KUMBHAT FIHANCIAL SERVICES LI¥\ITED

(CIN: L65991TN1993PLC024433)

To

Date: 23.07.2025

The Manager
Department of Corporate
Services BSE Ltd.
Da1a1 Street, Fort
Mumbai — 400
001

Sub. :- Notice of Annual General Meeting and Annual Report for FY 2024-25

Ref. :- Scrip Code - :526869

Dear Sir / Madam,

With regards to the captioned subject kindly find enclosed the Notice of the 32nd Annual General Meeting and Annual Report for the FY 2024-25 of Kumbhat Financial Services Limited to be held on 20.08.2025

Kindly take the same on your records.

Thankingyou,

Yours faithfully,

For Kumbhat Financial Services Limited



Sanjay Kumbhat
Managing Director
DIN: 03077193

Enc1: as above

32nd ANNUAL REPORT
2024-2025

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Board of Directors:

Shri. SANJAY KUMBHAT, Managing Director
Smt. SARIKA KUMBHAT, Non-Executive Director
Shri. SAKTHIVEL MURUGAN, Independent Director
Shri. S. RAMABADRAN, Independent Director

Company Secretary

S. MOHANRAJ

Chief Financial Officer

V. PREMALATHA

Registered Office:

5th Floor, 29 Rattan Bazaar, Park Town, Chennai - 600 003.
Email id: cs@kumbhatfinancialserviceslimited.com

Bankers:

RBL Bank Limited
YES Bank Limited

Share Transfer Agents:

Cameo Corporate Services Limited
'Subramanian Building', V Floor, No.1, Club House Road,
Chennai – 600 002.

Auditors:

M/s. PKF Sridhar & Santhanam LLP
Chartered Accountants
KRD Gee 3 Gee Crystal
No.91-92, 7th Floor, Dr. Radha Krishnan Salai,
Mylapore, Chennai - 600 04.
Email id: sands@pkfindia.in

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 32nd Annual General Meeting of the members of **KUMBHAT FINANCIAL SERVICES LIMITED** will be held on **Wednesday,** the **20th August 2025 at 10.00 a.m. IST** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company as at 31st March, 2025 and the Reports of Directors and Independent Auditors thereon.

2. To appoint a Director in place of **Shri. SANJAY KUMBHAT** (DIN: 03077193), who retires by rotation and being eligible offers himself for re-appointment.

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

   "RESOLVED THAT **M/s. Joseph & Rajaram,** (FRN 001375S) Chartered Accountants, Chennai be and are hereby appointed as statutory auditors of the company from the conclusion of this Annual General Meeting until the conclusion of the **37th Annual General Meeting** of the company to be held in the year 2030 at a remuneration to be decided by the Board of Directors."

SPECIAL BUSINESS:

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

   "RESOLVED that pursuant to the provisions of section 149, 152, schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and regulation 16, 17 and 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri. S. Ramabadran (DIN: 01280165) be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a term of five consecutive years commencing from 15th December, 2025 and ending on 14th December, 2030."

5. Appointment of M/s. Mundhara & Co., Practicing Company Secretaries, as the Secretarial Auditors and fix their remuneration.

   To consider and, if thought fit, to pass the following as an ORDINARY RESOLUTION:

   "RESOLVED THAT pursuant to the provisions of Section 204 of the Companies Act, 2013, and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. Mundhara & Co, Practicing Company Secretaries (Firm registration No. S1988TN005000), be and is hereby appointed as the Secretarial Auditors of the Company, for a term of five consecutive

financial years commencing from April 1, 2025 till March 31, 2030, at such remuneration as may be determined by the Board of Directors of the Company (including its Committee thereof as may be authorised in this regard)."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee thereof), be and are hereby authorised to decide and finalize the terms and conditions of appointment, including the remuneration of the Secretarial Auditors, from time to time, and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

6. To borrow in excess of the paid-up share capital and free reserves and securities premium of the Company under Section 180(1) (c) of the Companies Act, 2013.

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Master Direction-Non-Banking Financial Company (including any modification, amendment, re-enactment thereof for the time being in force) and such other laws, rules as may be applicable from time to time, the relevant provisions of Memorandum and Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for borrowing from time to time any sum or sums of money by way of issue of non-convertible debentures, cash credit, loan, overdraft, discounting of bills, operating of letters of credit or standing guarantee or counter-guarantee and any other type of credit line or facility up to an amount not exceeding Rs.37,00,00,000/- (Rupees Thirty Seven Crores Only) (including the money already borrowed by the Company) on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

"RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to do all such acts, deeds, matters and things, arrange, give such directions as may be deemed necessary or expedient, or settle the terms and conditions of such instrument, securities, loan, debt instrument as the case may be, on which all such moneys as are borrowed, or to be borrowed, from time to time, as to interest, repayment, security or otherwise howsoever as it may think fit, and to execute all such documents, instruments and writings as may be required to give effect to this Resolution and for matters connected therewith or incidental thereto, including intimating the concerned authorities or other regulatory bodies and delegating all or any of the powers conferred herein to any Committee of Directors or Officers of the Company."

7. Creation of charge on all or any of the movable and / or immovable properties of the Company up to Rs.37 Crores.

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT the consent of the Company be and is hereby granted in terms of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the rules made there under, as may be amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Master Direction-Non-Banking Financial Company (including any modification, amendment, re-enactment thereof for the time being in force) and such other laws, rules as may be applicable from time to time, the relevant provisions of Memorandum and Articles of Association of the Company, to the Board of Directors to mortgage and/or charge, in addition to the mortgages/ charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immoveable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings of the Company availed/ to be availed by way of loan(s) and Securities (comprising fully / partly Convertible Debentures and / or Non-Convertible Debentures or other debt instruments), issued / to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, read with the rules made there under, as may be amended from time to time, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s) / Heads of Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) and Trustee(s), in respect of the said loans / borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s) / Agent(s) / Trustee(s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board / Committee be and is hereby authorised to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid."

8. To raise funds through Private Placement of Secured, Redeemable Non-Convertible Debentures (NCDs) To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and 179 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant rules / regulations / guidelines, if any, prescribed by the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and/or any other regulatory authority, the relevant provisions of Memorandum and Articles of Association of the Company and subject to the rules, regulations, guidelines and circulars issued thereunder from time to time by any Regulatory Authorities, and subject to such approvals, consents, sanctions, permissions as may be necessary from all appropriate statutory and regulatory authorities, and subject to such conditions and modifications as may be prescribed by the respective statutory and/ or regulatory authorities while granting such approvals, consents, sanctions, permissions which may be agreed to by the Board and subject to the total borrowings of the Company not exceeding the borrowing powers approved by the members under Section 180(1)(c) of Companies Act 2013, consent of the members of the Company be and is hereby accorded to offer, issue and allot secured redeemable non-convertible debentures, in one or more series / tranches, on private placement basis during a period of one year from the date of this Annual General Meeting for an amount not exceeding Rs.37,00,00,000/- (Rupees Thirty Seven Crores only) within the overall borrowing limits of the Company, as approved by the members, on such terms and conditions and at such times at par or at such premium as may be decided by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose), from time to time, to such person or persons, including one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension / provident funds and individuals, as the case may be or such other person / persons as the Board may determine and consider proper and most beneficial to the company including rate of interest, tenure and security cover thereof, the consideration for the issue, utilization of the issue proceeds, redemption of the same and all other matters connected with or incidental thereto."

"RESOLVED FURTHER THAT the Board of the Company be and are hereby authorized to do all such acts, deeds and things to give effect to the above resolution including appointment of trustees, registrar and share transfer agents or such other intermediaries, fixing the terms and conditions for the issue of NCDs including but not limited to the price, coupon, premium, discount, tenor, etc., preparation and authentication of offer letters, issue and allotment of debentures, authorizing officers of the Company or such other intermediaries in connection with the issue of NCDs or any other matter incidental or ancillary thereto."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board / Committee be and is hereby authorised to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid".

9. To approve the Re-appointment of Shri. SANJAY KUMBHAT (DIN: 03077193) as a Managing Director, designated as Managing Director of the Company and to Increase the limit of managerial remuneration of Shri. SANJAY KUMBHAT (DIN: 03077193) Managing Director of the Company

To consider, and if thought fit, to pass, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 196, Section 197, Section 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the applicable provision(s) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and based on the recommendation of the Nomination and Remuneration Committee ("NRC") and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to re-designate and appoint **Shri. SANJAY KUMBHAT (DIN: 03077193)** as a Managing Director of the Company, designated as Managing Director of the Company, liable to retire by rotation, to hold the office for a period of 3 (three) consecutive years with effect from SEPTEMBER 1, 2025 to AUGUST 31, 2028, on such terms and conditions as mentioned in the explanatory statement forming part of this Notice."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("the Act"), if any, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the enabling provisions of Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee ("NRC") and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to increase the remuneration of **Shri. SANJAY KUMBHAT (DIN: 03077193),** Managing Director of the Company up to a maximum limit of Rs.18,00,000/- per annum as detailed in the explanatory statement enclosed with this Notice during the period of up to 3 (Three) years w.e.f. SEPTEMBER 1, 2025."

"RESOLVED FURTHER THAT the aggregate amount of remuneration payable to **Shri. SANJAY KUMBHAT (DIN: 03077193),** Managing Director of the Company in a financial year may exceed the maximum admissible limits as prescribed in Section 197 of the Act, and the terms and remuneration as set out in the explanatory statement of this resolution shall be deemed to form

part hereof and in the event of inadequacy or absence of profits arising in any financial year, **Shri. SANJAY KUMBHAT (DIN: 03077193),** Managing Director of the Company shall be entitled to receive remuneration, perquisites and other benefits etc. upto the limit as approved by the members herein above, as minimum remuneration."

"RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation in the provisions of Schedule V of the Act, relating to the payment of remuneration to the managerial personnel, the Board of Directors of the Company, (including its committees thereof), subject to the recommendations of the Nomination and Remuneration Committee be and is hereby authorized to vary the remuneration, perquisites and other benefits etc. within such prescribed limits."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its committees thereof) be and are hereby authorized to revise, enhance, alter and vary from time to time the terms and conditions of appointment and remuneration by seeking further consent and approval of the shareholders of the Company and to do all necessary acts, deeds and things as it may, in its absolute discretion, and to sign all such documents and writings as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto."

By order of the Board,
For **KUMBHAT FINANCIAL SERVICES LIMITED**

(SANJAY KUMBHAT)
Managing Director
DIN: 03077193
Old. No-232/4, New. No.27/4, Kilpauk Garden Road,
Kilpauk, Chennai-600 010.

Place: Chennai
Date : 16-07-2025

NOTES:

CDSL e-Voting System – For e-voting and Joining Virtual meetings.

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No.14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020

2. Further by General circular No. 09/2024 under File No. Polcy-17/57/2021-CL-MCA, dated September 19, 2024,MCA has allowed companies whose AGMs are due in the Year 2024 or 2025, to conduct their AGMs through VC or OAVM on or before , 30th September, 2025. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM. Further, SEBI vide circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October, 03, 2024 has extended the relaxation from sending physical copies of financial statement to shareholders for the AGMs conducted till 30th September, 2025

3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 followed by General circular No. 09/2024 under File No. Polcy-17/57/2021-CL-MCA dated 19.09.2024 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/ EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.

4. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

   Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section

112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.kumbhatfinancialserviceslimited.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.

7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 followed by General circular No. 09/2024 under File No. Polcy-17/57/2021-CL-MCA dated 19.09.2024. Further by General circular No. 09/2024 under File No. Polcy-17/57/2021-CL-MCA , dated September 19, 2024,MCA has allowed companies whose AGMs are due in the Year 2024 or 2025, to conduct their AGMs through VC or OAVM on or before , 30th September, 2025. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.

8. Further ,SEBI vide circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October,03,2024 has extended the relaxation from sending physical copies of financial statement to shareholders for the AGMs conducted till 30th September,2025

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

i. The voting period begins on 17-08-2025 at 9.00 am and ends on 19-08-2025 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13th August 2025, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

IV. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access

	the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	4. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL.	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free No. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL.	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

v. Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1. The shareholders should log on to the e-voting website www.evotingindia.com.

2. Click on "Shareholders" module.
3. Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/ Depository participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

vi. After entering these details appropriately, click on "SUBMIT" tab.

vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

ix. Click on the **EVSN 250702004** for the relevant **Kumbhat Financial Services Limited** on which you choose to vote.

x. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xii. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvi. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

xvii. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delinked in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz;cs@kumbhatfinancialserviceslimited.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least two days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance at least two days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility,

then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP) .

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

CLOSURE OF REGISTER OF MEMBERS:

Pursuant to section 91 of the Companies Act 2013 read with the Companies (Management & Administration) Rules, 2014 and Regulation 42 of the SEBI (LODR) Regulations, 2015 the Register of Members and the Share Transfer Books of the Company will remain closed from 14-08-2025 to 20-08-2025 (both days inclusive).

CHANGE OF PARTICULARS & UPDATION OF EMAIL ADDRESS:

Members holding shares in dematerialized form are requested to intimate all particulars of mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc. to their Depository Participant (DP).

Members who are holding shares in physical form are requested to intimate such details to Cameo Corporate Services Ltd, through web module https://investors.cameoindia.com/ or https://wisdom.cameoindia.com wherein the shareholders can log in and register the Email ID and mobile number against the folio number in which they hold shares.

NOTICE OF AGM & ANNUAL REPORT

Notice of the AGM and the Annual Report for the financial year 2024-25 are being sent electronically to the members whose E-mail IDs are registered with the Depository Participant(s) and / or RTA on Friday 25th July 2025. Any member, who has not registered his email id may register his / her ID with RTA may get registered and may also request for a copy Annual Report electronically.

DEMATERIALISATION OF SHARES:

The Company's equity shares have been notified for compulsory dematerialization. Accordingly trading of these shares through Stock Exchange would be facilitated if the share certificates are dematerialized. Members having the physical share certificates are advised to consider opening of a Demat account with an authorised Depository Participant and arrange for dematerialising their shareholdings in the company.

REQUEST TO MEMBERS:

In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report for the year 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's website www.kumbhatfinancialserviceslimited. com, websites of the Stock Exchange - BSE Limited at www.bseindia.com

Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and issued circulars stating that the service of notice/ documents including Annual Reports can be sent through e-mail to its members. To support this green initiative of the Government in full measure, members who are yet to register/update their email addresses with the Company or with the Depository Participants are once again requested to register/ update the same for receiving the Notices, Annual Reports and other documents through electronic mode. Members holding shares in physical form may get their email addresses registered / updated by providing their Name, Folio Number, E-mail ID and consent to receive the Notices, Annual Reports and other documents through electronic mode, by sending

1. an email at cs@kumbhatfinancialserviceslimited.com or intimate such details to Cameo Corporate Services Limited, through web module https://investors.cameoindia.com/ or https:/ /wisdom.cameoindia.com, wherein the shareholders can log in and register his email id and mobile number against the folio number in which they hold the shares.

Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. It is strongly recommended that shareholders having more than

one folio in the same name or with identical names in the same order in case of Joint holdings are requested to write to the Company's Share Transfer Agents, viz Cameo Corporate Services Limited immediately along with the relevant share certificates to enable consolidation of such holdings into a single folio. If the shares are jointly held such requests should be signed by all the joint holders.

By order of the Board,

For **KUMBHAT FINANCIAL SERVICES LIMITED**

(SANJAY KUMBHAT)
Managing Director
DIN: 03077193
Old. No-232/4, New. No.27/4, Kilpauk Garden Road,
Kilpauk, Chennai-600 010.

EXPLANATORY STATEMENT

Item No. 3 : Though explanatory statement is not required we give below following information.

M/S PKF Sridhar & Santhanam LLP, Chartered Accountants (FRN 003990S/S200018) were appointed as statutory officers from the conclusion of 31st AGM till the conclusion of 36th AGM to be held in 2029. They had peer review certificate and had given their consent and eligibility letter.

However they have expressed their intent to resign and the company have identified **M/S Joseph & Rajaram,** Chartered Accountants (FRN 001375S). They hold peer view certificate and have give their consent and eligibility letter.

They will be statutory auditors from the conclusion of the 32nd Annual General Meeting till the conclusion of the 37th Annual General Meeting to be held in 2030.

The Board recommends their appointment. None of the directors are interested in the resolution set out in item No.3 of the accompanying notice.

Item No. 4:

Shri. S. RAMABADRAN (DIN: 01280165) was appointed as independent director at the **28th Annual General Meeting** held on 06th August, 2021 to hold office from 15th December,2020 to 14th December, 2025 and has expressed his willingness to continue for the second term.

Shri. S.RAMABADRAN (DIN: 01280165) has given his declarations to the Board that he meets the criteria of Independence as provided under subsection (6) of section 149 of the Act and the rules made thereunder

The Nomination and Remuneration Committee of the Company have recommended to the Board of Directors the reappointment of **Shri.S.RAMABADRAN** (DIN: 01280165) as an Independent Director for a term of five consecutive years up to the conclusion of the 37th Annual General meeting.

In the opinion of the Board, **Shri.S.RAMABADRAN** (DIN:01280165) fulfils the conditions specified in the Act and the rules framed thereunder for his appointment as Independent Directors and that he is independent of the management of the Company.

Shri. S.RAMABADRAN (DIN:01280165) has given the statement of disclosures pursuant to regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Board accordingly recommends the Resolution set out at item No. 4 of the accompanying Notice for the approval of the members.

Except **Shri. S.RAMABADRAN** (DIN.01280165) none of the Directors or their relatives are concerned or interested in the resolution set out at item No. 4 of the accompanying notice.

Item No. 5

Appointment of **M/s. Mundhara & Co** as Secretarial Auditors and fix their remuneration.

Pursuant to provisions of Section 204 of the Companies Act, 2013, and relevant rules thereunder and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), every listed company is required to annex with its Board's Report, a secretarial audit report, issued by a Practicing Company Secretary. Pursuant to the Listing Regulations, shareholders' approval is required for appointment of Secretarial Auditors. Further, such Secretarial Auditor must be a peer reviewed Company Secretary from Institute of Company Secretaries of India (ICSI) and should not have incurred any of the disqualifications as specified by SEBI. In light of the aforesaid, the Board of Directors of the Company, pursuant to the recommendations of the Audit Committee, and after considering the experience, market standing, efficiency of the audit teams and independence, has recommended the appointment of M/s. Mundhara & Co, Practising Company Secretaries, as the Secretarial Auditors of the Company for a term of five consecutive financial years commencing from April 1, 2025 till March 31, 2030.

Mundhara & Co is a reputed firm of Company Secretaries based in Chennai, with over three decades of experience in corporate compliance and governance. The firm has conducted Secretarial Audits for leading listed and unlisted entities across sectors, adopting a principle-based and risk-oriented approach. Known for its thoroughness, regulatory acumen, and professional integrity, Mundhara & Co remains a trusted name in Secretarial Audit and corporate law compliance.

The fees for the tenure would be fixed by the Board of Directors or any committees thereof of the Company, from time to time.

Mundhara & Co have given its consent to act as the Secretarial Auditors, confirmed that they hold a valid peer review certificate issued by ICSI and that they are not disqualified from being appointed as Secretarial Auditors.

Accordingly, the approval of the members is sought for the above appointment by means of an ordinary resolution. The Board recommends the aforesaid appointment for approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Item No. 6 and 7

Keeping in view the Company's existing and future financial requirements, the Company may need additional funds. For this purpose, the Company is desirous of raising funds through issue of debentures as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits up to Rs.37,00,00,000/- (Rupees Thirty Seven Crores Only).

As per the provisions of Section 180(1)(c) of the Act, a company cannot borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid- up share capital, free reserves and securities premium, unless approval of the Members is obtained by way of a Special Resolution. In order to explore alternatives for capital adequacy requirements and in the light of the projected business requirements for FY 2025-26, it is proposed to enhance the borrowing powers of the Company to Rs.37,00,00,000/- (Rupees Thirty Seven Crores Only) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher at any time.

Further, as the NCDs proposed to be issued would be secured in nature, the Company has to undertake multiple transactions for securitization of its loan receivables, selling, transferring, assignment of the receivables/book debts (together with any underlying security interest and contractual comfort (if any)).

As per the provisions of Section 180(1) (a) of the Companies Act, 2013, the Board of Directors of a company shall not sell, assign its receivables / book debts without the consent of the members of the company accorded at the General Meeting by means of a special resolution.

