

ANNUAL REPORT

FINANCIAL YEAR 2023-24



DIGAMBER CAPFIN LIMITED

Registered Office:

**J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk
Road, Jaipur-302018, Rajasthan**

Ph. No. 0141-2700233, 2700234

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DIGAMBER CAPFIN LIMITED

J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018
 CIN: U67120RJ1995PLC009862 Website: www.digamberfinance.com Contact No.: +911412700233-234
 Email id: info@digamberfinance.com

ABOUT DIGAMBER CAPFIN LIMITED

“EMPOWERING THE WOMEN THROUGH FINANCIAL INCLUSION”

“Inspiring Change, Empowering People, Breaking Barriers, Building Empires”

Digamber Capfin Limited (“the Company”) is a Public Limited company incorporated under the provisions of the Companies Act, 1956. The Company started its operations in 1995. The Company received the final NBFC License on 9th September, 1999. Initially, the Company ventured into Asset Financing. Later on, with the aim to encourage and enhance the financial inclusion to empower women and under-privileged in rural areas by way of sustainable business practices, the Company started exploring the area of Micro Finance and accordingly received the NBFC-MFI License in the year 2013.

The Company believes that financial inclusion is the path way for the women for prospering economic growth, sustainable development and social empowerment. Expanding financial access for women is proven to have a positive impact not only on the women themselves but, consequently, on household incomes.

Having focused to serve the underprivileged who live in remote villages and who don't have access to formal credit, the Company chose to lend a helping hand to ambitious entrepreneurs who aspire to achieve big in life. Today with its presence in 9 States and Union Territories, 120+ districts, 239 branches and an Asset Under Management (AUM) of Rs. 113,043.58 Lakhs, the Company has brought smiles on more than 4 Lakhs customers.

The Company offers a wide range of microfinance solutions like agricultural loans, small business loans, dairy farm loans etc. Achieving new standards keeps us motivated to do more for our customers and nation. With an aim to create a better life every day for the people at large, the Company with the aid of Financial Inclusion ensures that prosperity is widely shared in lifting under-privileged in rural areas out of poverty and empowering women at an affordable cost and at the base provides aid in financial literacy to our clients to control over one's future.

From the past to the present, the Company is committed towards being socially responsible and focuses on health, education, financial literacy, gender equality. Apart from this, the organization actively participates in spreading social awareness and aligned our ESG approach with our strategic goals and the experience we seek to offer all the stakeholders.

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MISSION AND VISION

Being a firm believer for bringing change in the lives of the people, the Company has the following Mission & Vision:

Mission:

To encourage and enhance the financial inclusion to empower women and under-privileged in rural areas by way of sustainable business practices.

Vision:

To be known as an institution driven by ethics, values, sustainability and strong corporate governance practices for contributing in financial inclusion through women empowerment with aid of technology.

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CORPORATE INFORMATION

Company Identification Number

U67120RJ1995PLC009862

GST Registration Number

08AAACD4387Q2ZZ

Company's Official Website

<https://www.digamberfinance.com>

Registrar & Transfer Agent

CDSL Ventures Limited
I-202, Deck Level, Tower No.4, 2nd Floor,
Above Belapur Railway Station,
Belapur, Navi Mumbai-400614

Company's Official E-Mail

info@digamberfinance.com

Debenture Trustee

Catalyst Trusteeship Limited
Windsor, 6th Floor, Office No.604,
C.S.T Road, Kalina, Santacruz (E)
Mumbai-00098

Statutory Auditors

KALANI & COMPANY
Chartered Accountants
705, VII Floor, Milestone Building,
Gandhi Nagar Crossing, Tonk Road
Jaipur, Rajasthan 302015

Vardhman Trusteeship Private Limited
3rd Floor, Room No - 15 6, Lyons Range,
Turner Morrison House, Kolkata, West
Bengal, India, 700001

Secretarial Auditors

R. CHOUHAN & ASSOCIATES
Practicing Company Secretaries
47, Guru Nanakpura,
Raja Park, Jaipur-302004

Registered & Corporate Office

Digamber Capfin Limited
J 54-55, Anand Moti, Himmat Nagar,
Gopalpura, Tonk Road, Jaipur-302018
Toll Free 1800 1806 365

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BOARD OF DIRECTORS (INCLUDING KMPS)

S. No.	Name of Director	Designation	DIN/PAN
1.	Mr. Rajiv Jain	Chairman cum Managing Director	00416121
2.	Mr. Amit Jain	Whole Time Director cum CFO	00416133
3.	Mr. Nayan Ambali	Non-Executive Director	03312980
4.	Mr. Lalit Kumar Jain	Independent Director	07517615
5.	Mr. Jatin Chhabra	Non-Executive Director	08271333
6.	Dr. Amita Gill	Independent Director	09066022
7.	Mr. Shashank Vyas	Nominee Director	09789867
8.	Ms. Debleena Majumdar	Independent Director (Additional Director)	07663430
9.	Mr. Chandramouli Coorg Subramanian	Independent Director (Additional Director)	10619001
10.	Ms. Neha Agarwal	Company Secretary	ARAPA6810B

Note:

1. Ms. Neha Agarwal resigned w.e.f. closing hours of April 30, 2024.
2. Ms. Debleena Majumdar & Mr. Chandramouli Coorg Subramanian are appointed as the Independent Directors (Additional Director) w.e.f. May 07, 2024.

