shares held	

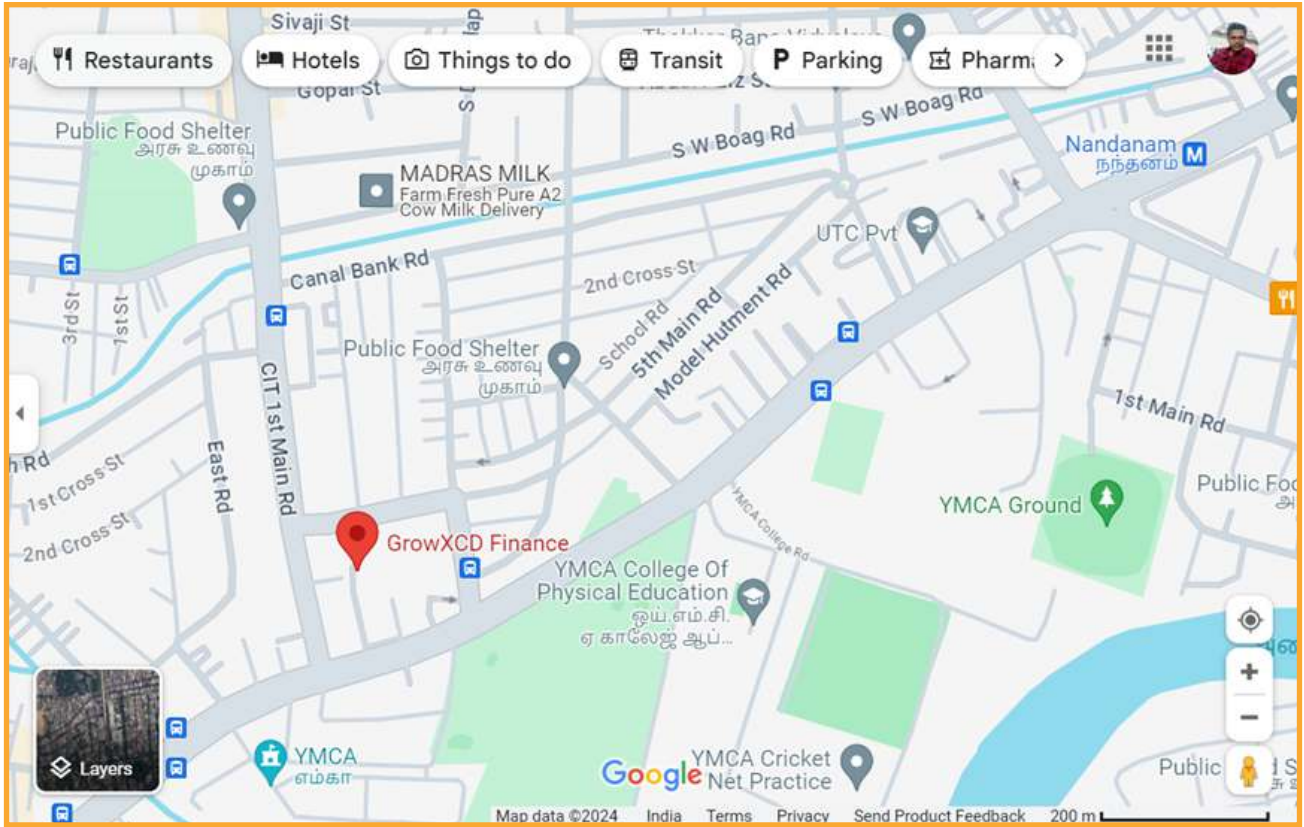
I certify that, I am the registered shareholder/ proxy of the Company.

I hereby record my presence at the AGM of the Company held on Wednesday, 28th August 2024, at 10:00 A.M at First Floor GR Complex Annexe (Stag Business Centre), 408 Anna Salai Nandanam Chennai - 600035.

Signature of Member / Proxy

1. Only Member / Proxy holder / Authorised Representative can attend the Meeting.
2. Member / Proxy holder / Authorised Representative are encouraged to bring his / her copy of the Annual Report for reference at the Meeting.

ROUTE MAP TO THE AGM VENUE



Form No. MGT-II
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 : U64990TN2022PTC149101
Name of the company : GROWXCD FINANCE PRIVATE LIMITED
Registered office : First Floor, GR Complex Annexe, 408 Anna Salai, Nandanam, Chennai – 600 035, Tamil Nadu, India.

Name of the member	
Registered address	
E-mail Id:	
Folio No. / Client Id	

I being the member of shares of the above named company, hereby appoint –

Name :
 E-mail Id :
 Signature of shareholder :

as my proxy to attend and vote (on a poll) on my behalf at the Annual General Meeting of the company to be held Wednesday, 28th August 2024, at 10:00 A.M at First Floor, GR Complex Annexe, 408 Anna Salai, Nandanam, Chennai – 600 035, Tamil Nadu, India and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS:

- To receive, consider and adopt the audited financial statements of the Company i.e., the Balance Sheet as at 31st March, 2024, Statement of Profit and Loss and Cash Flow Statement for the year ended 31st March, 2024 together with notes and schedules, along with Directors' Report and Auditors' Report thereon.

Signed this 28th day of August, 2024

Signature of shareholder.....

Signature of Proxy holder

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 hours before the commencement of the Meeting.

Thank You

LOOKING FORWARD: BUILDING ON OUR SUCCESS

As we conclude our inaugural year, GrowXCD Finance Pvt Ltd reflects on a period of remarkable growth and innovation. Establishing twelve branches across Tamil Nadu, we've empowered MSMEs and low-income households by providing essential capital access and building robust credit infrastructure.

Our achievements this year set a solid foundation for future success. Looking forward, we remain committed to expanding our reach and enhancing our impact on the communities we serve. We extend our heartfelt gratitude to our shareholders, directors, clients, and team members for their unwavering support. Together, we will continue to chart new paths, drive economic growth, and make a lasting difference in the lives of those who need it most. We look forward to achieving even greater milestones together.

THANK YOU FOR BEING PART OF OUR JOURNEY!

Grand Opening

Corporate Office

Celebrating a significant milestone as we proudly unveil our new corporate office

GrowXCD



GrowXCD

GrowXCD Finance Private Limited

First Floor, G.R Complex (Stag Business Centre),
408, Anna Salai, Nandanam, Chennai - 600035.

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W: www.growxcd.com