In view of the aforesaid, the Board of Directors at its meeting held on July 16, 2025, has subject to the approval of shareholders, approved to sell, assign / securitize receivables as approved by the members pursuant to Section 180(1) (a) of the Act.

In this regard, the approval of the members is sought for sale / assignment / securitization of its receivables / book debt on such terms and conditions as may be determined by the Board of Directors (or committee or any other person authorized by the Board of Directors), depending on the prevailing market condition.

The Board recommends the Special Resolution set forth in Item No. 6 and 7 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives, if any, are concerned / interested, financially or otherwise, in the aforesaid resolution.

Item No: 8

The Board of Directors of the Company has been exploring various fund raising options, in order to augment the long-term resources of the Company. There is potential to raise resources through issue of Non-Convertible Debentures ("NCDs") on private placement. Your Directors considered that the Company should broaden the base of resource mobilization to ensure availability of adequate funding for future business growth and development and propose to raise these funds through issue of NCDs on private placement.

The funds raised through this issue of NCDs will be utilized for various financing activities, working capital requirements and general corporate purposes of the Company, after meeting the expenditures of and related to the issue.

At present, your Company is proposing to issue Non-Convertible Debenture on a private placement basis worth Rs.37 Crores.

As per Sections 42 and 71 of the Companies Act, 2013 ("the Act") read with the Rules framed there under, a company offering or making an invitation to subscribe to NCDs on private placement basis is required to obtain the prior approval of the Shareholders by way of a Special Resolution. Such an approval can be obtained once a year for all the offers and invitations made for such NCDs during the year.

Accordingly, the Board of Directors of the Company at its meeting held on 16th July, 2025 after assessing its fund requirements, has proposed to obtain the consent of the Members of the Company for issue of NCDs or other such debt securities as may be permitted by RBI from time to time towards the stated purpose, up to Rs.37,00,00,000/- (Rupees Thirty Seven Crores only), in one or more tranches and within the limits permitted by regulatory authorities, to eligible investors on private placement basis, on such terms and conditions including

the price, coupon, premium / discount, tenor etc., as the Board of Directors or any Committee(s) thereof or such other persons as may be authorized by the Board, from time to time, determine and consider proper and appropriate for the Company. This would form part of the overall borrowing limits as may be approved by the Members under Section 180(1) (c) of the Companies Act, 2013.

The Board recommends the Special Resolution set forth in Item No. 8 of the accompanying Notice, for approval by the Shareholders of the Company. As required under Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the material facts in connection with the aforesaid issue of NCDs are as follows:

a)	Particulars of the offer including date of passing of Board resolution.	Secured, Redeemable Non-Convertible Debentures (NCDs) whether cumulative and / or non-cumulative for an amount not exceeding in aggregate Rs.37, 00, 00,000/- (Rupees Thirty Seven Crores only) in one or more tranches on a private placement basis at such interest rates and on such terms and conditions as may be determined by the Board/Committee of Directors/ any person duly authorised by the Board from time to time. This special resolution is being passed in terms of the third proviso to Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 for the issuance of NCDs, from time to time, for the period of 1 (one) year from the date hereof and accordingly this question is not applicable at present. The particulars of each offer shall be determined by the Board of Directors (including any committee and/or officers duly authorized by the Board of Directors thereof), from time to time.

b)	Kinds of securities offered and the price at which security is being offered.	Secured, Redeemable Non-Convertible Debentures (NCDs) at premium, discount or at par, as may be determined by the Board/ Committee of Directors/any person duly authorised by the Board.
c)	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made.	Not Applicable
d)	Name and address of valuer who performed valuation.	Not Applicable
e)	Amount which the company intends to raise by way of such securities.	Rs.37,00,00,000/- (Rupees Thirty Seven Crores Only)
f)	Material terms of raising such securities.	Since the issuance would be in one or more tranches, material terms will be determined by the Board/Committee of Directors/ any person duly authorised by the Board, in accordance with the applicable provisions of the Companies Act, 2013 and the Rules framed thereunder and other applicable law for the time being in force.
g)	Proposed time schedule.	Within One year from the date of passing of this resolution.
h)	Purposes or objects of offer.	The proceeds of the issues would be used for onward lending, deployment in business and growth of the business and for General Corporate purpose for ordinary course of business and for such other purposes related to the business of the Company as the Board may decide.
i)	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects.	Nil
j)	Principle terms of assets charged as securities.	The principal amount of the Secured NCDs issued along with all interest due will be secured by way of charge on assets of the Company in favour of the Debenture Trustee, in such manner as may be mutually decided by the Company and Debenture Trustee from time to time.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the aforesaid resolution.

Item No: 9

Shri. SANJAY KUMBHAT (DIN: 03077193) was appointed as the Managing Director of the Company under the provisions of the Companies Act, 2013 for a period of 3 (three) years with effect from 7th February, 2019 to manage and control the affairs of the Company under the superintendence, control and direction of the Board of Directors of the Company. His Term expired on 6th February,2022

In view of Shri. SANJAY KUMBHAT performance and capabilities, the Nomination and Remuneration Committee of the Board of Directors of the Company at its Meeting held on 16th JULY, 2025 have re-appointed, subject to the approval of the Members of the Company in its ensuing Annual General Meeting, Shri. SANJAY KUMBHAT (DIN: 03077193) as the Managing Director of the Company for a further period of 3 (Three) years with effect from 1st SEPTEMBER, 2025.

Thereafter, considering the rich experience and contribution made by Shri. SANJAY KUMBHAT (DIN: 03077193), Managing Director of the Company, the Board of Directors in their meeting held on JULY 16, 2025, as recommended by the Nomination and Remuneration Committee, recommended to increase the remuneration of Shri. SANJAY KUMBHAT (DIN: 03077193) upto a maximum limit of Rs.18,00,000/- per annum.

The aggregate amount of remuneration payable to Shri. SANJAY KUMBHAT (DIN: 03077193) and total managerial remuneration payable to the Managing Director of the Company taken together in any financial year may exceed the maximum admissible limits as prescribed in Section 197 of the Companies Act, 2013.

The terms and conditions for re-designation and appointment of Shri. SANJAY KUMBHAT (DIN: 03077193) as the Company's Managing Director including payment of managerial remuneration and perquisites subject to such revision as the Board / Nomination & Remuneration Committee of the Board may sanction from time to time are summarized hereunder:

1. Shri. SANJAY KUMBHAT (DIN: 03077193) shall be the Managing Director of the Company for a period of 3 (three) years with effect from 1st September, 2025 to 31th August, 2028 as decided by the Board of Directors.

2. Shri. SANJAY KUMBHAT (DIN: 03077193) shall subject to the superintendence, control and direction of the Board of Directors of the Company have substantial powers of Management and shall perform the duties and exercise the powers in relation thereto and shall also perform such other duties and exercise such further powers as may from time to time be entrusted to or conferred upon him by the Board either alone or jointly with any other person or persons as the Board shall determine.

3. In consideration of his services as the Managing Director, Shri. SANJAY KUMBHAT (DIN: 03077193) shall be entitled to receive the following remuneration from the Company:

Salary including perquisites and allowances:
Subject to a maximum of Rs.18,00,000/- per annum

4. Shri. SANJAY KUMBHAT (DIN: 03077193) shall be entitled to reimbursement of other expenses actually and properly incurred by him in connection with the Company's business.

5. Notwithstanding the foregoing but subject to the provisions of the Act, where in any financial year, the Company has no profits or its profits are inadequate, the above-mentioned remuneration, perquisites and other benefits etc. and subsequent revisions, if any will be paid as minimum remuneration during the tenure of his appointment.

The terms and conditions of his service, including remuneration, may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its sole discretion deem fit without seeking further approval of the shareholders of the Company within the maximum amount payable to the Managing Director in accordance with the Act and Schedule V thereto.

Shri. SANJAY KUMBHAT (DIN: 03077193) meets with all the conditions as set out in Part 1 of Schedule V of the Companies Act, 2013 and also conditions set-out under Section 196(3) of the Companies Act, 2013 for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

The above may be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The Company has received from . Shri. SANJAY KUMBHAT (DIN: 03077193) Consent in writing to act as Director in Form DIR-2 pursuant to rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) Notice of interest in Form MBP-1 in terms of Section 184(1) and other applicable provisions of the Companies Act, 2013.

Additional information pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standards on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India and approved by the Central Government about the Director proposed to be re-appointed is furnished and forms part of the Notice.

The Particulars of the information, pursuant to the provisions of Schedule V, Part II, Section II, clause (A) of the Act are as under:

1. General information:

a) Nature of Industry: Non-Banking Non Deposit taking systemically important company.

b) Date or expected date of commencement of Commercial Production: Not applicable (As the Company is an existing company).

c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

d) Financial performance based on given indicators:

(Rs. In Lakhs)

Particulars	*2024-25*	*2023-24*
Gross Revenue	205.54	61.80
Profit before tax as per Profit & Loss Account	163.20	-171.98
Profit after tax as per Profit & Loss Account	135.85	-179.22
Profit as computed under Section 198 of the Act	**135.85**	**-179.22**

e) Foreign investments or collaborations, if any: NIL

2. Information about the appointee:

a) Background details:

Presently, he is the Managing Director of the Company. He has 27 years of experience in manufacturing, trading and finance.

b) Past remuneration:

Period	*Total Amount (in Rs.)*		
		Shri. SANJAY KUMBHAT	
1st April, 2024 to 31st March, 2025		NIL	
1st April, 2023 to 31st March, 2024		NIL	

*Joined the Board with effect from 30.12.2017.

c) Job profile and his suitability: Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of the above director should be available to the Company.

d) Remuneration proposed:

Period	*Total Amount (in Rs.)*		
		Shri. SANJAY KUMBHAT	
1st September, 2025 to 31st March, 2026		10,50,000/-	

*Remuneration in the form of annual commission.

e) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):** The proposed remuneration of the Directors is commensurate with the remuneration packages paid to similar senior level appointees in other Companies. The proposed remuneration is being paid considering the significant contribution which would be made by them during their tenure.

f) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Smt. SARIKA KUMBHAT (DIN: 08032091) is the wife of Shri. SANJAY KUMBHAT (DIN: 03077193). She forms part of the promoter group and is holding Equity Shares in the Company.

3. Other information:

a) **Reasons of loss or inadequate profits:** As the Company's focus is growth oriented, it is majorly incurring capital expenditures for its capacity expansion to cope with the ever-increasing customer demands. Although, the proposed remuneration is not falling within the limits specified under section 197 of the Companies Act. However, the same is in line with the industry standards for managerial personnel falling under the same cadre.

b) **Steps taken or proposed to be taken for improvement:** The Company is making continuous efforts to explore newer opportunities for increasing its income level and reducing its operational expenditures. The Company is also focusing on geographic expansion of its business and adding new customer base.

c) **Expected increase in productivity and profits in measurable terms:** In view of the steps taken by the Company as stated above, the Company believes that there will be significant increase in productivity and profitability in the years to come. The management is evaluating various other options and steps to control cost and improve profitability, which are currently not quantifiable in measurable terms.

The re-appointment and remuneration of Shri. SANJAY KUMBHAT (DIN: 03077193) as the Company's Managing Director require the approval of the members of the Company in General Meeting by passing a special resolution in terms of Schedule V read with sections 196, 197, Chapter XIII and other applicable provisions of the Companies Act, 2013.

Pursuant to the applicable provisions of the Companies Act, 2013 and the relevant rules made there under, the Board of Directors commend the resolution for approval by the members of the Company by passing a Special resolution.

Except Smt.SARIKA KUMBHAT (DIN: 08032091 none of the Directors and / or Key Managerial Personnel of the Company and / or their respective relatives are concerned or interested either directly or indirectly, in the Resolution mentioned at Item No. 9 of the Notice.

Name of the Director	SANJAY KUMBHAT
Date of Birth	27.02.2074
Date of Appointment on the Board as Director	30.12.2017
DIN	03077193
Date of Last re-appointment as Director	15.06.2022
Experience in specific functional area	12 years of experience and 27 years in business
Qualification	B.Com.
List of outside Directorship held	1. Litaski Electricals Private Limited
Chairman/Member of the Committee of Board of Directors of the Company	Audit Committee – Member; Risk Management Committee -Member
Chairman/Member of the Committee of the Board of Directors of other Companies in which he is Director	NIL
Number of Shares held in the Company	6,63,790 shares of Rs. 10 each
Inter-se relationship with any other Director	Related to Smt. SARIKA KUMBHAT

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 32nd Annual Report of the business and operations of the Company together with the audited statement of accounts for the year ended 31st March, 2025.

1. STATE OF COMPANY'S AFFAIRS:

(A) Financial summary / highlights:

(Amount in ₹ lakhs)

Particulars	*2024-25*	*2023-24*
Total Income	**205.54**	**61.80**
Total Expenditure	**(31.39)**	**233.30**
Profit (Loss) before interest, depreciation and tax	236.93	(171.50)
Finance cost	73.25	–
Depreciation	0.48	0.48
Profit (Loss) before Exceptional, Extra-ordinary items and tax	163.20	(171.98)
Exceptional & Extra-ordinary items		
Profit (Loss) after Exceptional & Extra-ordinary items & before tax	163.20	(171.98)
Provision for taxation (Net of deferred tax)	27.35	7.24
Profit (Loss) after tax	135.85	(179.22)
Amount available for appropriation		
Appropriations		
Transfer to Statutory Reserve maintained u/s 45IC of RBI Act, 1934 (including short provision for earlier years)	27.17	Nil
Proposed dividend	-	-
Tax on proposed dividend	-	-
Balance carried to Balance Sheet	**108.68**	**(179.22)**

(B) Operations:

The gross amount of loans provided by the Company stood at Rs.1,756.59 lakhs as on 31st March, 2025 as compared to Rs. 202.49 Lakhs as on 31st March, 2024.

(C) Adoption of Ind-AS Standards:

The Company being a Listed Non-Banking Finance Company is required to prepare its financial statements in accordance with the Ind-AS standards with effect from April 1, 2019.

Accordingly, your Directors have framed the required policy for such adoption and transition to Ind-AS standards. The present financial statements have been prepared as per Ind-AS standards.

(D) The World Economic Scenario:

The global economy is projected to slow down to 2.4% growth in 2025, down from 2.9% in 2024, with both developed and developing economies facing challenges. Downward growth revisions are driven by factors like weakening global trade and investment, rising trade tensions, and financial sector stress. Inflation is easing, but short-term risks remain due to tariff-driven cost pressures and uncertainty.

India's 2025-26 economic outlook will likely hinge on delicately balancing evolving trade relations and efforts to boost domestic consumer demand.

The tax exemptions announced in the budget will increase consumer spending and may boost GDP by 0.6% to 0.7%. However, uncertainty around the tariff rates imposed by the United States on Indian exports could offset those gains by 0.1% to 0.3%. Deloitte's outlook remains optimistic, but cautious.

2. EXTRACT OF ANNUAL RETURN (FORM MGT-9):

As required under section 134 (3) (a) of the Indian Companies Act, 2013, the Annual return for the financial year 2024-25 is put up on the Company's website and can be accessed at

https://kumbhatfinancialserviceslimited.com/wp-content/uploads/2025/06/KFSL-Form-MGT-7-2024-2025.pdf

3. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

The Board met ten times during the financial year, the details of which are given hereunder. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

Quarter	*Date of Board Meeting*
1st April, 2024 to 30th June, 2024	08.04.2024
	11.05.2024
	22.05.2024
	12.06.2024
1st July, 2024 to 30th September, 2024	16.07.2024
	17.08.2024
	18.09.2024
1st October, 2024 to 31st December, 2024	11.11.2024
1st January, 2025 to 31st March, 2025	04.02.2025
	18.02.2025

4. COMPLIANCE WITH SECRETARIAL STANDARDS:

During the year under review, the Company has followed applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively issued by the Institute of Company Secretaries of India.

5. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 134(5) of the Companies Act, 2013, the Board hereby submits its responsibility statement:

(a) In the preparation of the annual accounts for the year ended 31st March, 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Directors had 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 that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis;

(e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

6. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLOSURES MADE BY THE STATUTORY AUDITORS:

The observations made by the auditors in their report and notes to the accounts referred to in the Auditors Report are self-explanatory. There were no qualifications, reservations/modifications or adverse remarks made by statutory auditors in the respective report.

7. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLOSURES MADE BY THE SECRETARIAL AUDITORS:

The observations made by the secretarial auditors are self-explanatory in nature and does not call for further explanation.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The Company being a Non-Banking Finance Company (NBFC) has in the ordinary course of business made loans or advances or given guarantees or provided securities or made investments in bodies corporate and other persons during the financial year. Your Directors would like to draw your

attention to the notes to the financial statements which sets out the details of loans and investments made.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and are at arm's length basis. The Company presents a statement of all related party transactions before the Board of Directors of the Company for their approval. Your Directors would like to draw your attention to the notes to the financial statements which set out related party disclosures. A statement in Form AoC-2 pursuant to the provisions of clause (h) of sub-section (3) of section 134 of the Act read with sub-rule (2) of rule 8 of the Companies (Accounts) Rules, 2014 is furnished in Annexure-1 and is attached to this report.

10. DETAILS OF AMOUNTS TRANSFERRED TO RESERVES:

During the financial year 2024-25, the Company recorded a profit of Rs.135.85 Lakhs. The company has transferred a sum of Rs.27.17 lakhs to the Statutory Reserves under the statutory provision relating to transfer of profits to statutory reserve maintained under section 45IC of the RBI Act. Accordingly the year-end balance of such statutory reserve stands at Rs.79.34 lakhs as at 31.03.2025

11. DIVIDEND:

In view of inadequacy of profits, your Directors do not recommend any dividend for the financial year ended 31st March, 2025.

12. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company was not required to transfer any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.

13. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT (01-04-2025 to 23-05-2025):

There were no material changes and commitments affecting the financial position of the Company between the periods 1st April, 2025 to 23rd May, 2025.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

In terms of clause (m) of sub-section (3) of section 134 of the Companies Act, 2013 and the rules framed thereunder, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is given below:

1). CONSERVATION OF ENERGY:

(i) the steps taken or impact on conservation of energy;	Your company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However, adequate measures are always taken to ensure optimum utilization and maximum possible saving of energy.
(ii) the steps taken by the Company for utilising alternate sources of energy;	
(iii) the capital investment on energy conservation equipments;	

2). TECHNOLOGY ABSORPTION:

(i) the efforts made towards technology absorption;	The Company has no activity relating to technology absorption.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported; (b) the year of import; (c) whether the technology has been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof, and	
(iv) the expenditure incurred on Research and Development.	

3). FOREIGN EXCHANGE EARNINGS AND OUTGO: (Amount in ₹ Lakhs)

Particulars	*2024-25*	*2023-24*
Value of exports calculated on FOB basis	–	–
Value of Imports calculated on CIF basis:		
Raw Materials	–	–
Components and Spare parts	–	–
Capital Goods	–	–
Expenditure in Foreign Currency:		
Travel	–	–
Others	–	–

15. DETAILS OF CHANGE IN NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the Company during the financial year.

16. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Company's Articles of Association, Shri. SANJAY KUMBHAT (DIN: 03077193), retires by rotation at the forthcoming Annual General Meeting and he being eligible, offers himself for re-appointment. The Board recommends the re-appointment.

Shri. S. RAMABADRAN (DIN: 01280165) was appointed as independent director at the 28th Annual General Meeting held on 06th August, 2021 to hold office from 15th December, 2020 to 14th December, 2025 and has expressed his willingness to continue for the second term.

Shri. S.RAMABADRAN (DIN: 01280165) has given his declarations to the Board that he meets the criteria of Independence as provided under subsection (6) of section 149 of the Act and the rules made thereunder

The Nomination and Remuneration Committee of the Company have recommended to the Board of Directors the reappointment of Shri. S.RAMABADRAN (DIN: 01280165) as an Independent Director for a term of five consecutive years up to the conclusion of the 37th Annual General meeting.

In the opinion of the Board, Shri. S.RAMABADRAN (DIN: 01280165) fulfils the conditions specified in the Act and the rules framed thereunder for his appointment as Independent Directors and that he is independent of the management of the Company.

Shri. S.RAMABADRAN (DIN: 01280165) has given the statement of disclosures pursuant to regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

17. PERFORMANCE:

In compliance with the Companies Act, 2013 and regulation 17 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Board, its Committees and individual Directors was carried out during the year under review. Questionnaire approach was adopted for said evaluations.