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KEY PERFORMANCE INDICATORS

Operational Performance

As on March 31, 2024

Number of States & Union Territories:	Nine (9)
Number of Branches:	239
Number of Employees:	2555
No. of Customers/ Borrowers:	418151

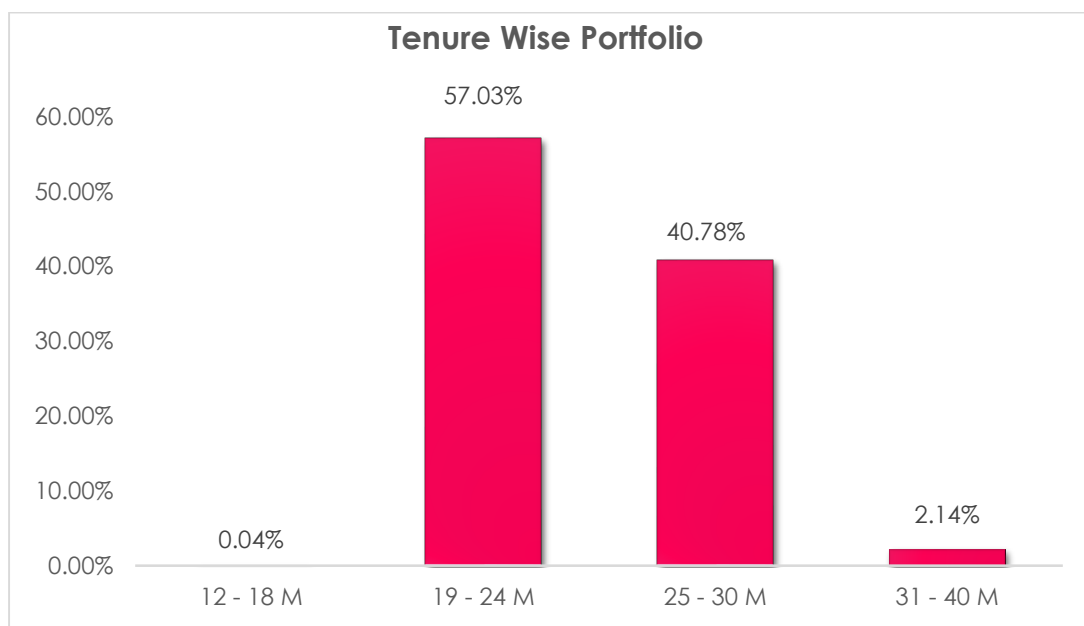
Financial Performance

As on March 31, 2024

Asset Under Management (AUM):	Rs. 113,043.58 Lakhs
Total Revenue:	Rs. 27,851.87 Lakhs
Net Profit:	Rs. 2,425.67 Lakhs
GNPA:	3.84%
NNPA:	1.60%