The Nomination and Remuneration Committee (NRC) at its meeting carried out a separate exercise for evaluating every Directors performance. The evaluation of Independent Directors was carried out without the presence of the said Directors. A separate meeting of the Independent Directors was convened which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman.

The said meetings was held on 06.06.2024 followed by Independent Directors meeting on 03.02.2025 during the financial year.

Some of the key criteria's for performance evaluation were as follows:

Performance evaluation of Board and Committees:

1. Degree of fulfilment of key responsibilities;
2. Board structure and composition;
3. Effectiveness of Board processes, information and functioning;
4. Board Culture and Dynamics;
5. Quality of relationship between the Board and the Management; and
6. Establishment and delineation of responsibilities to committees.

Performance evaluation of Directors:

1. Provide meaningful and constructive contribution and inputs in meetings;
2. Display a good degree of understanding of the company, industry, sector, geography; and
3. Display independence of judgment.

18. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Independent Directors of the Company are persons of integrity, possessing rich experience and expertise in the field of corporate management, finance, capital market, economic and business information.

The Company has issued appointment letter to the Independent Directors setting out in detail, the terms of appointment, duties, roles & responsibilities and expectations from the appointed Director. The Board of Directors including independent directors have complete access to the information within the Company. Presentations are regularly made to the Board of Directors / Audit Committee / Nomination & Remuneration Committee / Stakeholders Relationship Committee on various related matters, where Directors have interactive sessions with the Management.

19. SUBSIDIARY:

The Company does not have any subsidiary companies or associate companies or joint ventures.

20. INTERNAL FINANCIAL CONTROLS:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of business, including adherence to the Company's policies, the safeguarding of its assets, the

prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weaknesses in the design or operation were observed. This is further strengthened by periodical review of the accounts and systems by Internal Auditors, M/s R V J & Company, the internal auditors of the company.

21. DEPOSITS:

Your Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

22. MATERIAL ORDERS PASSED BY REGULATORY AUTHORITIES:

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

23. RISK MANAGEMENT POLICY:

Evolving global trade relations are expected to influence India's economic trajectory: India's strong trade relations with the United States, which is also the nation's largest trading partner, will likely impact the nation's trade balance and economic growth significantly due to the shifting global trade landscape. Given that the trade-weighted average MFN tariff rate imposed on Indian goods imports is among the highest in the world (12%), India is vulnerable to reciprocal tariffs, which are being deliberated currently between the two nations

In 2025-26, Financial Institutions will be affected mostly by Cyber and AI related risks, Geopolitical risks, Climate Change risk responses, High Interest Rates and Regulation. The growth of AI brings both threats and opportunities. Financial services organisations are ranked top in the use of AI as a competitive advantage.

The future of risk management is shaped by emerging trends and technologies that empower organizations to proactively identify, assess, and mitigate risks. Artificial intelligence, machine learning, cyber security, big data analytics, and effective risk governance are key pillars in this transformation.

Risk governance plays a vital role in effective risk management. It involves establishing clear risk management frameworks, policies, and procedures to ensure accountability and transparency. With the evolving risk landscape, organizations need to adopt a proactive approach to risk governance. This includes developing risk management strategies aligned with business objectives, fostering a risk-aware culture, and integrating risk management into decision-making processes at all levels of the organization.

Traditional risk management approaches often rely on periodic assessments. However, the future of risk management lies in continuous monitoring and adaptive risk management practices. By leveraging real-time data, organizations can detect emerging risks promptly and respond proactively. Adaptive risk management involves agile decision-making, adjusting risk mitigation strategies based on evolving threats, and embracing a flexible and dynamic risk management framework

Risk Management Committee met two times and has taken note of the following factors in analyzing the risk.

Step 1: Identify the Risk.
Step 2: Analyze the risk.
Step 3: Evaluate the Risk or Risk assessment.
Step 4: Treat the Risk.
Step 5: Monitor and Review the Risk.
Step 6: Cyber and AI related risks
Step 7: Climate Change risk responses, High Interest Rates and Regulations
Step 8: Trade and Tariff Risk

The Company has laid down a Comprehensive Risk assessment and minimization procedure which is reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risks through means of a properly defined framework. Key business risks and their mitigation are also considered in the annual / strategic business plans and in periodic management reviews.

Although the Company does not have a formal risk management policy but a formal enterprise-wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework

Added to that the Trade and Tariff developments have posed a big threat to all economies and a shift in economic growth by spreading market operations and new avenues of growth is likely to take place and this risk factor needs to addressed.

24. DETAILS OF REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements of the company during the financial year.

25. SHARES AND SHARE CAPITAL:

a. CAPITAL STRUCTURE:

As at 31st March, 2025 the Authorised Share Capital of your Company was Rs.1500 lakhs comprising of 150 lakhs Equity Shares of Rs.10/- each and the Paid-up Share Capital was Rs.532.80 lakhs comprising of 53.28 lakhs Equity Shares of Rs.10/- each.

b. BUY-BACK OF SHARES:

The Company has not bought back any of its securities during the financial year.

c. SWEAT EQUITY:

The Company has not issued any Sweat Equity Shares during the financial year.

d. BONUS SHARES:

No Bonus Shares were issued during the financial year.

e. EMPLOYEES STOCK OPTION PLAN:

The Company has not provided any Stock option Scheme to the employees during the financial year.

26. STATUTORY AUDITORS:

The Board appointed **M/s. PKF Sridhar & Santhanam LLP**, Chartered Accountants (FRN 003990S/ S200018) as Statutory Auditors from the conclusion of 31st AGM till the conclusion of 36th AGM.

However, M/s. PKF Sridhar and Santhanam LLP, chartered accounts have expressed their intention to resign by their letter dated 23.05.2025. They will hold their position until the conclusion of the 32nd AGM and will continue and complete the review the first quarter of 2025-26.

The company has identified **M/s. Joseph & Rajaram**, Chartered Accountants (FRN 001375S) and are being considered for appointment from the conclusion of this 32nd AGM till the conclusion of 37th AGM. They have signified their consent and availability to be the statutory Auditors of KUMBHAT FINANCIAL SERVICES LIMITED from the conclusion of 32nd Annual general meeting for a period of five financial years from 2025-26 to 2029-30 .They hold peer review certificate.

The Board recommends their appointment for being adopted at the 32nd Annual general meeting. None of the directors are interested in the resolution covering their appointment.

27. SECRETARIAL AUDITORS:

Further, pursuant to provisions of Section 204 of the Companies Act, 2013, and relevant rules thereunder and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), every listed company is required to annex with its Board's Report, a secretarial audit report, issued by a Practicing Company Secretary. Pursuant to the Listing Regulations, shareholders' approval is required for appointment of Secretarial Auditors. Further, such Secretarial Auditor must be a peer reviewed Company Secretary from Institute of Company Secretaries of India (ICSI) and should not have incurred any of the disqualifications as specified by SEBI. In light of the aforesaid, the Board of Directors of the Company, pursuant to the recommendations of the Audit Committee, and after considering the experience, market standing, efficiency of the audit teams and independence, has recommended the appointment of M/s. Mundhara & Co, Practising Company Secretaries, as the Secretarial Auditors of the Company

for a term of five consecutive financial years commencing from April 1, 2025 till March 31, 2030. The report of the Secretarial Auditors is annexed to this report.

28. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

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

The Company has adequate measures including checks and corrections in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

The following is a summary of sexual harassment complaints received and disposed of during the financial year:

- No. of Complaints received : NIL
- No. of Complaints disposed off : NIL
- No. of cases pending for more than 90 days : NIL
- No. of workshops / awareness programmes carried out : NIL
- Nature of action taken by the employer / DO : Not Applicable

29. RESERVE BANK OF INDIA REGULATIONS:

Your Company is generally complying with the directions of the Reserve Bank of India regarding prudential norms of accounting, capital adequacy ratio, provisions for bad and doubtful debts and other requirements as per the directions issued from time to time.

RBI by their notification - RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22.10.2021 prescribed Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs by requiring NBFCs to top up their net owned funds to not less than Rs.5 crores as on 31.03.2025 and to not less than Rs.10.00 crores on 31.03.2027. We are pleased to inform you that the company has achieved the set target as on 31.03.2025. The company is positive to achieve the RBI set target of not less that Rs. 10.00 crores by 2027.

30. Prefrential issue of Shares.

With approval of shareholders at the EGM held on 17.03.2025 and with the approval of Bombay Stock Exchange 5,78,000 shares were issued / allotted to Shri. Sanjay Kumbhat at a price of Rs.24.00 per share on 29.03.2025. This is part of the exercise to subscribing the net owned funds to more than five crores as on 31.03.2025

With this preferential issue the Subscribed Capital of the Company stands at Rs.532.8 Lakhs on the balance sheet date i.e 31.03.2025

31. CORPORATE GOVERNANCE:

Report of Corporate Governance for the financial year and Management Discussion and Analysis are forming part of this Annual report.

32. COMPOSITION OF AUDIT COMMITTEE:

The Board has constituted the Audit Committee, which comprises of Shri. SAKTHIVEL MURUGAN-Independent Director as Chairman, Shri. S. RAMABADRAN, Independent Director and Shri. SANJAY KUMBHAT as the members of the committee. More details on the committee are given in the Corporate Governance Report.

33. CERTIFICATE FROM MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER:

A certificate has been obtained from Shri. SANJAY KUMBHAT (DIN: 03077193), Managing Director and Smt. V.PREMALATHA (PAN : ANWPP2996F), Chief Financial officer as required under regulation 34(3) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance which is enclosed and is forming part of this Report.

34. LISTING AT STOCK EXCHANGE:

The Equity Shares of the Company continue to be listed on The Bombay Stock Exchange Limited. With regard to other stock exchanges where the shares of the Company were earlier listed, viz., The Madras Stock Exchange Limited, The Hyderabad Stock Exchange Limited, The Coimbatore Stock Exchange Limited and The Ahmedabad Stock Exchange Limited, your Directors would like to state that the said exchanges have been closed by the orders of Securities and Exchange Board of India (SEBI) and any communications with the said exchanges are returned undelivered.

35. CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER THE LISTING AGREEMENT AND THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

A certificate from the Statutory Auditors of the Company regarding compliance with the Code of Corporate Governance is forming part of this annual report.

36. MANAGEMENT'S DISCUSSION AND ANALYSIS:

In terms of the provisions of regulation 34(3) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the required Management's Discussion and Analysis is set out in this Annual Report.

37. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each independent director under section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in

section 149(6) of the Companies Act, 2013 and regulation 17 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

38. EMPLOYEE REMUNERATION:

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section (12) of section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forming part of this report and are annexed as Annexure-2 to this report.

39. CORPORATE SOCIAL RESPONSIBILITY:

The provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

40. ACKNOWLEDGMENTS:

Your Directors wish to acknowledge all their stakeholders and are grateful for the excellent support received from the shareholders, bankers, and financial institutions, government authorities, esteemed clients, customers and other business associates. Your Directors recognize and appreciate the hard work and efforts put in by all the employees of the Company and their contribution to the growth of the Company in a very challenging environment.

For and on behalf of the Board,

(SANJAY KUMBHAT)	**(SARIKA KUMBHAT)**	**(V.PREMALATHA)**	**(S. MOHANRAJ)**
Managing Director	Director	Chief Financial Officer	Company Secretary
DIN: 03077193	**DIN: 08032091**	**PAN: ANWPP2996F**	**PAN: AANPM0947K**
Old. No-232/4, New. No.27/4 Kilpauk Garden Road, Kilpauk - Chennai-600010.	Old. No-232/4, New. No.27/4 Kilpauk Garden Road, Kilpauk - Chennai-600010.	No. 3/568, Manaikara Street, Perumuchi Arakkonam, Vellore– 631002.	No. 9/1442, I Block, 1st Floor, 33rd Street, Anna Nagar West, Chennai – 600 040.

Place : Chennai
Date : 23.05.2025

ANNEXURE – 1

Form No. AOC-2

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

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

Details of contracts or arrangements or transactions not at Arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	***There were no transactions with the related parties which were not entered on arm's length basis.***
b)	Nature of contracts / arrangements / transaction	
c)	Duration of the contracts / arrangements / transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

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

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contract / arrangements / transaction	The Company in the ordinary course of its business, has taken on hire, the premises owned by above related parties. During the year 2024-25 the Company has paid a sum of Rs.61,529.32 to each such related party towards such lease rentals.
c)	Duration of the contract / arrangements / transaction	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Date of approval by the Board	04.05.2020 Revised 01.04.2025
f)	Amount paid as advances, if any	NIL

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

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Kumbhat Bazaar
b)	Nature of contract / arrangements / transaction	Annual Web Site Maintenance Charges.
c)	Duration of the contract / arrangements / transaction	Rs.61,939.00 was paid in 2024-25
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Date of approval by the Board	08-04-2024
f)	Amount paid as advances, if any	NIL

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

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	SANJAY KUMBHAT
b)	Nature of contract / arrangements / transaction	Preferential Allotment of 5.78,000 equity shares at Rs.24.00 per share amounting to Rs.138.72 lakhs.
c)	Duration of the contract / arrangements / transaction	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Date of approval by the Board	18.02.2025
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board,

(SANJAY KUMBHAT)
Managing Director
DIN: 03077193
Old. No-232/4, New. No.27/4
Kilpauk Garden Road,
Kilpauk - Chennai-600010.

(SARIKA KUMBHAT)
Director
DIN: 08032091
Old. No-232/4, New. No.27/4
Kilpauk Garden Road,
Kilpauk - Chennai-600010.

Place : Chennai
Date : 23.05.2025

ANNEXURE – 2

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sl. No.	Particulars	Disclosure	
1.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year.	Shri. SANJAY KUMBHAT, Managing Director	Nil
2.	The percentage increase in remuneration of each director in the financial year.	Shri. SANJAY KUMBHAT, Managing Director	Nil
3.	The percentage increase in the median remuneration of employees in the financial year.	0.00%	
4.	The number of permanent employees on the rolls of the Company.	The Company had 3 employees on the rolls as on 31st March, 2025.	
5.	The explanation on the relationship between average increase in remuneration and Company performance.	While recommending increase in remuneration, the Company takes into account various factors like financial performance of the Company, comparison with peers, industry benchmarking and consideration towards cost of living adjustments and inflation. The Company follows holistic performance review mechanism to ensure that the increase is commensurate with the performance of employees and Company.	
6.	Comparison of the remuneration of the KMP against the performance of the Company.	Not Applicable.	
7.	Variations in the market capitalization of the Company Price earnings ratio as at the closing date of the current FY and previous FY% increase or decrease in the market quotations of the Shares of the Company in comparison to the rate at which the Company came out with the last public offer.	The price Earnings ratio as on 31st March, 2025 is as follows. BSE Price on 31.03.2024- Rs.15.99 Earnings Per Share on 31.03.2024 – Rs(3.77) P/E Ratio = 15.99/(3.77) =(4.24) BSE Price on 31.03.2025- Rs. 18.52 Earnings Per Share on 31.03.2025 – Rs. 2.86 P/E Ratio = 18.52/2.86 =6.475	

8.	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Not Applicable.	
9.	Comparison of remuneration of each of the KMP against the performance of the Company.	***Particulars***	***% of Turnover of the Company***
		Shri. SANJAY KUMBHAT, Managing Director	Nil
10.	The Key parameters for any variable component of remuneration availed by the directors.	There is no variable component in the remuneration of the Directors.	
11.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	Not Applicable	
12.	Affirmation that the remuneration is as per the remuneration policy of the Company.	As the members are aware that the Company does not pay any remuneration to its executive Directors as on date, accordingly, the Company is yet to frame any remuneration policy for the same.	

For and on behalf of the Board,

(SANJAY KUMBHAT)
Managing Director
DIN: 03077193
Old. No-232/4, New. No.27/4
Kilpauk Garden Road,
Kilpauk - Chennai-600010.

(SARIKA KUMBHAT)
Director
DIN: 08032091
Old. No-232/4, New. No.27/4
Kilpauk Garden Road,
Kilpauk - Chennai-600010.

Place : Chennai
Date : 23.05.2025

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2024-2025

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company always strives to achieve optimum performance at all levels by following and adhering to best corporate governance practices, such as:

- Fair and transparent business practice.
- Effective management Control by Board.
- Adequate representation of promoter, executive and independent directors on the Board.
- Compliance of Law.
- Transparent and timely disclosures of financial and management information

2. BOARD OF DIRECTORS:

The Board of Directors of Kumbhat Financial Services Limited consists of four Directors. There are no institutional nominees on the Board. The details of composition and categories of Directors are given below:

S.No.	Name of the Director	Category
1.	Shri. Sanjay Kumbhat	Managing Director
2.	Smt. Sarika Kumbhat	Non-executive Non-Independent Women Director
3.	Shri. Sakthivel Murugan	Non-executive Independent Director
4.	Shri. S. Ramabadran	Non-executive Independent Director

The Chairman of the Board is Shri. SANJAY KUMBHAT (DIN: 03077193), Managing Director.

The Composition and category of Directors and their memberships in other Board/Committees as on 31st March, 2025 is as under

Name of the Director	*S.No.*	*Designation*	*No. of other Directorships held*	*No. of Memberships in Board committees of other Companies*
Shri. Sanjay Kumbhat	1.	Managing Director	1	Nil
Smt. Sarika Kumbhat	2.	Non-Independent Director	1	Nil
Shri. Sakthivel Murugan	3.	Independent Director	1	Nil
Shri. S. Ramabadran	4.	Independent Director	5	Nil

3. BOARD PROCEDURE:

Board Meeting:

During 2024-2025, the Board of Directors duly met Ten (10) times on 08.04.2024, 11.05.2024, 22.05.2024, 12.06.2024, 16.07.2024, 07.08.2024, 18.09.2024, 11.11.2024, 04.02.2025 and 18.02.2025. The details of the meeting of the Board of Directors are given below

Date of Meeting	***Total Members***	***Attendance by number of members***
08.04.2024	4	4
11.05.2024	4	4
22.05.2024	4	4
12.06.2024	4	4
16.07.2024	4	4
07.08.2024	4	4
18.09.2024	4	4
11.11.2024	4	4
04.02.2025	4	4
18.02.2025	4	4

The annual operating plans, budgets, quarterly results, performance of various units/divisions and various other information, including those specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as amended from time to time, were duly placed before the Board of Directors of the Company.

Attendance of Directors at the Board Meetings and last Annual General Meeting

S.No.	***Name of Director***	***Attendance***	
		Board Meeting	***Last AGM***
1.	Shri. Sanjay Kumbhat	10	Yes
2.	Smt. Sarika Kumbhat	10	Yes
3.	Shri. Sakthivel Murugan	10	Yes
4.	Shri. S. Ramabadran	10	Yes

Note:

In accordance with the provisions of section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Company's Articles

of Association, Shri. SANJAY KUMBHAT (DIN: 03077193), retires by rotation at the forthcoming Annual General Meeting and he being eligible, offers himself for re-appointment. The Board recommends the re-appointment.

Shri. S. RAMABADRAN (DIN: 01280165) was appointed as independent director at the 28th Annual General Meeting held on 06th August, 2021 to hold office from 15th December, 2020 to 14th December, 2025 and has expressed his willingness to continue for the second term.

Shri. S.RAMABADRAN (DIN: 01280165) has given his declarations to the Board that he meets the criteria of Independence as provided under subsection (6) of section 149 of the Act and the rules made thereunder

The Nomination and Remuneration Committee of the Company have recommended to the Board of Directors the reappointment of Shri. S.RAMABADRAN (DIN: 01280165) as an Independent Director for a term of five consecutive years up to the conclusion of the 37th Annual General meeting.

In the opinion of the Board, Shri.S.RAMABADRAN (DIN: 01280165) fulfils the conditions specified in the Act and the rules framed thereunder for his appointment as Independent Directors and that he is independent of the management of the Company.

Shri. S.RAMABADRAN (DIN: 01280165) has given the statement of disclosures pursuant to regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

4. REMUNERATION TO DIRECTORS:

During the year the Company has not paid any remuneration to its Directors. Presently, the Company has not formulated a scheme for grant of stock options either to Executive Directors or to its employees.

5. AUDIT COMMITTEE:

At present, the Audit Committee consists of three members, two Independent Directors and one Non- Independent Director. The members of the Committee are Shri. SAKTHIVEL MURUGAN, Independent Director as Chairman (DIN: 08531800), Shri. S. RAMABADRAN (DIN: 01280165) Independent Director and Shri. SANJAY KUMBHAT (DIN: 03077193) -Executive Non-Independent Director. The Statutory Auditors and Senior Executive Officers are the invitees to all meetings of the committee.

The terms of reference of the Audit Committee includes matters which are set out in regulation 18 read with Part C of Schedule II of the Listing Regulations and section 177 of the Companies Act, 2013 and inter alia includes:

a) overseeing the Company's financial reporting process and the disclosure of its financial information.

b) examination of the financial statement and the auditor's report thereon.

c) recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

d) review and monitoring the auditor's independence and performance, effectiveness of the audit process.

e) approval or any subsequent modification of the transactions of the company with related parties.

f) scrutiny of inter corporate loans and investments;

g) valuation of undertakings or assets of the company, wherever it is necessary;

h) evaluation of internal financial controls and risk management system; and

i) monitoring the end use of funds raised through public offers and related matters

The Audit Committee met Ten (10) times during the year and attendance of audit committee is as under

Date of Meeting	*Total Members*	*Attendance by number of members*
08.04.2024	3	3
11.05.2024	3	3
22.05.2024	3	3
12.06.2024	3	3
16.07.2024	3	3
07.08.2024	3	3
18.09.2024	3	3
11.11.2024	3	3
04.02.2025	3	3
18.02.2025	3	3

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Board has constituted Stakeholder's Relationship Committee in accordance with the provisions of the Companies Act, 2013 and regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The members of the committee are Shri. SAKTHIVEL MURUGAN (DIN: 08531800) Independent Director, as Chairman of the Committee, Shri. S.RAMABHADRAN (DIN: 01280165) Independent Director and Smt. SARIKA KUMBHAT (DIN: 08032091), Non-Executive Non-Independent Director.

The role of the Stakeholders Relationship Committee shall, inter-alia, include the following:

1. Dealing with the investors complaints like delay in transfer of shares, non-receipt of balance sheet, non- receipt of declared dividends / share certificates, dematerialisation of shares, replacement of lost/stolen/ mutilated share certificates, etc;

2. Reviewing of investors complaints and take necessary steps for redressal thereof;
3. To perform all functions relating to the interest of the stakeholders of the Company as may be required by the provisions of the Companies Act, 2013 and the rules made thereunder, Listing Agreements and the guidelines issued by SEBI or any other regulatory authority; and
4. Approval of the share transfers and / or delegation thereof
5. Compliance Officer: S. Mohan Raj – Company Secretary

Attendance of Stakeholders Relationship Committee:

Date of Meeting	*Total Members*	*Attendance by number of members*
06.04.2024	3	3
06.05.2024	3	3
21.05.2024	3	3
01.07.2024	3	3
26.07.2024	3	3
19.10.2024	3	3
21.11.2024	3	3
20.01.2025	3	3

- The Company's shares are compulsorily traded in dematerialised form. Hence the Committee has met at relevant intervals considering the volume of transfers received in the dematerialised segment.
- The Company has no transfers pending at the close of the financial year.
- The Company has not received any complaints during the year 2024-25.

7. NOMINATION AND REMUNERATION COMMITTEE:

Adhering to the requirements of the Companies Act, 2013 and regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of the Company has constituted Nomination and Remuneration Committee.

The members of the Committee are Shri. SAKTHIVEL MURUGAN, (DIN: 08531800) Independent Director, Chairman, Smt. SARIKA KUMBHAT (DIN: 08032091), Non-Executive Non-Independent Director and Shri. S. RAMBADARAN, (DIN: 01280165) Independent Director. The Main objective of the Committee is to decide amount of salary payable to Managing Director / Whole-time Directors in case the total payment is exceeding limit prescribed under section 197 of the Companies Act, 2013.

During the year the Company has not paid any remuneration to its Directors. Presently, the Company has not formulated a scheme for grant of stock options either to Executive Directors or employees.

The Company has paid a sum of Rs.1,20,000/- as remuneration to Smt. V.PREMALATHA (PAN:ANWPP2996F) and Rs.3, 00,000/- to Shri. S. MOHANRAJ, Company Secretary of the Company.

The terms of reference of the Nomination and Remuneration Committee include:

- formulation of criteria for determining qualifications, positive attributes and independence of a director;
- recommending to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- formulation of criteria for evaluation of Independent Directors and the Board;
- devising a policy on Board diversity; and
- Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Attendance of the Committee during the year is follows:

Date of Meeting	*Total Members*	*Attendance by number of members*
06.06.2024	3	3

8. RISK MANAGEMENT COMMITTEE:

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. The Board periodically discusses the significant business risks identified by the management/ risk management committee and the mitigation measures to address such risks. The role of the Committee includes review of the risk management strategy developed by the management for approval by the Board, advise the Board on the prioritization of risk management issues, report the effectiveness of the Company's Risk Management Systems and carries out additional functions and adopts additional policies and procedures as may be appropriate in the light of changes in business, legislative, regulatory, legal and other conditions.

As of 31st March, 2025, the committee comprised of Shri. SANJAY KUMBHAT (DIN: 03077193) as Chairman, Shri. SAKTHIVEL MURUGAN (DIN: 08531800) Independent Director, and Smt. SARIKA KUMBHAT (DIN: 08032091), Non-Executive Non-Independent Directors as Members. Members of the senior management team attend the meetings of the committee as permanent invitees.

Attendance of the Committee during the year is follows:

Date of Meeting	*Total Members*	*Attendance by number of members*
25.09.2024	3	3
03.02.2025	3	3

9. GENERAL BODY MEETINGS:

The details of the location and time for last three Annual General Meetings are given below:

Year	*Location*	*Date*	*Time*	*No. of Special business*
2021-2022	Registered Office of the Company- Video Conferencing ("VC") / Other Audio Visual means ("OAVM").	10th August, 2022	10.00 A.M.	—
2022-2023	Registered Office of the Company - Video Conferencing ("VC") / Other Audio Visual means ("OAVM").	17th August, 2023	10.00 A.M	—
2023-2024	Registered Office of the Company - Video Conferencing ("VC") / Other Audio Visual means ("OAVM").	19th August, 2024	10.00 A.M.	*4

* 1. Appointment of Shri. M. Sakthivel Murugan (DIN: 08531800) as Independent Director

2. To borrow in excess of the paid-up share capital and free reserves and securities premium of the Company under Section 180(1) (c) of the Companies Act, 2013.
3. Creation of charge on all or any of the movable and / or immovable properties of the Company up to Rs.25 Crores
4. To raise funds through Private Placement of Secured, Redeemable Non-Convertible Debentures (NCDs)

10. <u>CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:</u>

In accordance with the provisions of section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Company's Articles of Association, Shri. SANJAY KUMBHAT (DIN: 03077193), retires by rotation at the forthcoming Annual General Meeting and he being eligible, offers himself for re-appointment. The Board recommends the re-appointment.

Shri. S. RAMABADRAN (DIN: 01280165) was appointed as independent director at the 28th Annual General Meeting held on 06th August, 2021 to hold office from 15th December, 2020 to 14th December, 2025 and has expressed his willingness to continue for the second term.

Shri. S.RAMABADRAN (DIN: 01280165) has given his declarations to the Board that he meets the criteria of Independence as provided under subsection (6) of section 149 of the Act and the rules made thereunder

The Nomination and Remuneration Committee of the Company have recommended to the Board of Directors the reappointment of Shri. S.RAMABADRAN (DIN: 01280165) as an Independent Director for a term of five consecutive years up to the conclusion of the 37th Annual General meeting.

In the opinion of the Board, Shri. S.RAMABADRAN (DIN:01280165) fulfils the conditions specified in the Act and the rules framed thereunder for his appointment as Independent Directors and that he is independent of the management of the Company.

Shri. S.RAMABADRAN (DIN:01280165) has given the statement of disclosures pursuant to regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

11. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an evaluation of its own performance, the individual Directors as well as an evaluation of the working of its Committees viz., Audit, Nomination and Remuneration, Stakeholders Relationship and Risk Management Committees. Structured questionnaires were prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as attendance, level of participation in the meetings and contribution, independence of judgment, safeguarding the interest of the Company and other stakeholders, etc.

The performance evaluation of the Independent Directors was carried out by the entire Board.

The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. Chairman of the Nomination and Remuneration Committee anchored the session on Chairman's evaluation. Inputs from the Non-Independent Directors were also considered by the Independent Directors while evaluating the performance of the Chairman.

12. DISCLOSURES:

a) Related Party Transactions:

During the year, there were no materially significant related party transactions considered to have potential conflict with the interests of the Company at large. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with

Related Party Transactions. The details of related part transaction are given in note: 43 appearing in accounts as well in Annexure I – AOC 2 forming part of Directors report.

Link:https://kumbhatfinancialserviceslimited.com/wp-content/uploads/2020/02/7.RELATED-PARTY-TRANSACTION-POLICY.pdf

b) Whistle Blower Policy and Vigil Mechanism:

The Company has established a whistle blower mechanism to provide an avenue to raise concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimisation of directors / employees / customers who avail of the mechanism and also for appointment of an ombudsperson who will deal with the complaints received.

The Company has laid down a Whistle Blower Policy which contains the process to be followed for dealing with complaints and in exceptional cases, also provides for direct access to the chairperson of the audit committee. The Company affirms that no person has been denied access to the Audit Committee. The Whistle Blower Policy is available at our website www. kumbhatfinancialserviceslimited.com

c) Compliance with mandatory requirements:

The Company has complied with all mandatory requirements as laid down in the Listing Regulations.

d) Compliance with Accounting Standards:

The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

e) Disclosure from Senior Management:

Periodical disclosures from Senior Management relating to all material financial and commercial transactions, where they had or were deemed to have had personal interest, that might have had potential conflict with the interest of the Company at large were placed before the Board.

During the year under review, the Company has not raised any funds from public issue, rights issue or preferential issue.

f) Prevention of Insider Trading:

As per the requirement in the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of practices and procedures for fair disclosure of unpublished price sensitive information. A Code of Conduct to regulate, monitor and report trading by insiders in securities of the Company has also been formulated.

g) Compliance with the Code of Conduct:

The Board has laid-down a "Code of Conduct" (Code) for all the Board members and the Senior Management of the Company. Annual declaration regarding compliance with the Code is obtained from every person covered by the Code of Conduct. A declaration to this effect signed by the Managing Director is forming part of this report.

h) Compliance with Corporate Governance Norms:

The Company has complied with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

The Statutory Auditors have certified that the Company has complied with the conditions of corporate governance as stipulated in the Listing Regulations. The said certificate is annexed to this Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamilnadu, Chennai, along with the Annual Report.

i) Disclosures of non-compliance by the Company:

The shares of your Company continue to be listed on the BSE (Bombay Stock Exchange Limited).

The shares of the Company were suspended from trading in the Bombay Stock Exchange Limited pursuant to the non-compliance with the provisions of the listing agreement on 09.01.2018. The Company has received the order for revocation of suspension from Securities and Exchange Board of India (SEBI) and accordingly the Shares of the Company now continue to trade in Bombay Stock Exchange Limited with effect from 10th February, 2021.

The Company has obtained Secretarial Audit Report from M/s. MUNDHARA & CO, Company Secretaries for the year 2024-25. The observations made by the secretarial auditors are self explanatory.

j). As regards the non-mandatory requirements, the following have been adopted:

The quarterly financial results are published in leading financial newspapers and uploaded on the Company's website. The Company has therefore not been sending the half yearly financial results to the shareholders.

13. CODE OF CONDUCT:

The Board of Kumbhat Financial Services Limited had laid down a code of conduct for all the Board members and the Senior Management. All the members and the Senior Management

personnel have affirmed compliance of the code. A declaration of Managing Director of the Company is attached with this Annual Report.

The Code of Conduct is available at our website www.kumbhatfinancialserviceslimited.com

14. MEANS OF COMMUNICATION:

The Annual, half yearly and quarterly results are regularly submitted to the Stock Exchange in accordance with the listing Agreement and also published in Newspapers. The Unaudited results for every quarter and the Audited results for the year end is published in the newspapers. The Management Discussion and Analysis report is forming part of the Annual Report.

15. GENERAL SHAREHOLDERS INFORMATION:

a) Annual General Meeting: 32nd Annual General Meeting of the Company will be held on Wednesday, the 20th August, 2025 at 10.00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

b) Date of Book Closure: The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 14th August, 2025 to Wednesday, the 20th August, 2025 (both days inclusive).

c) Financial Year: 1st April, 2024 to 31st March, 2025

d) Financial Calendar (Tentative):

First Quarter	:	August, 2025
Second Quarter & Half Yearly	:	November, 2025
Third Quarter	:	February, 2026
For the year ended 31st March, 2026	:	May, 2026

e) Listing on Stock Exchanges:

(i) The Madras Stock Exchange Limited with scrip code KFS

(ii) The Bombay Stock Exchange Limited with scrip code KUMPFIN – 526869

(iii) The Hyderabad Stock Exchange Limited with scrip code KFS

(iv) The Coimbatore Stock Exchange Limited with scrip code 21108

(v) The Ahmedabad Stock Exchange Limited with scrip code KUMBHATFIN – 31609

All the above stock exchanges excepting Bombay Stock Exchange Limited have closed in view of closure of Regional Stock exchanges

f) Market price data: Bombay Stock Exchange

Months		*BSE*	
	High (Rs.)	*Low (Rs.)*	*Volume (No.)*
April 24	19.62	14.63	49960
May 24	16.65	13.10	23923
June 24	19.16	12.89	137658
July 24	19.95	15.32	44531
August 24	23.15	17.60	67041
September24	25.35	21.16	15095
October 24	23.78	20.25	22682
November 24	24.96	17.7	18366
December 24	21.00	17.33	6902
January 25	23.25	16.48	9979
February 25	25.63	6.26	24001
March 25	19.44	13.87	9833

g). Share Transfer System:

Registrar & Share Transfer Agents: M/s. Cameo Corporate Services Limited. All the transfers are processed and approved by the Share Transfer Committee.

h). Distribution of Shareholdings as on March 31, 2025:

Distribution of Shareholdings pattern based on categories of shareholdings as on March 31, 2025

Category	No of shareholder	No of shares held	% of shareholding
Resident	7814	3783629	71.0141
NRI-Repatriable	13	47850	0.898
Corporate	50	190805	3.5812
Trusts	1	200	0.0038
Promoters	12	1305516	24.5029
Total	7890	5328000	100

Distribution of Shareholdings based on slab of Shareholdings as on March 31, 2025

Slab Shareholdings	*Shareholders*	*%*	*Amount (In Rs.)*	*%*
10-5000	6707	85.0063	11863420	22.2662
5001-10000	653	8.2763	5750410	10.7928
10001-20000	257	3.2573	3895350	7.3111
20001-30000	122	1.5463	3033160	5.6929
30001-40000	30	0.3802	1040380	1.9527
40001-50000	47	0.5957	2262880	4.2471
50001-100000	32	0.4056	2419440	4.541
100001 and above	42	0.5323	23014960	43.1962
TOTAL	7890	100.00	53280000	100.00

i) Dematerialization of Shares:

The Company's Equity Shares are included in the list of Companies whose scrips have been mandated by SEBI for settlement only in dematerialized form by all investors. The Company has signed agreements with National Securities Depository Limited and Central Depository Services (India) Limited to offer depository service to its shareholders and has paid one time custody charges to NSDL and is regularly paying annual charges to CDSL for the benefit of its members. The Company's ISIN is INE795E01019.

j) Nomination Facility:

Section 72 of the Companies Act, 2013 provides inter alia, the facility of nomination to shareholders. This facility is mainly useful for all holders holding the shares in single name. In case where the securities are held in joint names, the nomination will be effective only in the event of the death of all the holders. Shareholders are advised to avail of this facility.

k) General:

Members are requested to quote their Folio No. / DP & Client ID Nos, Email ids, Telephone/ Fax numbers for timely investor servicing by the Company/Registrar and Transfer Agent. Members holding shares in electronic form are requested to update with their depository participant their present address, email ids and bank particulars (9 digit MICR code).

l) Outstanding GDR's/ADR's warrants or any Convertible Instruments:

During the year no Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants or any convertible instruments were issued.

m) Investor Correspondence:

For Transfer, Transmission, dematerialization of shares and change of address shareholders may be pleased to contact:

M/s. Cameo Corporate Services Limited
'Subramanian Building' No. 1, Club House Road,
CHENNAI – 600 002. Phone: (044) 40020726

For any other queries relating to Secretarial matters may be contacted with:

M/s. KUMBHAT FINANCIAL SERVICES LIMITED
Regd. Off.: 5th Floor, Kumbhat Complex,
No. 29, Rattan Bazaar, George Town, Chennai - 600 003.

Shareholders holding shares in electronic mode shall send all their correspondences to their respective Depository Participant.

By order of the Board,
For **KUMBHAT FINANCIAL SERVICES LIMITED**

(SANJAY KUMBHAT)
Managing Director
DIN: 03077193
Old. No-232/4, New. No.27/4
Kilpauk Garden Road, Kilpauk
Chennai - 600 010.

Place: Chennai
Date: 23.05.2025

DECLARATION OF MD & CEO

I, SANJAY KUMBHAT, Managing Director of M/s. KUMBHAT FINANCIAL SERVICES LIMITED do hereby declare that the Company has duly complied with requirements relating to the code of conduct as laid down in the Listing Agreement entered with the Stock Exchanges and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

By order of the Board,
For **KUMBHAT FINANCIAL SERVICES LIMITED**

(SANJAY KUMBHAT)
Managing Director
DIN: 03077193
Old. No-232/4, New. No.27/4
Kilpauk Garden Road, Kilpauk
Chennai - 600 010.

Place: Chennai
Date: 23.05.2025

MANAGEMENT DISCUSSION AND ANALYSIS

Lower inflation and monetary easing offer relief, but trade tensions, high debt burdens, and geopolitical risks cloud the outlook

Despite falling inflation, improving labour market conditions, and monetary easing, global growth is projected to remain below the pace seen before the pandemic, and the world economy continues to face significant uncertainties. This continues to gravely impact progress towards the Sustainable Development Goals (SDGs), especially for many developing countries that are still suffering from the accumulated impacts of successive crises.

The latest *World Economic Outlook* reports a slowdown in global growth as downside risks intensify. While policy shifts unfold and uncertainties reach new highs, policies need to be calibrated to rebalance growth-inflation trade-offs, rebuild buffers, and reinvigorate medium-term growth, thereby reducing both internal and external imbalances. Policies that promote healthy aging, bridge gender disparities, and enhance the alignment of migrants' skills with local labor market demands can play a crucial role in countering slow economic growth and fiscal pressures, especially when coupled with infrastructure investment.

India is projected to become the world's fourth-largest economy by 2025, surpassing Japan, according to the IMF. This marks a major milestone, as the country climbs from 10th place in 2014 to 4th in just 11 years — a 105% nominal GDP growth during the period, with India becoming a $4 trillion economy. This Scenario is represents two sides of the coin. It has its own advantage and risks.

There are new emerging trends in Risk management.

- Artificial Intelligence (AI) and Machine Learning (ML):
- Cyber security:
- ESG Risks – Environmental, Social and Governing Risks
- Trade & Traiff Risks

The challenges plaguing the NBFC sector extend well into 2025. Experts are talking of consolidation, capital raising, and profitability pressures in 2025.

RBI has prescribed Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs requiring NBFCs to Top up their Net Owned funds to not less than Rs.5 Crores by 31.03.2025 and to not less than Rs.10 Crores by 31.03.2027 putting additional strains on their operations. Your company has achieved the target.

Non-Banking Financial Companies played an important role by fulfilling the diverse financial needs of those customers that don't have access to banks and their services.

Taking into account the new emerging factors in Risk management following risk management techniques have been adopted by KFSL.

1. Identifying risk,
2. Analysing risk,
3. Creating a mitigation plan,
4. Executing the plan and
5. Continuously monitoring how changes in the external business environment influence the risks an organization faces
6. Reviewing of Artificial Intelligence, Cyber Security and ECG risks.
7. Trade & Tariff Risks

However we at KFSL being nonbanking, non- deposit taking systemically Important NBFC, have adopted Risk Management Strategies suitably.