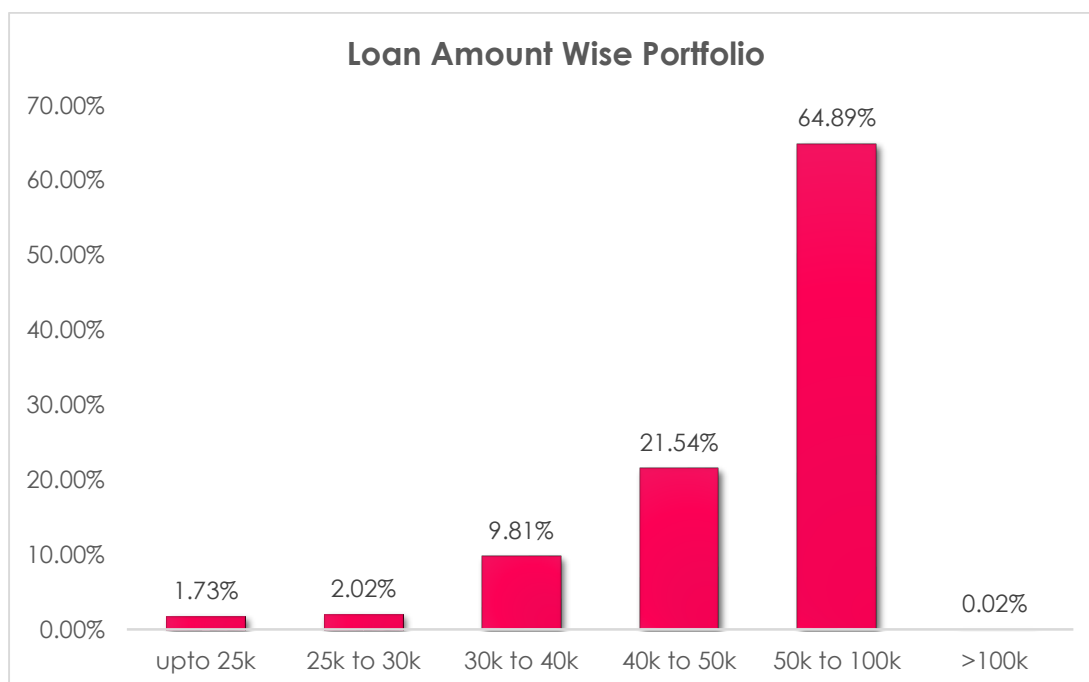
INFO GRAPHICS

1. Loan Tenure Wise Portfolio

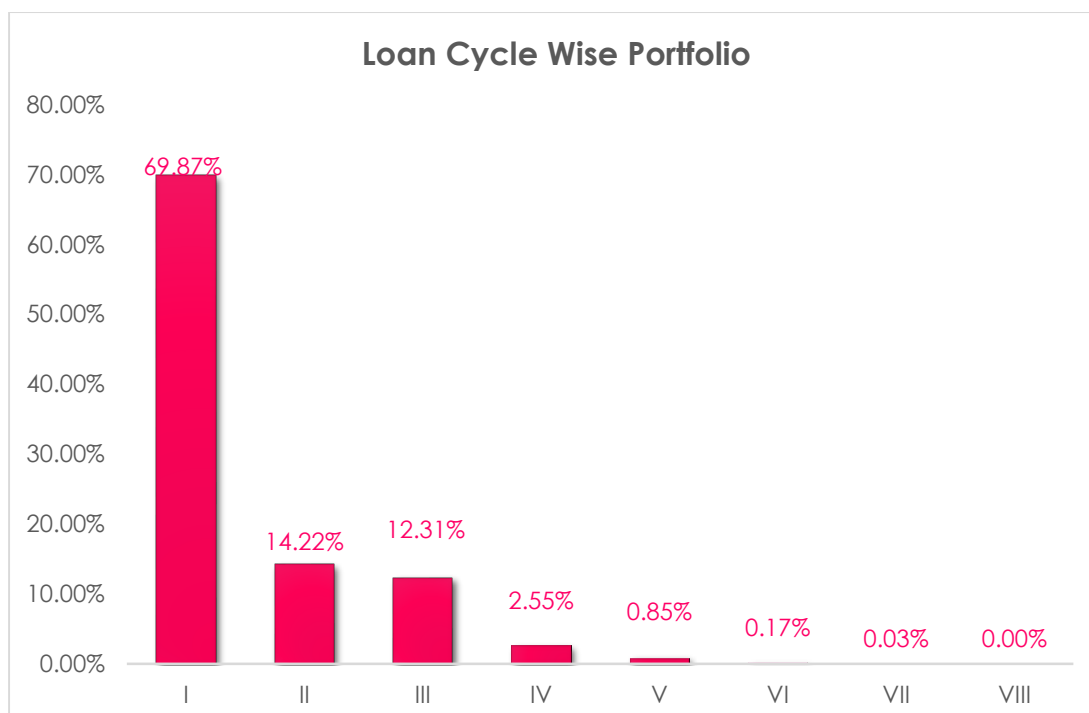


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2. Loan Amount Wise Portfolio



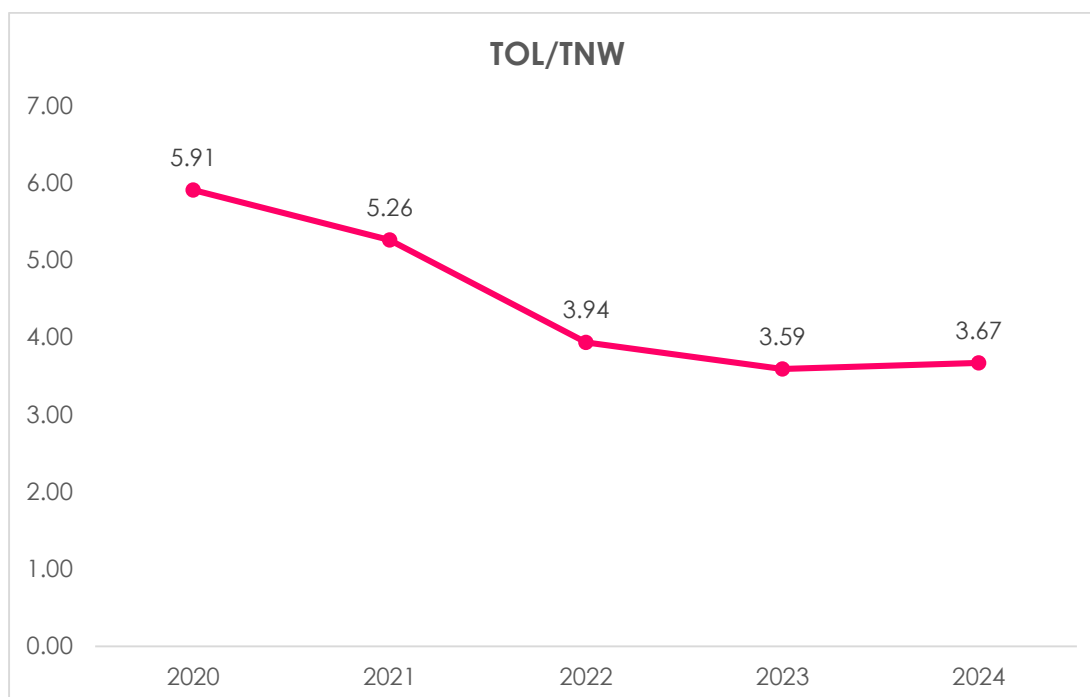
3. Loan Cycle Wise Portfolio



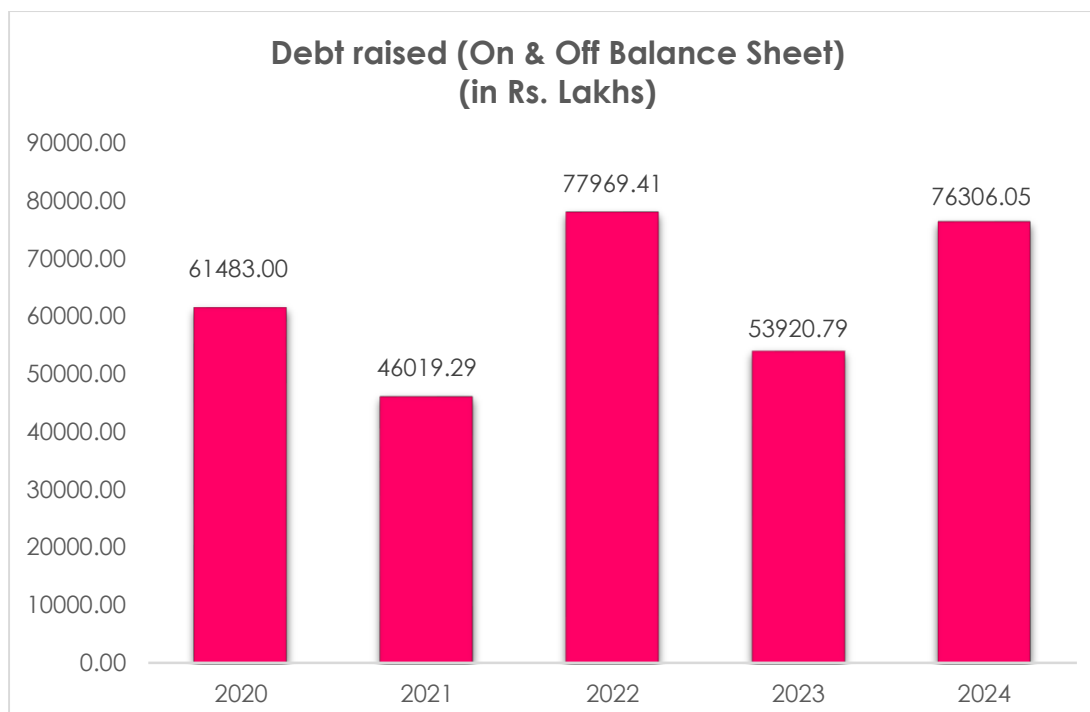
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4. TOL/ TNW



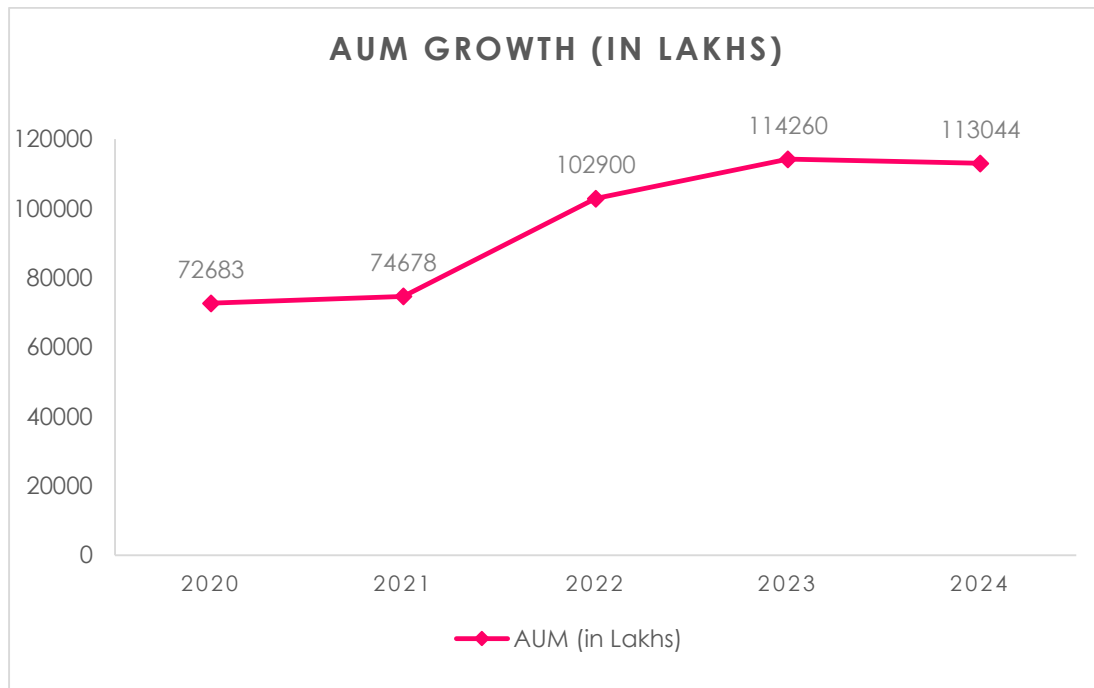
5. Debt raised (On & off Balance Sheet)



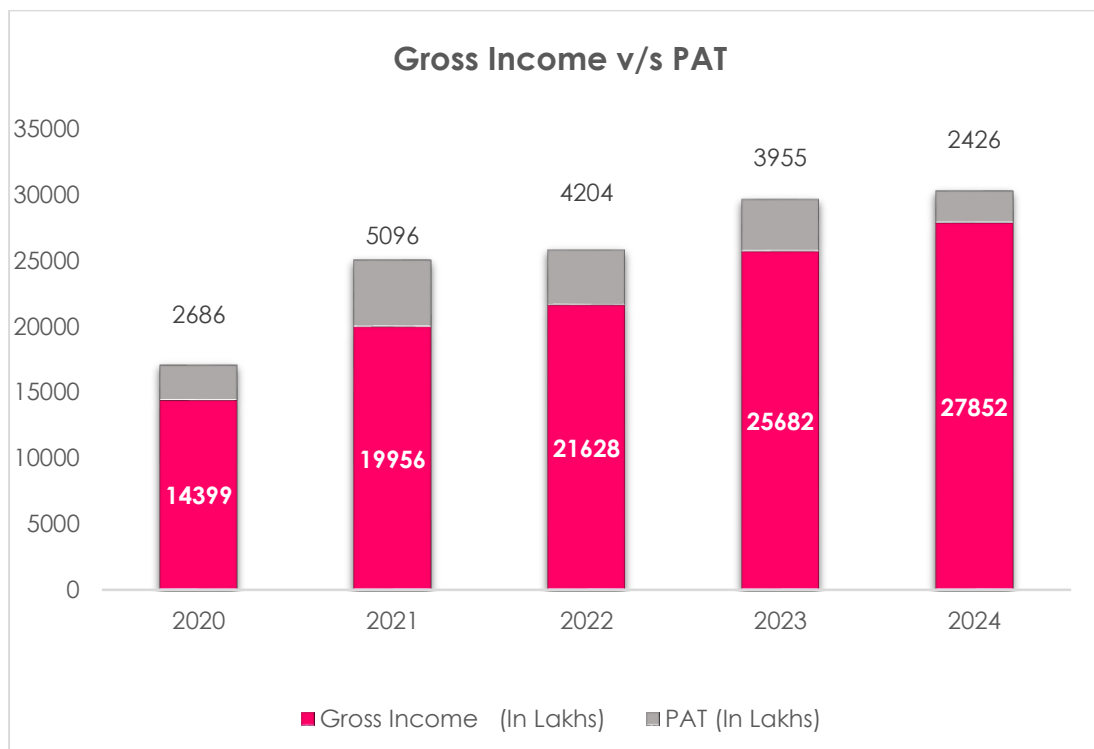
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6. AUM Growth