Cautionary Statement

Estimates and expectations stated in this Management Discussion and Analysis may be "forward-looking statements" within the meaning of the applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operation include economic conditions affecting the interest rate, inflation, changes in the interest rate, changes in the Government regulations, tax laws, other statutes and incidental factors. The Company undertakes no responsibility to update or revise any forward-looking statement.

CEO / CFO CERTIFICATION

We, Shri SANJAY KUMBHAT (DIN: 03077193), Managing Director and Smt. V. PREMALATHA (PAN: ANWPP2996F), Chief Financial Officer (CFO), the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of M/s. KUMBHAT FINANCIAL SERVICES LIMITED

("the company") to the best of our knowledge and belief certify that:

a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2025 and that to the best of our knowledge and belief, we state that:

   i. These statements do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violation of the Company's code of conduct.

c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee:

   i. Significant changes, if any, in internal control over financial reporting during the year;

   ii. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

By order of the Board,
For **KUMBHAT FINANCIAL SERVICES LIMITED**

(V.PREMALATHA)
Chief Financial Officer
(PAN: ANWPP2996F)
No.3/568, Maniakara Street,
Perumuchi, Arakkonam,
Vellore – 631 002.

(SANJAY KUMBHAT)
Managing Director
(DIN: 03077193)
Old.No.232/4.New No.27/4,
Kilpauk Garden Road,
Kilpauk, Chennai-600 01.

Place: Chennai
Date: 23.05.2025

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2025

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

To,

The Members,

M/s. KUMBHAT FINANCIAL SERVICES LIMITED

5th Floor, Kumbhat Complex,

No. 29, Rattan Bazaar, George Town,

Chennai – 600 003.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. KUMBHAT FINANCIAL SERVICES LIMITED** (hereinafter called *"the Company"*). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **KUMBHAT FINANCIAL SERVICES LIMITED's** books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2025** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2025** according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) During the year under review, the Company has not made any Foreign Direct Investment, Overseas Direct Investment nor any External Commercial Borrowings and accordingly the compliance of the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder does not arise;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

   a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

e) During the year under review, the Company has not issued any securities or options to its employees and accordingly the compliance of the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 does not arise;

f) During the year under review, the Company has not issued and listed any non-convertible securities and accordingly the compliance of the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 does not arise;

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Company and dealing with client;

h) During the year under review, the Company has not delisted its securities from any of the stock exchange in which it is listed and accordingly the compliance of the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 does not arise;

i) During the year under review, the Company has not bought back any securities and accordingly the compliance of the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 does not arise;

j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

vi) The Reserve Bank of India Act, 1934 to the extent applicable to a Non-Banking Finance Company not accepting deposits.

With respect to fiscal laws such as Income Tax Act and Goods and Services Tax Act and labour laws such as Provident Fund, Gratuity, Insurance, Prevention of Sexual Harassment and Compensation, based on the information and explanations provided by the Company and also on verification of reports of other professionals, we report that adequate systems are in place to monitor and ensure compliance of fiscal and labour laws as mentioned above.

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

(1) The Secretarial Standards issued by the Institute of Company Secretaries of India and as prescribed under sub-section 10 of section 118 of the Companies Act, 2013.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

1. *With regard to compliances with other stock exchanges where the shares of the Company were earlier listed, viz., The Madras Stock Exchange Limited, The Hyderabad Stock Exchange Limited, The Coimbatore Stock Exchange Limited and The Ahmedabad Stock Exchange Limited, we have been informed that the said exchanges have been closed by the orders of Securities and Exchange Board of India (SEBI) and any communications with the said exchanges are returned undelivered.*

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the Composition of the Board of Directors during the period under review.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions were carried through with the consent of all the Directors / Committee members present and hence there were no instances of dissent by the members.

Except as reported above, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following specific events / actions had a major bearing on the Company's Affairs:

- The Company has altered its Memorandum of Association to have a specific main object of carrying out financing activities and have included the lending against the gold jewellery as another main object in its objects clause pursuant to the postal ballot resolution passed by the members on May 31, 2024;
- The Company has increased its borrowing limits to Rs.5 Crores under section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 pursuant to the postal ballot resolution passed by the members on May 31, 2024;
- The members of the Company have approved the proposal to raise funds through Private Placement of Secured, Redeemable Non-Convertible Debentures (NCDs) to an extent of Rs.5 Crores pursuant to the postal ballot resolution passed by the members on May 31, 2024;
- The Company has re-appointed Mr. Sakthivel Murugan as its Independent Director pursuant to the Special Resolution passed by the members at their Annual General Meeting held on August 19, 2024;

- The Company has further increased its borrowing limits to Rs.25 Crores under section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 pursuant to the Special Resolution passed by the members at their Annual General Meeting held on August 19, 2024;
- The members of the Company have approved the proposal to raise funds through Private Placement of Secured, Redeemable Non-Convertible Debentures (NCDs) to an extent of Rs.25 Crores pursuant to the Special Resolution passed by the members at their Annual General Meeting held on August 19, 2024;
- The Company has approved the proposal for preferential allotment of 5,78,000 equity shares of Rs.10/- each at a premium of Rs.14/- per share aggregating to Rs.138.72 Lakhs pursuant to the Special Resolution passed by the members at their Extra-ordinary General Meeting held on March 17, 2025; and
- The Board of Directors of the Company has approved the allotment of 5,78,000 equity shares of Rs.10/- each at a premium of Rs.14/- per share aggregating to Rs.138.72 Lakhs pursuant to the Circular Resolution passed by the Board on March 29, 2025.

For **MUNDHARA & CO,**
Company Secretaries
ICSI Unique Code: S1988TN005000
Peer Review Certificate No: 2155/2022

(JAGDISH P MUNDHARA)
Proprietor
FCS 2353 C.P. No. 1443
UDIN: F002353G000427679

Place: Chennai
Date: 23.05.2025

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

'Annexure A'

To,
The Members,
M/s. KUMBHAT FINANCIAL SERVICES LIMITED
5th Floor, Kumbhat Complex,
No. 29, Rattan Bazaar, George Town,
Chennai – 600 003.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **MUNDHARA & CO,**
Company Secretaries
ICSI Unique Code: S1988TN005000
Peer Review Certificate No: 2155/2022

(JAGDISH P MUNDHARA)
Proprietor
FCS 2353 C.P. No. 1443
UDIN: F002353G000427679

Place: Chennai
Date: 23.05.2025

KUMBHAT FINANCIAL SERVICES LIMITED

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members,
M/s. KUMBHAT FINANCIAL SERVICES LIMITED
5th Floor, Kumbhat Complex,
No. 29, Rattan Bazaar, George Town,
Chennai – 600 003.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. KUMBHAT FINANCIAL SERVICES LIMITED (CIN: L65991TN1993PLC024433)** and having registered office at **5th Floor, Kumbhat Complex, No. 29, Rattan Bazaar, George Town, Chennai – 600 003** (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sl. No.	Name of the Director	Directors Identification Number (DIN)	Date of Appointment in Company*
1.	SANJAY KUMBHAT	03077193	30.12.2017
2.	SARIKA KUMBHAT	08032091	30.12.2017
3.	MASAGOUNDER SAKTHIVEL MURUGAN	08531800	08.08.2019
4.	SUNDARARAJAN RAMABADRAN	01280165	15.12.2020

*The date of appointment is as per the MCA Portal.

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

For **MUNDHARA & CO,**
Company Secretaries
(ICSI Unique Code: S1988TN005000
Peer Review Certificate No: 2155/2022

(JAGDISH P MUNDHARA)
Proprietor
FCS 2353 C.P. No.1443
UDIN: F002353G000427681

Place: Chennai
Date: 23.05.2025

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

(Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To the Board of Directors of Kumbhat Financial Services Limited

This certificate is issued in accordance with the terms of our engagement letter dated August 28, 2024.

We have examined the compliance of conditions of Corporate Governance by Kumbhat Financial Services Limited ("the Company") for the year ended March 31, 2025, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management Responsibility:

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulation.

Auditors Responsibility:

1. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company

2. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance of the conditions of the Corporate Governance requirements by the Company.

3. We conducted our examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far applicable for the purpose of this certificate and as per the guidance note on Reports or Certificates for special purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

4. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial information, and other Assurance and related service engagements.

Opinion:

5. Based on our examination of the relevant records and according to information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable, during the year ended March 31, 2025.

6. We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use:

7. The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of the Listing Regulations and may not be suitable for any other purpose. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing

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

T V Balasubramanian
Partner
Membership No: 027251

Place: Chennai
Date: 23.05.2025

INDEPENDENT AUDITORS' REPORT

To the Members of **Kumbhat Financial Services Limited**

Report on the Audit of the Financial Statements

Opinion:

We have audited the accompanying financial statements of **Kumbhat Financial Services Limited** ("the Company"), which comprise the balance sheet as at 31 March 2025, and the statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, its profit and other comprehensive income, changes in equity 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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We haves determined the matters described below to be the key audit matters to be communicated in our report.

Credit Risk and Provisioning of Loans & Advances:

As at March 31, 2025, the company's total loans and advances is Rs. 1,773.44 lakhs against which a provision for stage 1 assets of Rs.16.85 lakhs have been recognized by the company. Under Ind AS 109,

Financial Instruments, allowances for loan assets are determined using expected credit loss ("ECL") estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the company. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, we have considered this as a key audit matter. (Reference is invited to Note 5 and Note 27, read with Statement of Material Accounting Policies Note 2.3 to the Financial Statements)

How the matter was addressed in our Audit:

1. Assessed the accounting policy for impairment of financial assets and its compliance with Ind AS 109
2. Obtained an understanding of the Company's Expected Credit Loss (ECL) calculation and the underlying assumptions.
3. Tested the key controls over the assessment and identification of significant increase in credit risk and staging of assets.
4. Tested the arithmetical accuracy of the computation of the ECL and also performed analytical procedures to verify the reasonableness of the computation.
5. Assessed the disclosure made in relation to Ind AS 109 for ECL allowance. Further, we also assessed whether the disclosure of key judgements and assumptions are adequate

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 Directors 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, profit and other comprehensive income, changes in equity and cash flows

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

In preparing the financial statements, 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 is 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The audited financial statements of the Company for the corresponding year ended 31 March 2024 prepared in accordance with Ind AS included in these financial statements, have been audited by the predecessor auditors whose audit report dated 22nd May 2024 expressed an unmodified opinion on those audited financial statements.

Our opinion is not modified in respect of this matter stated in the audit report.

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.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the (Ind AS) specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) 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 has no pending litigations as at 31 March 2025 – Refer Note 36 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025.

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 are not applicable.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. The audit trail has been preserved by the company as per the statutory requirements for record retention.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

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

T V Balasubramanian
Partner
Membership No. 027251
UDIN: **25027251BMIAEA7379**

Place: Chennai
Date: 23.05.2025

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 Kumbhat Financial Services Limited ("the Company") on the financial statements as of and for the year ended 31 March 2025.

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

(B) The Company does not have any intangible assets in the books and hence this sub-clause is not applicable 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 periodic manner. 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) The company does not have any immovable properties and in respect of the lease agreements these are duly executed in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment 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 and according to the information and explanation given to us, the Company has not been sanctioned loan in excess of five crore rupees from banks or financial institution on the basis of security of current assets and hence the question of filing quarterly returns or statements by the company with such banks or financial institutions does not arise. Accordingly, paragraph 3(ii)(b) of the Order is not applicable to the Company

(iii) The Company has made investments in and granted loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties in respect of which,

(a) Company's principal business is to give loans and hence this sub-clause is not applicable.

(b) Based on our audit procedures & according to the information and explanation given to us, the investments made are not prejudicial to the Company's interests

(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 2.3 to the Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31, 2025, aggregating Nil Lakhs were categorised as credit impaired including interest accrued and due ("Stage 3") and Nil Lakhs were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 5 to the Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating Rs. 1,773.44 Lakhs, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), delay in the repayment of interest and/or principal in respect of loans aggregating to Rs.28.14 Lakhs were also identified. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) There were no loans overdue for more than 90 days as at the end of the financial year.

(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) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances during the year in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) 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) According to the information and explanations given to us and the records of the Company examined by us, the Company has been generally regular in depositing undisputed statutory

dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and any other material statutory dues as applicable with the appropriate authorities,. 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 2025 for a period of more than six months from the date they became payable.

(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 willful defaulter by any bank or financial institution 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, there were no funds raised on short term basis by the Company. Accordingly, paragraph 3(ix)(d) of the Order is not applicable to the Company.

(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.

(b) According to the information and explanations given to us, the Company has made preferential allotment or 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 secretarial auditor or 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.

(c) As represented to us by the 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, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

(xiv) (a) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the reports of the Internal Auditors of the Company issued till date for the period under audit.

(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).

(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, none of the group companies are Core Investment Company (CIC) 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) Based on our audit procedures and according to the information and explanations given to us, the Company has incurred cash loss of Rs.26.02 lakhs in the current financial year and there was no cash loss 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, Asset Liability Maturity ('ALM') Pattern, 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 any amount for corporate social responsibilities 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

T V Balasubramanian
Partner
Membership No. 027251
UDIN: **25027251BMIAEA7379**

Place: Chennai
Date: 23.05.2025

Annexure B

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to financial statements of **Kumbhat Financial Services Limited** ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

T V Balasubramanian
Partner
Membership No. 027251
UDIN: **25027251BMIAEA7379**

Place: Chennai
Date: 23.05.2025

KUMBHAT FINANCIAL SERVICES LIMITED

BALANCE SHEET AS AT 31-03-2025

(Amount in ₹ Lakhs)

No.	Particulars	Note No.	As at 31.03.2025	As at 31.03.2024
	ASSETS			
I	**Financial Assets**			
	(a) Cash and cash equivalents	3	380.99	8.33
	(b) Bank balance other than cash and cash equivalents	4	–	–
	(c) Loans	5	1,756.59	202.49
	(d) Investments	6	21.54	54.98
	(e) Other Financial Assets	7	8.53	0.03
			2,167.65	**265.83**
II	**Non-Financial Assets**			
	(a) Current tax assets (net)	8	–	3.16
	(b) Property, plant and equipment	9	0.52	1.00
	(c) Other Non-Financial Assets	10	7.40	–
			7.92	**4.16**
	Total Assets (I + II)		**2,175.57**	**269.99**
	LIABILITIES AND EQUITY			
I	**Financial Liabilities**			
	(a) Payables			
	(a) Other Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	11	9.00	–
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	11	104.75	1.78
	(b) Borrowings (other than Debt Securities)	12	1,500.00	–
	(c) Other Financial Liabilities	13	0.44	0.44
			1,614.19	**2.22**
II	**Non-Financial Liabilities**			
	(a) Provisions	14	28.02	1.69
	(b) Deferred Tax Liabilities (Net)	15	–	2.49
	(c) Other Non-Financial Liabilities	16	3.71	0.14
			31.73	**4.32**
	Total Liabilities (I + II)		**1,645.92**	**6.54**
III	**Equity**			
	(a) Equity Share Capital	17	532.80	475.00
	(b) Other Equity	18	-3.15	-211.55
			529.65	**263.45**
	Total Liabilities and Equity (I + II + III)		**2,175.57**	**269.99**

Corporate information and Summary of Material Accounting Policies 1 - 2

The accompanying notes are an integral part of the Financial Statements.

In terms of our report of even date attached

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

T V Balasubramanian, Partner
M. No. 027251
UDIN : 25027251BMIAEA7379
Place: Chennai
Date : 23-05-2025

For and on behalf of Board

(Sanjay Kumbhat)
Managing Director
DIN : 03077193

(Sarika Kumbhat)
Director
DIN : 08032091

V. Premalatha
Chief Financial Officer

S. Mohanraj
Company Secretary

KUMBHAT FINANCIAL SERVICES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2025

(Amount in ₹ Lakhs)

No.	Particulars	Note No.	For the year Ended 31.03.2025	For the year Ended 31.03.2024
I	Revenue from Operations			
	(a) Interest Income	19	194.06	33.86
	(b) Dividend Income	20	0.32	0.13
	(c) Fees and commission income	21	9.23	–
	(d) Net gain on fair value changes	22	–	27.81
	Total Revenue from Operations (I)		**203.61**	**61.80**
II	Other Income	23	1.93	–
III	**TOTAL INCOME (I + II)**		**205.54**	**61.80**
IV	**Expenses**			
	(a) Finance Cost	24	73.25	–
	(b) Fees and commission expense	25	88.94	–
	(c) Net Loss on Fair Value Changes	26	22.72	–
	(d) Impairment on Financial Instruments	27	-184.31	210.77
	(e) Employee benefit expenses	28	7.11	6.65
	(f) Depreciation and amortization expenses	29	0.48	0.48
	(g) Other Expenses	30	34.15	15.88
	TOTAL EXPENSES (IV)		**42.34**	**233.78**
V	Profit / (Loss) before exceptional items and tax (III-IV)		**163.20**	**-171.98**
VI	Exceptional items		–	–
VII	**Profit / (Loss) before tax (V - VI)**		**163.20**	**-171.98**
VIII	**Tax Expense**	31		
	(a) Current Tax		–	–
	(b) Adjustments for earlier years		29.84	–
	(c) Deferred Tax		-9.31	7.24
	(d) Mat Credit Entitlement		6.82	–
	Total Tax Expense (VIII)		**27.35**	**7.24**
IX	**Profit / (Loss) for the year (VII - VIII)**		**135.85**	**-179.22**
X	**Other Comprehensive Income**		–	–
XI	**Total Comprehensive Income for the year (IX + X)** (Comprising of Profit / (Loss) and other Comprehensive Income for the year)		**135.85**	**-179.22**
XII	**Earnings per equity share (EPS)** [Face Value of ₹ 10.00/- each]	32		
	Basic (in ₹)		2.86	-3.77
	Diluted (in ₹)		2.86	-3.77

Corporate information and Summary of Material Accounting Policies 1 - 2

The accompanying notes are an integral part of the Financial Statements.

In terms of our report of even date attached

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

T V Balasubramanian, Partner
M. No. 027251
UDIN : 25027251BMIAEA7379

Place: Chennai
Date : 23-05-2025

For and on behalf of Board

(Sanjay Kumbhat)
Managing Director
DIN : 03077193

(Sarika Kumbhat)
Director
DIN : 08032091

V. Premalatha
Chief Financial Officer

S. Mohanraj
Company Secretary

KUMBHAT FINANCIAL SERVICES LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31-03-2025

(Amount in ₹ Lakhs)

No.	Particulars	For the year Ended 31.03.2025	For the year Ended 31.03.2024
I	**Cash Flow operating Activities :**		
	Profit / (Loss) before tax	163.20	-171.98
	Adjustments for Non-Cash transactions & Non-Operating income		
	Finance Cost	73.25	-
	Net Loss / (Gain) on Fair Value Changes	22.72	-27.81
	Impairment on Financial Instruments	-184.31	210.77
	Depreciation and amortization expenses	0.48	0.48
	Liabilities written back	-0.24	-
	Reversal of Provision no longer required written back	-1.69	-
	Dividend Income	-0.32	-0.13
	Operating Profits before changes in Working Capital	**73.09**	**11.33**
	Adjustments for changes in Working Capital		
	(Increase) / Decrease in Loan	-1,369.79	-51.42
	(Increase) / Decrease in Other Financial Assets	-8.50	-
	(Increase) / Decrease in Other Non-Financial Assets	-7.40	1.56
	Increase / (Decrease) in Payables	112.21	0.69
	Increase / (Decrease) in Other Non-Financial Liabilities	3.57	0.06
	Cash flow generated / from operating activities	**-1,196.82**	**-37.78**
	Less : Income Taxes Paid (Net of Refunds)	-1.34	1.47
	Net Cash flow generated / from operating activities (A)	**-1,195.48**	**-39.25**
II	**Cash flow from investing activities**		
	Purchase of Investments	-0.04	-
	Sale of Investments	10.76	
	(Increase) / Decrease in Bank balance other than cash and cash equivalents	-	27.14
	Dividend Income	0.32	0.13
	Net Cash flow generated / from investing activities (B)	**11.04**	**27.27**
III	**Cash flow from financing activities**		
	Proceeds from Borrowings other than debt securities issued	1,500.00	-
	Repayments of Borrowings other than debt securities issued	-	-
	Finance Cost Paid	-73.25	-
	Proceeds from Preferential allotment of Equity Shares	138.72	-
	Adjustment towards Share Issue Expenses	-8.37	
	Net Cash flow generated / (used) from financing activities (C)	**1,557.10**	**-**
IV	**Net Increase/(Decrease) in Cash and cash equivalents (A+B+C)**	**372.66**	**-11.98**
	Cash and cash equivalents as at the beginning of the year (Refer Note 3)	8.33	20.31
	Cash and cash equivalents as at the end of the period (Refer Note 3)	**380.99**	**8.33**
V	**Components of Cash and cash equivalents**		
	(a) Cash on hand	4.09	4.59
	(b) Balances with banks in Current Accounts	376.90	3.74
	(c) Bank deposit with original maturity of less than 3 months	-	-
	Total (a + b + c)	**380.99**	**8.33**

Corporate information and Summary of Material Accounting Policies 1 - 2

The accompanying notes are an integral part of the Financial Statements.