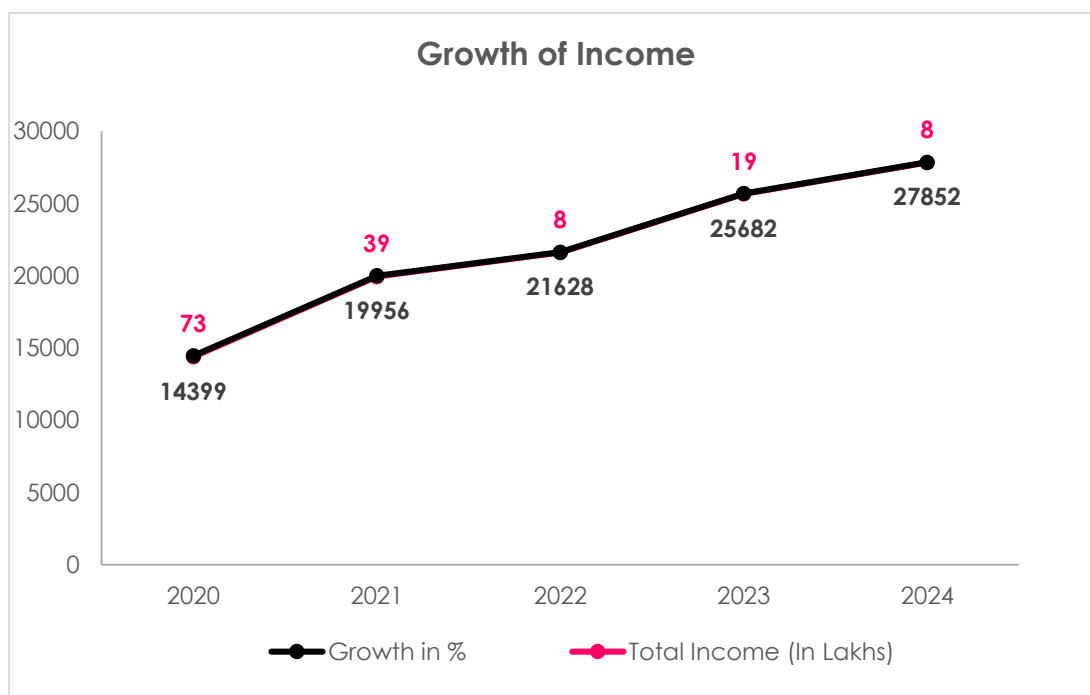
7. Gross Income vs PAT



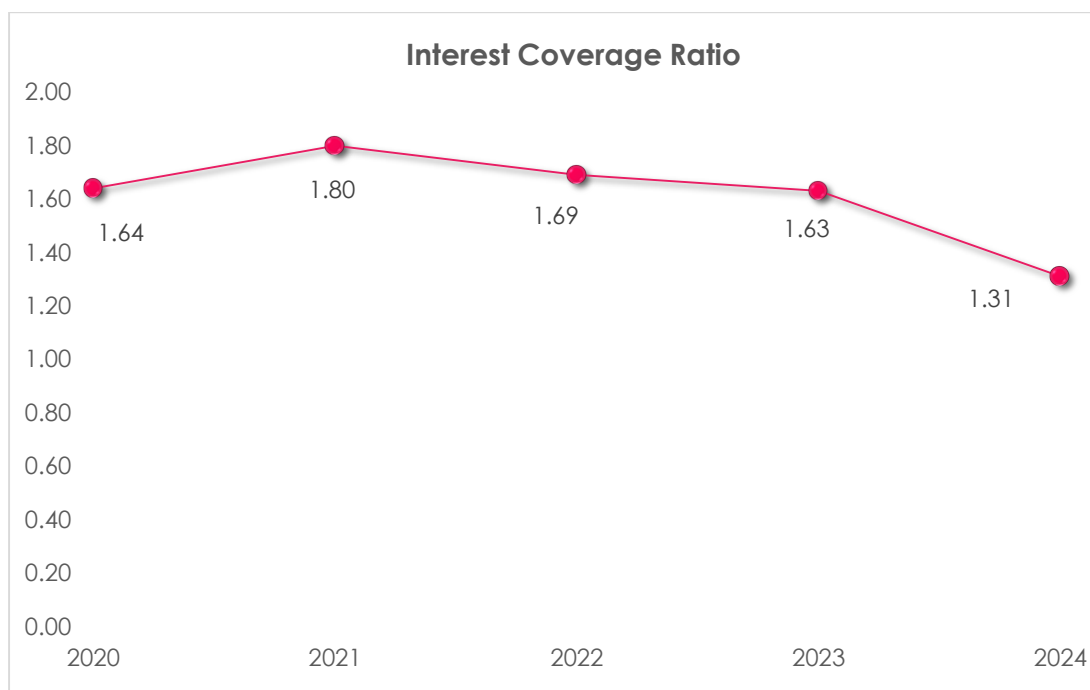
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8. Growth of Income



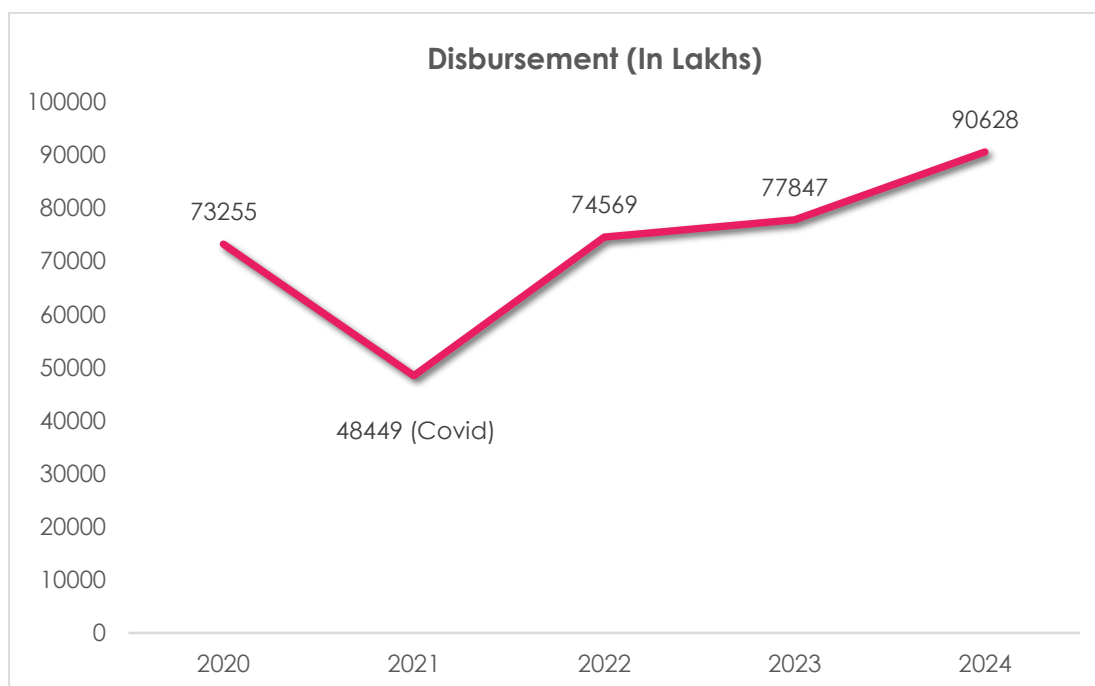
9. Interest Coverage Ratio



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10. Disbursement



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CHAIRMAN'S SPEECH

Dear Stakeholders

It has been 29 glorious Years of the Company. The Company is working as a Non-Banking Financial Company (NBFC) since 1999. Incorporated as an Asset Financing Company, the Company's venture into the Micro Finance Sector has been successful so far. We aim to take it to new heights in the coming years.

The Company is committed to creating long-term social impact by empowering women and promoting economic development in rural and semi-urban areas. We undertake to promote financial inclusion while also creating a positive impact on the environment and society. By incorporating sustainable practices into our lending operations, we believe we can achieve long-term success and contribute to a more sustainable economy.

Our primary strategy is to build strong relationships with our customers and gain their trust through transparent and fair lending practices.

Financial Year 2023-24 at a Glance

The Company is a public limited company, falling under the category of Middle Layer Non-Banking Financial Company (NBFC)-Microfinance Institution (MFI) (hereinafter referred to as 'NBFC-ML') bearing registration No. B-10.00099 dated September 06, 2013 registered with Reserve Bank of India.

This year has been a learning year for us. The synergy effect of the various stakeholders helped the Company in remaining as a Middle Layer NBFC as per the Reserve Bank of India's Scale Based Regulations for second consecutive year.

The Company has presence in 8 States and 1 Union Territory with 239 branches as on March 31, 2024. Based on business potential, the Company may look forward for business expansion in the other states and union territories of the Country in coming years.

Following are the financial highlights of the company for the financial year 2023-24: -

- The total revenue has increased by 8.45% from Rs. 25,681.55 Lakhs in previous year to Rs. 27,851.87 Lakhs in current year.
- The Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) for the year stands at Rs. 13418.95 Lakhs in current Year as compared to Rs. 13832.05 Lakhs in previous year.
- The Profit Before Tax (PBT) stands at Rs. 3,175.18 Lakhs as compared to Rs. 5,352.52 Lakhs in previous year.
- The Profit After Tax (PAT) for the current year stands at Rs. 2,421.20 Lakhs as compared to Rs. 3,941.25 Lakhs in previous year.
- The Earning Per Share (EPS) (Basic) for the current year is Rs. 24.47 as against Rs. 39.90 in the previous year.

Finance

Funds being the raw material for the business are very important for running the operations of the company. The company explored various other sources for the funds during the year apart from the financial facilities from banks, financial institutions and External Commercial Borrowings.

DIGAMBER CAPFIN LIMITED

During the year, the Company has issued unlisted Non-Convertible Debentures to A.K. Securitization and Credit Opportunities Fund II.

Technology

As our contribution towards the aims of government for increasing digital payments and financial inclusion, we have streamlined our lending process for making it efficient by leveraging technology to reduce paperwork and expedite the application process. We have initiated the process for implementing robust risk assessment tools to ensure that we are lending responsibly and minimizing the risk of default.

The company have received the KUA license from Unique Identification Authority of India (UIDAI) and after technology integration the e-KYC feature will be activated which will give ease and speed to the on boarding process and will eliminate the risk of Fake or wrong KYC and due to this the lending/AUM is expected to be increased and resultantly the profitability is also expected to be increased.

ESG Factors

The Company is committed to provide access to credit facilities to women in rural and semi-urban area through sustainable and ethical business practices. By aligning its financial goals with the commitment to social and environmental responsibility, it believes to create a successful and impactful business that benefits both the customers and the planet.

The Company endeavours to inculcate best Environment, Social and Governance (ESG) practices in its corporate structure. It recognizes its duty

towards returning something back to the society for providing its resources for the business operations of the Company.

Apart from this, the Company has started appointing women at fields to increase employment opportunities for women.

Further, I would like to share that in the month of March 2024, the Company has launched a Financial Literacy Programme in form of Literature for providing essential financial knowledge to its women entrepreneur clients. The programme is helping the women entrepreneurs in managing their loans and financial matters effectively and grow their businesses.

Compliance & Risk Management

The Company recognizes the statutory requirements and business need for establishing an active and strengthened internal control system in the Company. The Company aims to have a vigorous Compliance and Risk Management system. The Company has well-defined policies for overseeing the Compliance and Risk Management Function.

Acknowledgement

I would like to appreciate the Board Members for their constant advice for contributing in the growth of the Company. For achieving new heights in the future, I expect your guidance and continued support in future.

Apart from them, I would like to express my gratitude towards our employees, shareholders, Regulatory Authorities and lenders for their humble support and trust.

Thank you,

Rajiv Jain,
Chairman cum Managing Director

DIGAMBER CAPFIN LIMITED

NOTICE OF 29TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY- NINTH (29TH) ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF DIGAMBER CAPFIN LIMITED ("THE COMPANY") (CIN: U67120RJ1995PLC009862) WILL BE HELD ON SATURDAY 29TH DAY OF JUNE 2024, AT 11.30 A.M. (IST) THROUGH PHYSICAL MODE AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT J 54-55, ANAND MOTI, GOPALPURA, TONK ROAD, JAIPUR-302018, RAJASTHAN AND THROUGH VIDEO CONFERENCING (VC) / OTHER AUDIO VISUAL MEANS (OAVM) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Standalone Financial Statement of the Company for the financial year ended 31st March 2024, along with the report of Board of Directors and Auditors along with all annexure thereon:

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

"**RESOLVED THAT** pursuant to the provisions of Section 134 (1) of the Companies Act, 2013 and rules made thereunder and other applicable provisions (including any statutory modifications and re-enactment thereof) for the time being in force, the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2024 comprising of the Audited Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement and Statement for Change in the Equity Share Capital for the year ended as on 31st March, 2024, together with accounting policies, schedules and notes forming part of the accounts thereon and the Reports of the Board of Directors and Auditors thereon along with all annexure as laid before this Annual General Meeting be and are hereby considered, approved and adopted."