In terms of our report of even date attached

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

T V Balasubramanian, Partner
M. No. 027251
UDIN : 25027251BMIAEA7379

Place: Chennai
Date : 23-05-2025

For and on behalf of Board

(Sanjay Kumbhat)	**(Sarika Kumbhat)**
Managing Director	Director
DIN : 03077193	DIN : 08032091
V. Premalatha	**S. Mohanraj**
Chief Financial Officer	Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31-03-2025

A. Equity Share Capital

(Amount in ₹ Lakhs)

Equity Share of ₹ 10 each issued, subscribed and fully paid]	As at 31.03.2025		As at 31.03.2024	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	**47,50,000**	**475.00**	**47,50,000**	**475.00**
Changes in Equity Share Capital due to prior period errors	–	–	–	–
Restated balance at the beginning of the year	**47,50,000**	**475.00**	**47,50,000**	**475.00**
Equity Shares issued under Preferential allotment during the year [Refer note 17(a)]	5,78,000	57.80	–	–
Balance at the end of the year	**53,28,000**	**532.80**	**47,50,000**	**475.00**

B. Other Equity

	Reserves and Surplus				Other Comprehensive Income	Total
	Securities Premium Reserve	General Reserve	Statutory Reserve (Refer Note 18)	Retained Earnings		
Balance at the beginning of the previous reporting period	**-**	**100.20**	**52.17**	**-184.70**	**-**	**-32.33**
Changes in accounting policy or prior year errors	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	**-**	**100.20**	**52.17**	**-184.70**	**-**	**-32.33**
Profit / (Loss) for the period	-	-	-	-179.22	-	-179.22
Total Comprehensive Income for the previous year	-	-	-	-	-	-
Transferred to statutory reserves	-	-	-	-	-	-
Balance at the end of the previous reporting period	**-**	**100.20**	**52.17**	**-363.92**	**-**	**-211.55**
Profit / (Loss) for the period	-	-	-	135.85	-	135.85
Total Comprehensive Income for the current year	-	-	-	-	-	-
Securities Premium on Equity Shares issued under Preferential allotment during the year [Refer note 17(a)]	80.92	-	-	-	-	80.92
Share Issue Expenses	-8.37	-	-	-	-	-8.37
Transferred to statutory reserves	-	-	27.17	-27.17	-	-
Balance at the end of the current reporting period	**72.55**	**100.20**	**79.34**	**-255.24**	**-**	**-3.15**

Corporate information and Summary of Material Accounting Policies 1 - 2

The accompanying notes are an integral part of the Financial Statements.

In terms of our report of even date attached

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

T V Balasubramanian, Partner
M. No. 027251
UDIN : 25027251BMIAEA7379

Place: Chennai
Date : 23-05-2025

For and on behalf of Board

(Sanjay Kumbhat)
Managing Director
DIN : 03077193

(Sarika Kumbhat)
Director
DIN : 08032091

V. Premalatha
Chief Financial Officer

S. Mohanraj
Company Secretary

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(All figures are in Indian Rupees in Lakhs unless otherwise stated)

1.1 Company Overview

Kumbhat Financial Services Limited ("the Company") is a Public company incorporated in India in 1993 and is having registered at No.29, Rattan Bazaar, Kumbhat Complex, 5th Floor Chennai-600 003, Tamil Nadu. The Company is registered as a Non-Banking Financial Company (Non-Deposit taking and Non-Systemically Important) with Reserve Bank of India (Certificate of Registration Number: B- 07.00061) and is primarily engaged in the business of financing of commercial and retail loans. The equity shares of the Company are listed on Bombay Stock Exchange.

The financial statements of the Company for the year ended March 31, 2025 were approved for issue in accordance with the resolution of the Board of Directors on May 23, 2025.

1.2. Basis of preparation and presentation

a) Compliance with Ind AS

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act. In addition, the directions of Reserve Bank of India, the Guidance Notes and announcements issued by the Institute of Chartered Accountants of India are also applied, except where the compliance with other statutory provisions requires different treatment.

b) Historical Cost Convention

The Financial Statements have been prepared under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below.The financial statements have been prepared on a going concern basis, as the management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. The outbreak of COVID-19 has not affected the going concern assumption of the Company. The Company uses accrual basis of accounting except in case of significant uncertainties. All the amounts included in Financial Statements are reported in Indian Rupees in Lakh, which is the functional currency of the Company. The Company presents its Balance Sheet in the order of liquidity.

c) Critical accounting estimates and judgements

The preparation of the Company's financial statements in conformity with Ind AS requires the management of the Company to make use of estimates, assumptions and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based. Appropriate changes in estimates

are made as the Management becomes aware of changes in circumstances surrounding the estimates Accounting estimates and judgments are used in various line items in the financial statements for e.g.:

- Business model assessment.
- Fair value of financial instruments.
- Effective Interest Rate (EIR).
- Impairment on financial assets (ECL).
- Provision for tax expenses.

2. Summary of Material accounting policies

This note provides a list of the Material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Revenue Recognition

(i) Interest income

The Company recognises interest income on an accrual basis, using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost . The EIR is the rate that exactly discounts estimated future cash receipts (including all fees, transaction costs and other premiums or discounts paid or received) through the expected life of the financial instrument to the carrying amount on initial recognition. Accordingly EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'stage 3', the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest. Delayed payment of interest (penal interest) & Charges for Early Payment of Principal (Pre-Closure Charges), if any, levied on customers for delay in repayments/nonpayment and early repayment of principal of contractual cash flows as per the agreed terms and conditions of the loan, is recognised on realisation.

(ii) Dividend income

Dividend income on equity shares is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend be measured reliably.

(iii) Fair value gain

The Company recognises gains on fair value change of financial assets measured at fair value through profit and loss (FVTPL) and realised gains on derecognition of financial asset measured at fair value through profit and loss (FVTPL) on net basis.

(iv) Recoveries of financial assets written off

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

2.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of any cash credit balances repayable on demand, as they are considered an integral part of the Company's cash management. Cash flow statements are reported using indirect method and the cash flows from operating, investing and financing activities of the Company are segregated.

2.3 Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Other payables, loan receivables, investments in securities, debt securities and other borrowings are some examples of financial instruments.

Financial Assets and Liabilities - Initial Recognition

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets held under amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.All financial assets and Liabilities are initially recognised at fair value.Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities that are measured at amortised cost are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in profit or loss.For tradable securities, the Company recognises the financial instruments under Settlement date Accounting.

Classification and Subsequent measurement

Financial Assets:

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A financial asset is measured at Amortised Cost only if both of the following conditions are met:

- The asset is held with a Business model whose objective is to hold them to collect contractual cash flows and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the amount outstanding.

Such Financial assets are subsequently measured at amortised cost using the Effective Interest rate method.

Financial assets are subsequently measured at Fair Value Through Other Comprehensive Income (FVTOCI) if:

- The financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal and the interest (SPPI) on the principal outstanding.

Any financial instrument, which does not meet the criteria for categorization as amortized cost or as Fair Value Through Other Comprehensive Income (FVTOCI), is classified as at Fair Value Through P&L (FVTPL).

The Company classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest and dividend incomes are recorded in interest income and dividend income, respectively according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of debt and equity instruments are recognized on net basis through profit or loss.

Financial Liabilities:

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method except for financial liabilities at FVTPL. A financial liability is classified as FVTPL if it is held-fortrading or it is a derivative or it is designated as FVTPL on initial recognition. Interest expense, foreign exchange gains (losses) and any gains and losses on de-recognition are recognised in the profit or loss.

Derecognition of Financial Assets and Financial Liabilities

Financial Assets:

The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when and only when :

- The right to receive cash flows from the asset have expired, (or)
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under

an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Company does not have any continuing involvement in the same.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains all or substantially all the risks and rewards of the transferred assets, the transferred assets are not de-recognised.

On de-recognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in profit or loss.

Financial liabilities:

The Company de-recognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Impairment of financial assets

The Company assess on the forward looking basis the expected credit losses associated with its financial assets held under amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Based on the methodology the Company is formulating the risk evaluation based impairment framework.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12 month ECL is recognised.

Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognised for stage 2 and stage 3 financial assets.

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

Further, in accordance with RBI circular no. RBI/2019-20/170 dated March 13, 2020, the impairment allowances as per ECL shall be compared with the required provisioning under IRACP. If the impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP the difference is appropriated from net profit after tax to 'Impairment Reserve'.

Estimation of Expected Credit Loss

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

Probability of Default (PD) – The Probability of Default is an estimate of the likelihood of default over a given time horizon. The Company uses historical information where available to determine PD or determines based on comparable companies. Considering the different products and schemes, the Company where required bifurcates its loan portfolio into various pools.

Exposure at Default (EAD) – The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet when, and only when,

- there is an enforceable legal right to offset the recognised amounts and
- an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

During the financial year no offsetting of financial instruments has been made in the financial statements.

2.4 Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows :

- Level 1 inputs are quoted prices unadjusted in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.5 Taxes

Income Tax expense represents the aggregate amount included in the determination of Profit or Loss for the period in respect of Current Tax and Deferred Tax.

(i) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid/ payable to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date.

Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically

evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and same taxation authority.

Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(iii) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the companies will pay normal income tax during the specified period.

2.6 Property, Plant and Equipment (PPE)

Cost model is adopted for Property, Plant and Equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if,(a) it is probable that future economic

benefits associated with the item will flow to the entity and(b) the cost of the item can be measured reliably.

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any non-refundable import duties and other taxes, any directly attributable expenditure on making the asset ready for its intended use by the Management, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to Statement of Profit and Loss in the period in which the costs are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

On transition to Ind AS, the Company has continued with the carrying value of all its PPE recognized as at 01st April, 2018, measured as per previous GAAP and use that carrying value as its deemed cost of the PPE as at that date.

2.7 Depreciation on Property, Plant and Equipment

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The useful life of an asset is the period over which an asset is expected to be available for use by an entity.

Amortisation is recognised on a straight- line basis over the estimated useful lives.

Depreciation and amortization on property, plant and equipment added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically as appropriate in the views of the management and also at the end of each reporting period and adjusted if required.

There are no assets under Financial Lease during the Financial year.

Estimated useful lives of the assets are considered as prescribed in Schedule II to the Companies Act, 2013 and in respect of an item of PPE having individual value up to Rs. 5,000/- is depreciated fully in the financial year of purchase of asset.

2.8 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment

loss based on the internal and external factors. Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount where the recoverable amount is the higher of the net selling price of the assets and their value in use.

2.9 Provisions and contingent liabilities

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liabilities

A disclosure for contingent liabilities is made where there is:

a. possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity (or)

b. a present obligation that arises from past events but is not recognized because

   1) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or

   2) the amount of the obligation cannot be measured with sufficient reliability.Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

2.10 Changes in Accounting Standards

MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

There are no amendments to the Accounting Standards, notified, which are applicable from a date after 31st March 2025.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(All figures are in Indian Rupees in Lakhs unless otherwise stated)

3. Cash and Cash equivalents

(Amount in ₹ Lakhs)

	As at 31.03.2025	As at 31.03.2024
Cash on Hand	4.09	4.59
Balance with Banks in Current Accounts	376.90	3.74
Total	**380.99**	**8.33**

4. Bank balance other than cash and cash equivalents

(Amount in ₹ Lakhs)

	As at 31.03.2025	As at 31.03.2024
Fixed Deposits with Banks	–	–
Total	–	–

5 Loans *(Carried at Amortised Cost)*

(Amount in ₹ Lakhs)

	As at 31.03.2025	As at 31.03.2024
Term Loans - Unsecured	1,773.44	415.94
Less : Impairment loss allowance	-16.85	-213.45
Total	**1,756.59**	**202.49**
A. Loans in India		
Retail (Individiual) Loans *	1,773.44	415.94
Less : Impairment loss allowance	-16.85	-213.45
Total	**1,756.59**	**202.49**

B. Stage-wise Gross loan portfolio movement

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

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Value as at March 31, 2023	**364.52**	**-**	**-**	**364.52**
(a) New assets originated or purchased	233.86	-	-	**233.86**
(b) Asset derecognised or repaid *	-182.44	-	-	**-182.44**
(c) Assets written off during the year	–	–	–	–
Movement between stages				
Transfer from / (to) Stage 1	-	-	212.29	**212.29**
Transfer from / (to) Stage 2	-	-	-	**-**
Transfer from / (to) Stage 3	-212.29	-	-	**-212.29**
Gross Carrying Value as at March 31, 2024	**203.65**	**-**	**212.29**	**415.94**

(a) New assets originated or purchased	2,195.74	-	-	**2,195.74**
(b) Asset derecognised or repaid *	-625.95	-	-200.00	**-825.95**
(c) Assets written off during the year	-	-	-12.29	**-12.29**
Movement between stages				
Transfer from / (to) Stage 1	-	-	-	**-**
Transfer from / (to) Stage 2	-	-	-	**-**
Transfer from / (to) Stage 3	-	-	-	**-**
Gross Carrying Value as at March 31, 2025	**1,773.44**	**-**	**-**	**1,773.44**

***** Represents balancing figure.

C. Movement of impairment allowance (ECL)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowance as at March 31, 2023	**2.68**	**-**	**-**	**2.68**
(a) New assets originated or purchased	212.29	-	-	**212.29**
(b) Asset derecognised or repaid *	-1.52	-	-	**-1.52**
(c) Assets written off during the year	-	-	-	**-**
Movement between stages				
Transfer from / (to) Stage 1	-	-	212.29	**212.29**
Transfer from / (to) Stage 2	-	-	-	**-**
Transfer from / (to) Stage 3	-212.29	-	-	**-212.29**
ECL Allowance as at March 31, 2024	**1.16**	**-**	**212.29**	**213.45**
(a) New assets originated or purchased	21.63	-	-	**21.63**
(b) Asset derecognised or repaid *	-5.94	-	-200.00	**-205.94**
(c) Assets written off during the year	-	-	-12.29	**-12.29**
Movement between stages				
Transfer from / (to) Stage 1	-	-	-	**-**
Transfer from / (to) Stage 2	-	-	-	**-**
Transfer from / (to) Stage 3	-	-	-	**-**
ECL Allowance as at March 31, 2025	**16.85**	**-**	**-**	**16.85**

***** Represents balancing figure.

Note :

(i) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Act), either severally or jointly that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

(ii) Current ECL Provisioning is higher compared to RBI IRAC Norms and hence the need to maintain Impairment Reserve does not arise.

6 Investments *(Measured at fair value through Profit or Loss)*

(Amount in ₹ Lakhs)

	As at 31.03.2025	As at 31.03.2024
Equity Instruments		
Quoted	21.54	42.98
Unquoted	–	12.00
Total	**21.54**	**54.98**

Note: All investments are held within India.

7 Other Financial Assets*(Carried at Amortised Cost)*

	As at 31.03.2025	As at 31.03.2024
Service Deposits (unsecured, considered good)	0.03	0.03
Other Receivables (unsecured, considered good)	8.50	–
Dues from Related Parties	–	–
Total	**8.53**	**0.03**

8 Current tax assets (net)

	As at 31.03.2025	As at 31.03.2024
Income Taxes (Paid / Refund Receivable) *	–	3.16
Total	–	**3.16**

* Refer note 31(B)

9 Property, plant and equipment

Cost :	Furniture & Fixtures	Computers	Total
As at March 31, 2023	**0.22**	**5.03**	**5.25**
Additions	–	–	–
Disposals	–	–	–
As at March 31, 2024	**0.22**	**5.03**	**5.25**
Additions	–	–	–
Disposals	–	–	–
As at March 31, 2025	**0.22**	**5.03**	**5.25**

Accumulated Depreciation :	Furniture & Fixtures	Computers	Total
As at March 31, 2023	**0.08**	**3.69**	**3.77**
Depreciation charge for the year	0.01	0.47	**0.48**
Disposals	–	–	–
As at March 31, 2024	**0.09**	**4.16**	**4.25**
Depreciation charge for the year	0.02	0.46	**0.48**
Disposals	–	–	–
As at March 31, 2025	**0.11**	**4.62**	**4.73**

Net Book value :	Furniture & Fixtures	Computers	Total
As at March 31, 2024	0.13	0.87	1.00
As at March 31, 2025	0.11	0.41	0.52

Note :

(i) The Company has not revalued its Property, Plant and Equipment based on the valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

(ii) During the last five years there was no write off of any of the tangible or intangible assets due to reduction of capital or due to revaluation.

(iii) The Company is not holding any immovable property hence the question of title deeds held in the name of the Company or not does not arise and in case of leased premises, the lease deeds are duly executed in the name of the Company.

10 Other Non-Financial Assets

(Amount in ₹ Lakhs)

	As at 31.03.2025	As at 31.03.2024
Unsecured, considered good		
Advance Paid to Vendors	0.14	–
Balances with Revenue Authorities	7.26	–
Pre-Paid Expenses	–	–
Total	**7.40**	–

11 Payables

	As at 31.03.2025	As at 31.03.2024
(a) Other Payables (Refer Note 34 for ageing schedule)		
(i) Total outstanding dues of micro enterprises and small enterprises *	9.00	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	104.75	1.78
Total	**113.75**	**1.78**

* Refer Note 35 for Additional details of Dues to micro enterprises and small enterprises

12 Borrowings (other than Debt Securities)*(Carried at Amortised Cost)*

	As at 31.03.2025	As at 31.03.2024
Term Loans (Unsecured)		
Banks	–	–
Others	1,500.00	–
Total	**1,500.00**	–

Note :

(i) The Company has obtained Shareholder's approval through special resolution at its 31st Annual General Meeting of the Company held on August 19, 2024, to borrow in excess of the paid-up share capital and free reserves and securities premium of the Company under Section 180(1) (c) of the Companies Act, 2013, by way of issue of nonconvertible debentures, cash credit, loan, overdraft, discounting of bills, operating of letters of credit, for standing guarantee or counter-guarantee and any other type of credit line or facility up to an amount not exceeding Rs.2,500.00 lakhs (including the money already borrowed by the Company). Accordingly the Company has borrowed Rs.1,500.00 lakhs as of March 31, 2025.

(ii) During the year, the Company has obtained Unsecured Term Loan from the lender M/s Monet Securities Private Limited for Rs.500.00 lakhs (in multiple Tranches) for the purpose of working capital and operational requirments i.e, for further lending activities of the Company's objects. The Term loan carries at a fixed coupon rate at 12% per annum, which is payable in arrears on the last day of each calendar quarter, commencing on the first such date following the disbursal of the loan ammount to the Company. This Principal amount of Term loan is repayable in 8 semi-annual installments after the moratorium period of one year, beginning from the end of quarter immediately after completion of moratorium period i.e, March 31, 2026.

(iii) During the year, the Company has obtained Unsecured Term Loan from the lender M/s Maa Creations Private Limited for Rs.800.00 lakhs (in multiple Tranches) for the purpose of working capital and operational requirements i.e, for further lending activities of the Company's objects. The Term loan carries at a fixed coupon rate at 12% per annum, which is payable in arrears on the last day of each calendar quarter, commencing on the first such date following the disbursal of the loan amount to the Company. This Principal amount of Term loan is repayable in 8 semi-annual installments after the moratorium period of one year, beginning from the end of quarter immediately after completion of moratorium period i.e, June 30, 2026.

(iv) During the year, the Company has obtained Unsecured Term Loan from the lender M/s Monet Securities Private Limited for Rs.200.00 lakhs on December 20, 2024, for the purpose of working capital and operational requirements i.e, for further lending activities of the Company's objects. The Term loan carries at a fixed coupon rate at 12% per annum, which is payable in arrears on the last day of each calendar quarter, commencing on the first such date following the disbursal of the loan ammount to the Company. This Principal amount of Term loan is repayable in 8 semi-annual installments after the moratorium period of one year, beginning from the end of quarter immediately after completion of moratorium period i.e, March 31, 2026.