2. To Re-appoint Mr. Nayan Ambali (DIN: 03312980), as Director of the Company who retire by rotation and being eligible, offers himself for re-appointment:

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

"**RESOLVED THAT** pursuant to the provisions of the Section 152(6) of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as per Articles of Association, **Mr. Nayan Ambali (DIN: 03312980)** who retires by rotation and being eligible offer himself for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

DIGAMBER CAPFIN LIMITED

3. To appoint M/S Jain Paras Bilala & Co. (Firm Registration No. 011046C) Chartered Accountants, as statutory auditors of the company

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

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 including any statutory enactment or modification(s) for the time being in force and Guidelines of Reserve Bank of India as per Circular No. Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27th, 2021 as amended from time to time and on the recommendation of Audit Committee and Board of Directors, M/s. Jain Paras Bilala & Co., Chartered Accountants (FRN No. 011046C) be and are hereby appointed as the Statutory Auditors of the Company for the period of Three (3) years from the conclusion of 29th Annual General Meeting till the conclusion of the 32nd Annual General Meeting at such terms and conditions including remuneration as may be fixed by the Board of Directors of the company from time to time in this behalf in consultation with the said Statutory Auditors.

RESOLVED FURTHER THAT the Board (the term “Board” shall deem to include any committee thereof if so authorised by the Board from time to time) be and hereby authorised for and on behalf of the Company to do or cause to do such acts, deeds, things as may be considered necessary in connection with or incidental to give effect to the above resolution.”

SPECIAL BUSINESS:

4. To approve the regularization of Ms. Debleena Majumdar (DIN: 07663430) as an Independent Director of the company for the period of five years.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 & 161 of the Companies act, 2013 and any other applicable provisions 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) read with Schedule IV to the Companies Act, 2013, and Articles of Association of the company and on the recommendation of Nomination and Remuneration Committee and Board of Directors, Ms. Debleena Majumdar (DIN: 07663430), who was appointed as an Independent Director (Additional Director) on 07.05.2024 and ceases to hold office at the conclusion of this AGM, and in respect of whom the Company has received a notice under Section 160 in writing from a member proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the company, not

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liable to retire by rotation, to hold office for a term of five consecutive years with effect from 07th May, 2024 to 06th May, 2029.

RESOLVED FURTHER THAT the Board (the term "Board" shall deem to include any committee thereof if so authorised by the Board from time to time) be and hereby authorised for and on behalf of the Company to do or cause to do such acts, deeds, things as may be considered necessary in connection with or incidental to give effect to the above resolution."

5. To approve the regularization of Mr. Chandramouli Coorg Subramanian (DIN: 10619001) as an Independent Director of the company for the period of five years.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 & 161 of the Companies act, 2013 and any other applicable provisions 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) read with Schedule IV to the Companies Act, 2013, and Articles of Association of the company, and on the recommendation of Nomination and remuneration committee and Board of Directors, Mr. Chandramouli Coorg Subramanian (DIN: 10619001), who was appointed as an Independent Director (Additional Director) on 07.05.2024 who ceases to hold office at the conclusion of this AGM and in respect of whom the Company has received a notice under section 160 in writing from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the company, not liable to retire by rotation, to hold office for a term of five consecutive years with effect from 07th May, 2024 to 06th May, 2029.

RESOLVED FURTHER THAT the Board (the term "Board" shall deem to include any committee thereof if so authorised by the Board from time to time) be and hereby authorised for and on behalf of the Company to do or cause to do such acts, deeds, things as may be considered necessary in connection with or incidental to give effect to the above resolution."

6. To approve remuneration of Ms. Debleena Majumdar (DIN: 07663430) as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 197, 198 read with Schedule V to the said Act and any other applicable provisions of the Companies Act, 2013 ('the Act') and rules made thereunder [including any statutory modification(s) or re-

DIGAMBER CAPFIN LIMITED

enactment(s) thereof for the time being in force], as amended from time to time and on recommendation of Nomination and Remuneration Committee and Board of Directors, the consent of the members of the Company be and is hereby accorded for payment of remuneration of Rs. 25,000/- per month w.e.f. 07.05.2024 to Ms. Debleena Majumdar (DIN: 07663430) Independent Director of the Company, for the period of one year i.e. from 07.05.2024 to 06.05.2025.

RESOLVED FURTHER THAT the above remuneration shall be in addition to fees payable to the Director for attending the meetings of the Board or Committees thereof (if applicable) or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.

RESOLVED FURTHER THAT the Board (the term "Board" shall deem to include any committee thereof if so authorised by the Board from time to time) be and hereby authorised for and on behalf of the Company to do or cause to do such acts, deeds, things as may be considered necessary in connection with or incidental to give effect to the above resolution."

7. To approve revision in the remuneration of Mr. Rajiv Jain, Chairman cum Managing Director (DIN:00416121) of the company

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act with amendments made thereafter, if any, and such other authorities as may be necessary, and in suppression of previous special resolution passed wide Item No. 2 approved in 01/2022-2023 Extra-Ordinary General Meeting of the Company held on Saturday, 25th June, 2022 and as per the provisions of RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Circular – Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015, (as amended from time to time), and on the recommendation of the Nomination and Remuneration Committee and Board of Directors of the company, the consent of members of company be and is hereby accorded for revision in the remuneration of Mr. Rajiv Jain, Chairman cum Managing Director (DIN:00416121) of the Company with effect from 29.06.2024 to 13.04.2026 on the terms and conditions as mentioned below:

DIGAMBER CAPFIN LIMITED

Salary & Perquisites:

Monthly/ yearly remuneration	Upto Rs 30,00,000/- (Rupees Thirty lakh only) per month i.e. Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per annum including all, perquisites & other allowances as per company norms or as may be decided by Board of Directors from time to time.
Commission	Not exceeding 2 (two) percent of net profit in an accounting year of the Company subject to availability of profit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation shall be within the limit approved by the members of company as per Schedule V of the Companies Act, 2013, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT the Board (the term "Board" shall deem to include any committee thereof if so authorised by the Board from time to time) be and hereby authorised for and on behalf of the Company to do or cause to do such acts, deeds, things as may be considered necessary in connection with or incidental to give effect to the above resolution."