(v) Classification into Current and Non-Current Borrowing :

(Amount in ₹ Lakhs)

	As at 31.03.2025	As at 31.03.2024
Total Long term borrowings as at the end of reporting period	1,500.00	–
Less : Current maturities of Long term Borrowings	87.50	–
Non-Current Portion of Long term Borrowings	**1,412.50**	–

(vi) The Company has not defaulted in repayment of any loan or borrowing or the payment of interest thereon during the year and there has been no continuing default as of the Balance Sheet date.

(vii) The Company is not declared as a wilful defaulter by any of the banks or financial institutions or government or government agencies or any other lenders.

(viii) The above term loans were applied for the purpose for which such loans were taken.

(ix) The Company does not have any subsidiaries, joint ventures or associate companies and hence the question of evaluation..." of above funds have not been availed/utilised by the Company on account of or to meet the obligations of its subsidiaries, associates or joint ventures or not and the above loans are not secured by way of pledge of securities held in its subsidiaries, joint ventures or associate companies or not, does not arise.

(x) The Company has not raised any funds on short term basis during the year, hence the question of overall evaluation of funds raised on short term basis have been utilised for long term purposes or not, does not arise.

(xi) The Company has not taken borrowings from banks or financial institutions on the basis of security of current assets.

(xii) **Net Debt Reconciliation**

(Amount in ₹ Lakhs)

	As at 31.03.2025	As at 31.03.2024
Non-Current Borrowings	1,412.50	–
Current Borrowings	87.50	–
Less : Cash and Cash Equivalents including Other Bank balances	-380.99	-8.33
Net Debt	**1,119.01**	**-8.33**

13 Other Financial Liabilities

	As at 31.03.2025	As at 31.03.2024
Dues to employees	0.44	0.44
Others	–	–
Total	**0.44**	**0.44**

14 Provisions

	As at 31.03.2025	As at 31.03.2024
Provision for Employee Benefits	–	1.69
Provision for Income Tax (Net)	28.02	–
Total	**28.02**	**1.69**

15 Deferred Tax Liabilities (Net)

	As at 31.03.2025	As at 31.03.2024
Deferred Tax Liabilities (Net)	–	9.31
MAT credit Entitlement	–	-6.82
Total	–	**2.49**

A. Movement in deferred tax balances for the year ended March 31, 2025

Particulars	Net Balance as of April 01, 2024	(Charge) / credit in profit and loss	Recognised in OCI	Net Balance as of March 31, 2025
(a) Financial assets measured at fair value through Profit or Loss	-9.71	5.22	–	-4.49
(b) Property, plant and equipment	-0.04	0.03	–	-0.01
(c) Timing Differences in Recognition of Expenditure	0.44	4.06	–	4.50
Net Deferred tax assets/(liabilities)	**-9.31**	**9.31**	–	–

B. Movement in deferred tax balances for the year ended March 31, 2024

Particulars	Net Balance as of April 01, 2023	(Charge) / credit in profit and loss	Recognised in OCI	Net Balance as of March 31, 2024
(a) Financial assets measured at fair value through Profit or Loss	-2.48	-7.23	–	-9.71
(b) Property, plant and equipment	-0.03	-0.01	–	-0.04
(c) Timing Differences in Recognition of Expenditure	0.44	–	–	0.44
Net Deferred tax assets/(liabilities)	**-2.07**	**-7.24**	–	**-9.31**

Note :

(i) Deferred Tax Asset and Deferred Tax Liability have been offset as they relate to the same governing taxation laws.

(ii) MAT credit has been charged off in the current year in view of the company opting for the new tax regime from the previous year.

16 Other Non-Financial Liabilities

(Amount in ₹ Lakhs)

	As at 31.03.2025	As at 31.03.2024
Statutory Dues Payable	3.71	0.14
Total	**3.71**	**0.14**

17 Equity Share capital

(Amount in ₹ Lakhs)

	As at 31.03.2025	As at 31.03.2024
Authorized		
1,50,00,000 (March 31, 2024: 1,50,00,000) equity share of Rs.10 each	1,500.00	1,500.00
Total	**1,500.00**	**1,500.00**
Issued, subscribed and fully paid up		
53,28,000 (March 31, 2024: 47,50,000) equity share of Rs.10 each	532.80	475.00
Total	**532.80**	**475.00**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2025		As at March 31, 2024	
	No.of Shares	Amount	No.of Shares	Amount
Outstanding at the beginning of the year	**47,50,000**	**475.00**	**47,50,000**	**475.00**
Issued during the year-Preferential Allotment	5,78,000	57.80	–	–
Outstanding at the end of the year	**53,28,000**	**532.80**	**47,50,000**	**475.00**

Note :

(i) The Board of directors of the Company, in their meeting held on February 18, 2025, had approved the transaction for issue of 5,78,000 equity shares of face value of ₹ 10/- each of the Company on a preferential basis, at a price of ₹ 24/- (includes Share Premium of ₹ 14/- each per share) for total consideration of ₹ 138.72 lakhs to Mr Sanjay Kumbhat. On March 17, 2025, the shareholders of the Company also approved such issuance of Equity shares in the Extraordinary General Meeting and the equity shares were allotted on March 29, 2025, in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable rules/ regulations/ guidelines, if any, prescribed by any other regulatory or statutory authorities.

(ii) The Company has parked the funds in a separate bank account pending utilization in the next year.

(iii) The Company has complied with the requirments of Section 42 and Section 62 of the Companies Act, 2013, and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

(b) Terms/Rights attached to equity shares

The Company has only one class of equity shares of par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company declares and pays dividends in Indian rupees. During the current financial year no dividend has been proposed by the Company.

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.

(c) Details of shareholders holding more than 5% shares in the Company

As per the records maintained, including register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the shareholding given below represents both legal and beneficial ownership of shares.

(Amount in ₹ Lakhs)

Name of the Shareholder	As at March 31, 2025		As at March 31, 2024	
	No.of Shares	% of holding	No.of Shares	% of holding
1. Sanjay Kumbhat	6,63,790	12.46%	82,600	1.74%

(d) Details of Promoters share holding

(i) As at March 31, 2025

Name of the Promoter	No.of Shares	% of total shares	% Change during the year
1) Madhu Kumbhat	1,88,300	3.53%	-0.43%
2) Vinay Kumbhat	1,57,300	2.95%	-0.36%
3) Sanjay Kumbhat	6,63,790	12.46%	10.72%
4) Dilip Kumbhat	77,400	1.45%	-0.18%
5) Sarika Kumbhat	65,326	1.23%	-0.15%
6) Pushpa Kumbhat	60,000	1.13%	-0.14%
7) Satish Kumbhat	50,500	0.95%	-0.12%
8) Vardhaman Parekh	16,600	0.31%	-0.04%
9) Shanti Kumbhat	14,700	0.28%	-0.03%
10) Prem Kumbhat	10,800	0.20%	-0.02%
11) Shakuntala Kumbhat	800	0.02%	0.00%
Grand Total	**13,05,516**	**24.50%**	**9.25%**

(ii) As at March 31, 2024

Name of the Promoter	No.of Shares	% of total shares	% Change during the year
1) Madhu Kumbhat	1,88,300	3.96%	-
2) Vinay Kumbhat	1,57,300	3.31%	-
3) Sanjay Kumbhat	82,600	1.74%	0.17%
4) Dilip Kumbhat	77,400	1.63%	-
5) Sarika Kumbhat	65,326	1.38%	1.38%
6) Pushpa Kumbhat	60,000	1.26%	-
7) Satish Kumbhat	50,500	1.06%	-
8) Vardhaman Parekh	16,600	0.35%	-
9) Shanti Kumbhat	14,700	0.31%	-
10) Prem Kumbhat	10,800	0.23%	-
11) Shakuntala Kumbhat	800	0.02%	-
Grand Total	**7,24,326**	**15.25%**	**1.54%**

(e) There are no shares that have been issued, subscribed and not fully paid up as of and during the reporting period.

(f) There are no forfeited shares as of the reporting period.

(g) There are no shares reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as of and during the reporting period.

(h) The Company has not issued any securities convertible into equity shares/preference shares as of and during the reporting period.

(i) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared :

(i) No shares were allotted as fully paid up pursuant to a contract without payment being received in cash by the Company.

(ii) No shares were allotted as fully paid up by way of bonus shares by the Company.

(iii) No shares were bought back by the Company.

18 Other Equity *

(Amount in ₹ Lakhs)

	As at 31.03.2025	As at 31.03.2024
(a) Securities Premium Reserve	72.55	–
(b) General Reserve	100.20	100.20
(c) Statutory Reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	79.34	52.17
(d) Retained Earnings	-255.24	-363.92
(e) Other Comprehensive Income	–	–
Total	**-3.15**	**-211.55**

* For detailed movement of reserves refer Statement of Changes in Equity for the year ended March 31, 2025 and March 31, 2024.

Note :

(i) The Company has not declared or paid any dividend during the year and has not proposed any final dividend for the financial year ended March 31, 2025 (March 31, 2024: Nil).

Nature and purpose of reserve :

(a) Securities Premium Reserve :

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(b) General Reserve :

Amount set aside from retained profits as a general reserve to be utilised in accordance with provisions of the Companies Act, 2013.

(c) Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934) :

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.

(d) Retained Earnings :

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, general reserve or any other such other appropriations to specific reserves.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(All figures are in Indian Rupees in Lakhs unless otherwise stated)

19 Interest Income

(Amount in ₹ Lakhs)

	For the Year Ended 31.03.2025	For the Year Ended 31.03.2024
A. On Financial Assets measured at Amortised Cost		
(a) Interest on Loans	194.03	33.86
(b) Interest on deposits with banks	0.03	–
Total (A)	**194.06**	**33.86**

20 Dividend Income

	For the Year Ended 31.03.2025	For the Year Ended 31.03.2024
A. On Financial Assets measured at Fair value through Profit and Loss		
(a) Dividend Income	0.32	0.13
Total (A)	**0.32**	**0.13**

21 Fees and commission income

	For the Year Ended 31.03.2025	For the Year Ended 31.03.2024
A. Type of Services		
(a) Preclosure Charges	9.23	–
Total	**9.23**	–
B. Geographical markets		
(a) India	9.23	–
(b) Outside India	–	–
Total	**9.23**	
C. Timing of revenue recognition		
(a) Services transferred at a point in time	9.23	–
(b) Services transferred over time	–	–
Total	**9.23**	–
D. Receivable		
(a) Preclosure Charges	–	–
Total	–	–

22 Net gain on Fair Value Changes

(Amount in ₹ Lakhs)

	For the Year Ended 31.03.2025	For the Year Ended 31.03.2024
(A) Net gain on fair value instruments at fair value through profit or loss		
(a) Investments		
(i) Realised	–	–
(ii) Unrealised	–	27.81
Total (A)	–	**27.81**

23 Other Income

	For the Year Ended 31.03.2025	For the Year Ended 31.03.2024
(a) Liabilities written back	0.24	–
(b) Provision no longer required written back	1.69	–
(c) Miscellaneous Income	–	–
Total	**1.93**	**–**

24 Finance Cost

	For the Year Ended 31.03.2025	For the Year Ended 31.03.2024
A. On Financial Liabilities measured at Amortised Cost		
(a) Interest on borrowings (other than debt securities)	73.25	–
Total	**73.25**	–

25 Fees and commission expense

	For the Year Ended 31.03.2025	For the Year Ended 31.03.2024
(a) Service fee	88.94	–
Total	**88.94**	–

26 Net Loss on Fair Value Changes

A. On Financial Assets measured at Fair Value through P&L	For the Year Ended 31.03.2025	For the Year Ended 31.03.2024
(a) Investments :		
(i) Realised	13.89	–
(ii) Unrealised	8.83	–
Total (A)	**22.72**	–

27 Impairment on Financial Instruments

(Amount in ₹ Lakhs)

	For the Year Ended 31.03.2025	For the Year Ended 31.03.2024
A. On Financial Assets measured at Amortised Cost		
(a) Loans :		
(i) Retail (Individual) Loans		
- Provision for impairment on loan assets	–196.60	210.77
- Loans written off	12.29	–
Total (A)	**-184.31**	**210.77**

28 Employee benefit expenses

	For the Year Ended 31.03.2025	For the Year Ended 31.03.2024
(a) Salaries and Wages	5.47	5.47
(b) Staff Welfare	1.64	1.18
Total	**7.11**	**6.65**

29 Depreciation and amortization expenses

	For the Year Ended 31.03.2025	For the Year Ended 31.03.2024
(a) On property, plant and equipment	0.48	0.48
Total	**0.48**	**0.48**

30 Other Expenses

	For the Year Ended 31.03.2025	For the Year Ended 31.03.2024
Advertisement Expenses	0.40	0.41
Auditor's Remuneration (Refer Note 33)	10.00	0.75
Annual Listing Fees	3.93	3.84
Office expenses	0.18	0.18
Printing and Stationeries	0.27	0.26
Postage Charges	0.37	0.36
Bank Charges	0.17	0.09
Credit bureau expenses	0.16	0.24
Rates and Taxes	8.39	0.66
Rental Expense	3.08	3.30
Communication Expenses	0.18	0.09
Remuneration to Directors	0.02	0.02
Legal and Professional Charges	4.95	4.66
Travelling Expenses	1.24	0.48
Website Charges	0.80	0.53
Computer Repairs	0.01	0.01
Total	**34.15**	**15.88**

31 Tax Expense

(Amount in ₹ Lakhs)

	For the year ended 31.03.2025	For the year ended 31.03.2024
(a) Current Tax	–	–
(b) Adjustments for earlier years	29.84	–
(c) Deferred Tax	-9.31	7.24
(d) Mat Credit Entitlement	6.82	–
Total	**27.35**	**7.24**

Note : (i) The Company has exercised to opt for Section 115BAA under Income tax act, 1961 from the previous year i.e. Assessment Year 2024-25 (financial year ended March 31, 2024) onwards, by virtue of which MAT is not applicable. Hence the entire Mat Credit Entitlement has been charged off to the Statement of Profit and Loss during the current financial year. Consequential adjustments in respect of the above, have been made to the income tax and deferred tax computations.

A. Reconciliation of effective tax rates

	For the year ended 31.03.2025	For the year ended 31.03.2024
Profit / (Loss) before tax	163.20	-171.98
At India's statutory income tax rate of 25.17% (PY: 25.17%)	41.07	-43.28
On Account of provision for loans disallowed	-49.33	53.05
Earlier Year taxes	29.84	–
MAT Credit written off	6.82	–
Other adjustments	-1.05	-2.53
Tax expense as per P&L	**27.35**	**7.24**

B. The following tables provides the details of income tax assets and income tax liabilities

	As at 31.03.2025	As at 31.03.2024
(i) Current tax assets (net)		
Income tax assets	–	3.16
Less: Income tax liabilities	28.02	–
Total	**-28.02**	**3.16**

32 Earnings per share (EPS)

	For the year ended 31.03.2025	For the year ended 31.03.2024
Profit / (Loss) for the period	135.85	-179.22
Weighted average number of equity shares in calculating Basic & Diluted EPS	47,54,751	47,50,000
Nominal value per share	₹ 10.00	₹ 10.00
Earnings per share	**2.86**	**-3.77**
Diluted earnings per share	**2.86**	**-3.77**

33 Details of Auditor's Remuneration are given below : (Amount in ₹ Lakhs)

	For the year ended 31.03.2025	For the year ended 31.03.2024
(a) Audit Fee (including Limited Review)	8.50	0.75
(b) Certification Services	1.50	–
(c) Other Services	–	–
(d) Reimbursement of expenses	–	–
Total	**10.00**	**0.75**

34 Other Payables ageing Schedule as at March 31, 2025

(Amounts in parenthesis relates to the corresponding previous year)

Particulars	Outstanding for following periods from due date of transaction					Total
	Not yet due	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
(i) Micro & Small Enterprises ('MSE')	9.00	–	–	–	–	9.00
	–	–	–	–	–	–
(ii) Other than MSE	0.44	104.31	–	–	–	104.75
	–	*(1.50)*	–	–	*(0.28)*	*(1.78)*
(iii) Disputed dues-MSE	–	–	–	–	–	–
	–	–	–	–	–	–
(iv) Disputed dues - Other than MSE	–	–	–	–	–	–
	–	–	–	–	–	–
Total	**9.44**	**104.31**	–	–	–	**113.75**
	–	***(1.50)***	–	–	***(0.28)***	***(1.78)***

35 Additional details of Dues to micro enterprises and small enterprises : (Amount in ₹ Lakhs)

Particulars	As at 31.03.2025	As at 31.03.2024
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	9.00	–
(ii) the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	–	–
(iii) 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) butwithout adding the interest specified under MSMED Act, 2006;	–	–

(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year;	–	–
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	–	–

Note :

(i) The list of such enterprise was determined by the Company on the basis of information available with the Company.

36 Contingent Liabilities

There are no instances of Contingent liabilities not provided in the books of account as at March 31, 2025 (Previous Year : Nil).

37 Capital Commiments

Particulars	As at 31.03.2025	As at 31.03.2024
Estimated amount of contracts remaining to be excecuted on capital account and not provided for	–	–
Total	**–**	**–**

37 Segment Reporting

The Company operates in a single business segment i.e. financing, as the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment as per Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic, and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer aggregates to 10% or more of the Company's total revenue during the year ended March 31, 2025. But during the previous financial year the Company had single external customer from which there was more than 10% of Company's total "Revenue from Operations" amounting to Rs.13.66 Lakhs this revenue is attributed to the financing segment.

38 Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

(Amount in ₹ Lakhs)

Capital Adequacy Ratio	As at 31.03.2025	As at 31.03.2024
Tier I Capital	529.65	263.45
Tier II Capital	–	–
Total Capital	**529.65**	**263.45**
Risk-weighted assets	**1,794.58**	**153.89**
CRAR-Tier I Capital (%)	29.51%	171.20%
CRAR-Tier II Capital (%)	0.00%	0.00%
CRAR (%)	29.51%	171.20%
Amount of subordinated debt raised as Tier II Capital Amount raised by issue of Perpetual Debt Instruments		

Particulars	As at 31.03.2025	As at 31.03.2024
Non-Current Borrowings	1,412.50	–
Current Borrowings	87.50	–
Less : Cash and Cash Equivalents including Other Bank balances	-380.99	-8.33
Net Debt (a)	**1,119.01**	**-8.33**
Equity share capital	532.80	475.00
Other equity	-3.15	-211.55
Total equity (b)	**529.65**	**263.45**
Net debt / equity Ratio (a/b)	**2.11**	**-0.03**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2025 and March 31, 2024.

39 Maturity analysis of assets and liabilities

(A) Maturity analysis of assets and liabilities as at March 31, 2025

(Amount in ₹ Lakhs)

S.No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
I	**Financial Assets**			
	(a) Cash and cash equivalents	380.99	–	380.99
	(b) Bank balance other than cash and cash equivalents	–	–	–
	(c) Loans	1,564.10	192.49	1,756.59
	(d) Investments	21.54	–	21.54
	(e) Other Financial Assets	8.50	0.03	8.53
		1,975.13	**192.52**	**2,167.65**
II	**Non-Financial Assets**			
	(a) Current tax assets (net)	–		
	(b) Property, plant and equipment	–	0.52	0.52
	(c) Other Non-Financial Assets	0.14	7.26	7.40
		0.14	**7.78**	**7.92**
	Total Assets (I + II)	**1,975.27**	**200.30**	**2,175.57**
	LIABILITIES AND EQUITY			
I	**Financial Liabilities**			
	(a) Payables	–	–	–
	(a) Other Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	9.00	–	9.00
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	104.75	–	104.75
	(b) Borrowings (other than Debt Securities)	87.50	1,412.50	1,500.00
	(c) Other Financial Liabilities	0.44	–	0.44
		201.69	**1,412.50**	**1,614.19**
II	**Non-Financial Liabilities**			
	(a) Provisions	28.02	–	28.02
	(b) Deferred Tax Liabilities (Net)	–	–	–
	(c) Other Non-Financial Liabilities	3.71	–	3.71
		31.73	**–**	**31.73**
	Total Liabilities (I + II)	**233.42**	**1,412.50**	**1,645.92**

(B) Maturity analysis of assets and liabilities as at March 31, 2024 (Amount in ₹ Lakhs)

S.No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
I	**Financial Assets**			
	(a) Cash and cash equivalents	8.33	–	8.33
	(b) Bank balance other than cash and cash equivalents	–	–	–
	(c) Loans	4.64	197.85	202.49
	(d) Investments	54.98	–	54.98
	(e) Other Financial Assets	–	0.03	0.03
		67.95	**197.88**	**265.83**
II	**Non-Financial Assets**			
	(a) Current tax assets (net)	–	3.16	3.16
	(b) Property, plant and equipment	–	1.00	1.00
	(c) Other Non-Financial Assets	–	–	–
	Sub Total		**4.16**	**4.16**
	Total Assets (I + II)	**67.95**	**202.04**	**269.99**
	LIABILITIES AND EQUITY			
I	**Financial Liabilities**			
	(a) Payables			
	(a) Other Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	–	–	–
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1.78	–	1.78
	(b) Borrowings (other than Debt Securities)	–	–	–
	(c) Other Financial Liabilities	0.44	–	0.44
		2.22	**–**	**2.22**
II	**Non-Financial Liabilities**			
	(a) Provisions	–	1.69	1.69
	(b) Deferred Tax Liabilities (Net)	–	2.49	2.49
	(c) Other Non-Financial Liabilities	0.14	–	0.14
		0.14	**4.18**	**4.32**
	Total Liabilities (I + II)	**2.36**	**4.18**	**6.54**

40 Risk Management

Risk is an integral part of the Company's business and sound risk management is critical to the success of Healthy Business Model. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors.

The Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed by implementing required preventive, detective and corrective controls, and through mitigating actions on a continuing basis.

A. Credit Risk

Credit risk is the risk of loss that may occur from defaults by our Borrowers under our loan agreements. In order to address credit risk, we have stringent credit risk assessment policies for client selection. The Credit policy is approved by Board of Director and changes in credit policy is placed before the board for approval.

Measures such as verifying client details, online documentation and the usage of credit bureau data to get information on past credit behaviour also supplement the efforts for containing credit risk. There is a exhaustive client due diligence process in place which includes verification through both internal employees of the company and external due diligence agency.

In order to mitigate the impact of credit risk in the future profitability, the company makes provisions basis the expected credit loss (ECL) model for the outstanding loans as at balance sheet date.

The below discussion describes the Company's approach for assessing impairment as stated in the material accounting policies.

The Company considers a financial assets defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

Exposure at Default (EAD)

The outstanding balance at the reporting date is considered as EAD by the Company. Considering that the PD determined above factors in amounts at default, there is no separate requirement to estimated EAD.

The Company uses historical information where available or comparable industry norms to determine PD. Considering the different products and schemes, the Company categorises its loan portfolio into various pools, as required.

Loss Given Default

The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. In estimating LGD, the company reviews macro-economic developments taking place in the economy.

B. Liquidity Risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. Our resource mobilisation team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilisation team is responsible for diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed.

The table below provide details regarding the contractual maturities of significant financial assets and liabilities as of reporting periods :

Maturity pattern of assets and liabilities is as follows :

Particulars	Borrowings		Loans*		Investments	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
1 day to 7 days	–	–	83.24	16.96	21.54	54.98
8 to 14 days	–	–	48.67	–	–	–
15 to 30/31 days	–	–	204.75	–	–	–
Over one month upto 2 months	–	–	374.44	–	–	–
Over 2 months upto 3 months	–	–	366.11	–	–	–
Over 3 months to 6 months	–	–	501.89	–	–	–
Over 6 months to 1 Year	87.50	–	–	–	–	–
Over 1 Year to 3 years	750.00	–	194.34	77.00	–	–
Over 3 Years to 5 years	662.50	–	–	321.98	–	–
Over 5 years	–	–	–	–	–	–
Total	**1,500.00**	**–**	**1,773.44**	**415.94**	**21.54**	**54.98**

*Excludes Impairment loss allowance.

C. Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The Company is exposed to two types of market risk as follows: (i) Interest Rate Risk ; (ii) Price Risk.

(i) Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interestrates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

The Company has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxis affected through the impact on floating rate borrowings, as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Finance Cost	73.25	–
0.50% increase	76.30	–
0.50% decrease	70.20	–

(ii) Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surpluses in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

41 Fair Value Measurement

The carrying value and fair value of financial instruments by categories are as follows:

Particulars	Carrying Value		Fair Value (where applicable)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Financial Assets :				
(a) Cash and cash equivalents	380.99	8.33		
(b) Bank balance other than cash and cash equivalents	–	–	–	–
(c) Loans	1,756.59	202.49	–	–
(d) Investments	21.54	54.98	21.54	54.98
(e) Other Financial Assets	8.53	0.03		
Total Financial Assets	**2,167.65**	**265.83**	**21.54**	**54.98**
Financial Liabilities :				
(a) Payables	113.75	1.78		
(b) Borrowings (other than Debt Securities)	1,500.00	–		
(c) Other Financial Liabilities	0.44	0.44		
Total Financial Liabilities	**3,781.84**	**268.05**	**21.54**	**54.98**

The management assessed financial assets except loan portfolio and financial liabilities except borrowings approximate their carrying amounts largely due to short term maturities of these instruments.

A. Fair Value Hierarchy of assets and liabilities as at March 31, 2025, is as follows :

Particulars	Carrying Value	Fair Value of items measured at fair value			
		Level 1	Level 2	Level 3	Total
Financial Assets :					
(a) Cash and cash equivalents	380.99	–	–	–	–
(b) Bank balance other than cash and cash equivalents	–	–	–	–	–
(c) Loans	1,756.59				
(d) Investments	21.54	21.54	–	–	21.54
(e) Other Financial Assets	8.53	–	–	8.53	8.53
Total Financial Assets	**2,167.65**	**21.54**	**–**	**8.53**	**30.07**
Financial Liabilities :					
(a) Payables	113.75				–
(b) Borrowings (other than Debt Securities)	1,500.00				–
(c) Other Financial Liabilities	0.44				–
Total Financial Liabilities	**1,614.19**	–	–	–	–

B. Fair Value Hierarchy of assets and liabilities as at March 31, 2024, is as follows :

Particulars	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets :					
(a) Cash and cash equivalents	8.33				–
(b) Bank balance other than cash and cash equivalents	–				–
(c) Loans	202.49				–
(d) Investments	54.98	54.98	–	–	54.98
(e) Other Financial Assets	0.03				–
Total Financial Assets	**265.83**	**54.98**	–	–	**54.98**
Financial Liabilities :					
(a) Payables	1.78				–
(b) Borrowings (other than Debt Securities)	–				–
(c) Other Financial Liabilities	0.44				–
Total Financial Liabilities	**2.22**	–	–	–	–

Note : There were no transfers between Level 1, Level 2, Level 3 during the current year and the corresponding previous year.

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Valuation methodologies of financial instruments not measured at fair value :

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained.

Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include : cash and balances, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Valuation techniques

Level 1: Prices quoted in active markets – The fair value of instruments that are quoted in active markets are determined using the quoted prices where they represent prices at which regularly and recently occurring transactions take place.

Level 2: Valuation techniques with observable inputs - The Company uses valuation techniques to establish the fair value of instruments where prices, quoted in active markets, are not available. Valuation techniques used for financial instruments include modeling techniques, the use of indicative quotes for proxy instruments, quotes from recent and less regular transactions and broker quotes. Derivatives are valued using mark-to-market receivable/payable indicated by the counterparties. The valuation derived based on counterparties quote are also independently validated.

Level 3: This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

42 RBI Disclosures

a) Disclosure pursuant to RBI Notification - RBI / 2019 - 20 / 170 DOR (NBFC). CC. PD. No. 109 / 22.10.106 / 2019-20 dated 13th March 2020 :

(i) As at March 31, 2025

Asset Classification as per RBI Norms	Provisions required as per IRACP norms	Asset classification as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)–(4)	(6)	(7)=(4)–(6)
I. Performing Assets						
(i) Standard	Stage 1	1,773.44	16.85	1,756.59	4.43	12.42
	Stage 2	–	–	–	–	–
Subtotal (I)		**1,773.44**	**16.85**	**1,756.59**	**4.43**	**12.42**
II. Non-Performing Assets ('NPA')						
(i) Substandard	Stage 3	–	–	–	–	–
(ii)Doubtful up to :						
(a) 1 Year	Stage 3	–	–	–	–	–
(b) 1 to 3 years	Stage 3	–	–	–	–	–

(c) More than 3 years	Stage 3	–	–	–	–	–
Subtotal for Doubtful		–	–	–	–	–
(iii) Loss	Stage 3	–	–	–	–	–
Subtotal (II)		–	–	–	–	–
Total	**Stage 1**	1,773.44	16.85	1,756.59	4.43	12.42
	Stage 2	–	–	–	–	–
	Stage 3	–	–	–	–	–
Total		**1,773.44**	**16.85**	**1,756.59**	**4.43**	**12.42**

(ii) As at March 31, 2024

Asset Classification as per RBI Norms	Provisions required as per IRACP norms	Asset classification as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)–(4)	(6)	(7)=(4)–(6)
I. Performing Assets						
(i) Standard	Stage 1	203.65	1.16	202.49	0.51	0.65
	Stage 2	–	–	–	–	–
Subtotal (I)		**203.65**	**1.16**	**202.49**	**0.51**	**0.65**
II. Non-Performing Assets ('NPA')						
(i) Substandard	Stage 3	212.29	212.29	–	21.23	191.06
(ii)Doubtful up to :						
(a) 1 Year	Stage 3	–	–	–	–	–
(b) 1 to 3 years	Stage 3	–	–	–	–	–
(c) More than 3 years	Stage 3	–	–	–	–	–
Subtotal for Doubtful		–	–	–	–	–
(iii) Loss	Stage 3	–	–	–	–	–
Subtotal (II)		**212.29**	**212.29**	**–**	**21.23**	**191.06**
Total	**Stage 1**	203.65	1.16	202.49	0.51	0.65
	Stage 2	–	–	–	–	–
	Stage 3	212.29	212.29	–	21.23	191.06
Total		**415.94**	**213.45**	**202.49**	**21.74**	**191.71**

b) Disclosure as per the format prescribed as per the notification no. RBI/2021-22/31 DOR.STR. REC.11/21.04.048/2021-22 dated 5th May 2021, ("RBI Resolution Framework- 2.0")

(i) Restructuring of account as at March 31, 2025 :

Particulars	
No of accounts restructured	**Amount**
0	0

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
(v) Additional funding sanctioned, if any, including between invocation of the plan and implementation.	NA	Nil
(vi) Increase in provisions on account of the implementation of the resolution plan.	NA	Nil

(ii) Restructuring of account as at March 31, 2024 :

Particulars	
No of accounts restructured	**Amount**
0	0

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
(v) Additional funding sanctioned, if any, including between invocation of the plan and implementation.	NA	Nil
(vi) Increase in provisions on account of the implementation of the resolution plan.	NA	Nil

c) Disclosures pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (Updated as on February 27, 2025) [" The Master Direction "]

(i) Exposures to Real Estate Sector :

There is no exposure to Real Estate Sector for the year ended March 31, 2025, and for the corresponding previous financial year ended March 31, 2024.

(ii) Exposures to Capital Market :

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	21.54	54.98
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds.		
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.		
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances.		
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.		
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.		
(vii) Bridge loans to companies against expected equity flows / issues.		
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.		
(ix) Financing to stockbrokers for margin trading.		
(x) All exposures to Alternative Investment Funds :		
(a) Category I		
(b) Category II		
(c) Category III		
Total exposure to capital market	**21.54**	**54.98**

(iii) Sectoral exposure

Particulars	As at March 31, 2025			As at March 31, 2024		
	Total Exposure	Gross NPA ('GNPA')	% GNPA to Total Exposure	Total Exposure	Gross NPA ('GNPA')	% GNPA to Total Exposure
1. Agriculture and Allied Activities						
1.1 Animal Husbandry	–	–	–	–	–	–
1.2 Dairy	–	–	–	–	–	–
1.3 Crops	–	–	–	–	–	–
1.4 Others	–	–	–	–	–	–
Sub Total (1)	–	–	–	–	–	–
2. Industry						
2.1 Micro and Small	–	–	–	–	–	–
2.2 Medium	–	–	–	–	–	–
2.3 Large	–	–	–	–	–	–
2.4 Others	–	–	–	–	–	–
Sub Total (2)	–	–	–	–	–	–
3. Services						
3.1 Transport Operators	–	–	–	–	–	–
3.2 Computer Software	–	–	–	–	–	–
3.3 Tourism, Hotel and Restaurants	–	–	–	–	–	–
3.4 Shipping	–	–	–	–	–	–
3.5 Professional Services	–	–	–	–	–	–
3.6 Trade	–	–	–	–	–	–
3.7 Commercial Real Estate	–	–	–	–	–	–
3.8 NBFCs	–	–	–	–	–	–
3.9 Aviation	–	–	–	–	–	–
3.10 Other Services	–	–	–	–	–	–
Sub Total (3)						
4. Personal Loans						
4.1 Loan against Gold Jewellery	–	–	–	–	–	–
4.2 Others	1,773.44	16.85	**0.95%**	415.94	213.45	**51.32%**
Sub Total (4)	**1,773.44**	**16.85**	**0.95%**	**415.94**	**213.45**	**51.32%**
5. Others	–	–	–	–	–	–
Total (1 + 2 + 3 + 4 + 5)	**1,773.44**	**16.85**	**0.95%**	**415.94**	**213.45**	**51.32%**

(iv) Intra - Group exposure

The company does not have Intra - Group exposure for the year ended March 31, 2025, and for the corresponding previous financial year ended March 31, 2024.

(v) Unhedged foreign currency exposure

The company does not have Unhedged foreign currency exposure for the year ended March 31, 2025, and for the corresponding previous financial year ended March 31, 2024.

d) Related Party Disclosure

(i) As at and for the financial year ended March 31, 2025

Related Party	Parent	Subsidiaries	Associates / Joint Ventures	Key Management	Relatives of Key Management Personnel	Others	Total
Items :							
Borrowings	–	–	–	–	–	–	–
Deposits	–	–	–	–	–	–	–
Placement of deposits	–	–	–	–	–	–	–
Loans / Advances Outstanding	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–
Others Outstanding Receivable	–	–	–	–	–	–	–
Others Outstanding Payable	–	–	–	–	0.28	–	0.28
Loans/Advances given	–	–	–	–	–	–	–
Loans/Advances Repaid	–	–	–	–	–	–	–
Purchase of fixed/other assets	–	–	–	–	–	–	–
Sale of fixed/other assets	–	–	–	–	–	–	–
Interest paid	–	–	–	–	–	–	–
Interest received	–	–	–	–	–	–	–
Rental Expenses	–	–	–	–	3.08	–	3.08
Remuneration	–	–	–	–	–	–	–
Sitting Fees	–	–	–	–	–	–	–
Other services received	–	–	–	–	–	0.60	0.60
Preferential Allotment of Equity Shares	–	–	–	138.72	–	–	138.72

(ii) As at and for the financial year ended March 31, 2024

Related Party	Parent	Subsidiaries	Associates / Joint Ventures	Key Management	Relatives of Key Management Personnel	Others	Total
Items :							
Borrowings	–	–	–	–	–	–	–
Deposits	–	–	–	–	–	–	–
Placement of deposits	–	–	–	–	–	–	–
Loans / Advances Outstanding	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–
Others Outstanding Receivable	–	–	–	–	–	–	–
Others Outstanding Payable	–	–	–	–	0.28	–	0.28
Loans/Advances given	–	–	–	–	–	–	–
Loans/Advances Repaid	–	–	–	–	–	–	–
Purchase of fixed/other assets	–	–	–	–	–	–	–
Sale of fixed/other assets	–	–	–	–	–	–	–
Interest paid	–	–	–	–	–	–	–
Interest received	–	–	–	–	–	–	–
Rental Expenses	–	–	–	3.30	–	–	3.30
Remuneration	–	–	–	–	–	–	–
Sitting Fees	–	–	–	–	–	–	–
Other services received	–	–	–	–	–	0.53	0.53
Preferential Allotment of Equity Shares	–	–	–	–	–	–	–

* Refer Note 43 for detailed Related Party disclosures.

e) Disclosure of Complaints

(i) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Complaints received by the NBFC from its customers		
1. Number of complaints pending at beginning of the year	–	–
2. Number of complaints received during the year	–	–
3. Number of complaints disposed during the year	–	–
3.1 Of which, number of complaints rejected by the NBFC	–	–
4. Number of complaints pending at the end of the year	–	–
Maintainable complaints received by the NBFC from Office of Ombudsman		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	–	–
5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	–	–
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	–	–
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	–	–
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	–	–

(ii) Top five grounds of complaints received by the NBFCs from customers

(a) As at March 31, 2025

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
(1)	(2)	(3)	(4)	(5)	(6)
1) Loans and advances	–	–	–	–	–
2) Levy of charges without prior notice / excessive charges/ foreclosure charges	–	–	–	–	–
3) Non-observance of fair practices code	–	–	–	–	–
4) Mis-selling	–	–	–	–	–
5) Staff behaviour	–	–	–	–	–
6) Others	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**

(b) As at March 31, 2024

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)
1) Loans and advances	–	–	–	–	–
2) Levy of charges without prior notice / excessive charges/ foreclosure charges	–	–	–	–	–
3) Non-observance of fair practices code	–	–	–	–	–
4) Mis-selling	–	–	–	–	–
5) Staff behaviour	–	–	–	–	–
6) Others	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**

43 Related party transactions

(a) Name of related parties and nature of relationship

Name of the party	Relationship
1) Sanjay Kumbhat	Managing Director ('KMP') & Promoter
2) Sarika Kumbhat	Director, Relative of KMP & Promoter
3) Prem Kumbhat	Relative of KMP & Promoter
4) Shakuntala Kumbhat	Relative of KMP & Promoter
5) Shanti Kumbhat	Relative of KMP & Promoter
6) Pushpa Kumbhat	Relative of KMP & Promoter
7) Madhu Kumbhat	Relative of KMP & Promoter
8) Kumbhat Bazaar	Director interested entity

(b) Details of Related party transaction

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Rental Expense paid to :		
Prem Kumbhat	0.62	0.66
Shakuntala Kumbhat	0.62	0.66
Shanti Kumbhat	0.62	0.66
Pushpa Kumbhat	0.62	0.66
Madhu Kumbhat	0.62	0.66
(b) Website Charges :		
Kumbhat Bazaar	0.60	0.53
(c) Preferential Allotment of Equity Shares :		
Sanjay Kumbhat	138.72	–

(c) Details of Related party balances

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Rental Expense payable (inc GST) :		
Prem Kumbhat	0.06	0.06
Shakuntala Kumbhat	0.06	0.06
Shanti Kumbhat	0.06	0.06
Pushpa Kumbhat	0.06	0.06
Madhu Kumbhat	0.06	0.06

44 Other Disclosures

(i) No Benami Property is held by the Company and/or there are no proceedings that have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The Company has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.

(iii) There are no charges or satisfaction in relation to any debt / borrowings which are yet to be registered with ROC beyond the statutory period.

(iv) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(v) Other than the transactions that are carried out as part of Company's normal lending business:

A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) ;

or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B) 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.

(vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and previous year.

(vii) There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

(viii) There are no investment property as on March 31, 2025 and March 31, 2024.

(ix) The Company does not have any Capital Work in Progress as at the end of the current or previous year.

(x) The Company has not entered into any Scheme of Arrangements which requires the approval of the Competent Authority in terms of sections 230 to 237 of the Companies Act,2013 for the financial years ended March 31, 2025, and March 31, 2024.

45 Previous year figures have been regrouped / rearranged, wherever considered necessary, to conform to the classification / disclosure adopted in the current year.

In terms of our report of even date attached

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

For and on behalf of Board

T V Balasubramanian
Partner
M. No. 027251
UDIN : 25027251BMIAEA7379

(Sanjay Kumbhat)
Managing Director
DIN : 03077193

(Sarika Kumbhat)
Director
DIN : 08032091

V. Premalatha
Chief Financial Officer

S. Mohanraj
Company Secretary

Place: Chennai
Date : 23-05-2025

To

If undelivered please return to:

KUMBHAT FINANCIAL SERVICES LIMITED

Registered Office

5th FLOOR, 29 RATTAN BAZAAR, GEORGE TOWN, CHENNAI - 600 003.