8. To approve the revision in the remuneration of Mr. Amit Jain, Whole Time Director cum CFO (DIN: 00416133) of the company

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act with amendments made thereafter, if any, and such other authorities as may be necessary, and in suppression of previous special resolution passed wide Item No. 3 approved in 01/2022-2023 Extra-Ordinary General Meeting of the Company held on Saturday, 25th June, 2022 and as per the provisions of RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Circular – Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015, (as amended from time to time), and on the recommendation of the Nomination and Remuneration Committee and Board of Directors of the company, consent of members of company be and is hereby accorded for revision in the remuneration of

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Mr. Amit Jain, Whole Time Director cum CFO (DIN: 00416133) of the Company with effect from 29.06.2024 to 13.04.2026 on the terms and conditions as mentioned below:

Salary & Perquisites:

Monthly/ yearly remuneration	Upto Rs 30,00,000/- (Rupees Thirty lakh only) per month i.e. Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per annum including all, perquisites & other allowances as per company norms or as may be decided by Board of Directors from time to time.
Commission	Not exceeding 2 (two) percent of net profit in an accounting year of the Company subject to availability of profit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation shall be within the limit approved by the members of company as per Schedule V of the Companies Act, 2013, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT the Board (the term "Board" shall deem to include any committee thereof if so authorised by the Board from time to time) be and hereby authorised for and on behalf of the Company to do or cause to do such acts, deeds, things as may be considered necessary in connection with or incidental to give effect to the above resolution."

**By order of the Board of Directors of
DIGAMBER CAPFIN LIMITED**

**Date: 07.05.2024
Place: Jaipur**

**Sd/-
Rajiv Jain
Chairman and Managing Director
DIN:00416121**

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NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 3/2022 dated 05th May, 2022, read with General Circular No. 20/2021 dated 08th December, 2021, 10/2021 dated 23rd June, 2021, 39/2020 dated 31st December, 2020, 33/2020 dated 28th September, 2020, 22/2020 dated 15th June, 2020, 20/2020 dated 5th May, 2020, 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020 and 09/2023 dated 25th September, 2023 (including amendment thereof) (collectively referred to as "said Circulars") permitted the holding of general meeting through VC / OAVM. The Twenty Ninth (29th) Annual General Meeting for the Financial Year 2023-24 will be held through physical mode as well as through VC/ OAVM. The Shareholders attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum as per section 103 under the said circulars. The venue for AGM shall be the Registered office of the company situated at J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018, Rajasthan.
2. The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at this AGM is annexed hereto.
3. A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such a proxy need not be a shareholder of the company. The instrument of proxy in order to be effective, should be duly stamped, filled, signed, completed in all respects and should be deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting. A proxy form (Form MGT-11) is enclosed herewith.
4. A person can act as proxy on behalf of the members of company not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Member.
5. The members of company who shall be attending the meeting through VC/OAVM are not required to fill the attendance slips nor entitled to appoint Proxy.
6. No person shall be entitled to attend the AGM and/or vote as duly authorized representative of a body corporate, unless a certified true copy of the Board Resolution appointing him/her as a duly authorized representative, is provided to the Company by post addressed to Digamber Capfin Limited Address J 54-55, Anand Moti, Gopalpura, Tonk Road, Jaipur-302018, Rajasthan or sent to the Chairman by e-mail to compliance@digamberfinance.com with a cc marked to rajamdcl@gmail.com and cco@digamberfinance.com not less than five days before the date of the meeting i.e. on/before 24th June, 2024.

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Email id: info@digamberfinance.com

7. A route map along with prominent landmark for easy location to reach the venue of AGM is annexed with the notice of AGM as per the requirement of secretarial Standard-2 (SS-2) issued by the Institute by the Company Secretaries of India (ICSI) for members of company to attend meeting physically.
8. The Notice of 29th AGM along with the Annual Report for the Financial Year 2023-24 is being sent only through electronic mode to those entitled and who have registered their e-mail address with the Company / their respective depository participant ('DP'). Accordingly, no physical copy of the Notice of 29th AGM and the Annual Report for the Financial Year 2023-24 will be sent to those who have not registered their e-mail addresses with the Company/ DP. The Members/Debtenture Holders/Debtenture Trustees will be entitled to a physical copy of the Annual Report for the Financial Year 2023-24, upon sending a request to the Company on compliance@digamberfinance.com mentioning your folio/DP ID and Client ID
9. The Notice of 29th AGM and the Annual Report are also available on the Company's website at <https://www.digamberfinance.com/disclosure.php>
10. Members who have not registered their e-mail address or in change of email address, are requested to register their e-mail address for receiving all communication.
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.-
12. For shares held in electronic form: to their Depository Participants (DPs)

For shares held in physical form: to the Company at compliance@digamberfinance.com
13. The Company has obtained electronic connectivity services from CDSL Ventures Limited for dematerialization of its Equity Shares. Accordingly, the Company has been allotted ISINs for Equity Shares. In this respect, Members who still hold share certificates in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization, which include easy liquidity, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

The brief procedure for dematerialization is stated below for your reference:

- a) Shareholders have to approach to their DP and fill the Demat Request Form and lodge it to the DP along with the original share certificate.

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- b) Further; DP will process the documents and generate the demat request electronically and will send the same to RTA system and will forward the documents to Company for further process / verification.
- c) After receipt and verification of the documents, Company shall provide mandated Report and confirmation to RTA, RTA will then verify the details and process the Electronic Demat Request from system.
- d) As soon as RTA process the Demat request from system, within couple of hours' shares will be credited into respective shareholder's Demat account.

Members may contact the Company for assistance in this regard at the mail id: compliance@digamberfinance.com

14. Members who still hold share certificates in physical form and have not nominated anyone can avail the nomination facility by filing Form SH-13 as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the company.
15. In case of any queries/ grievances connected with the AGM through VC / OAVM means, you may contact to the company at the designated mail id: compliance@digamberfinance.com or contact at +91 8905884001.
16. Shareholders may join the AGM of the company through VC/OAVM facility, by following the procedure as mentioned in the Notice, which shall be kept open for them at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time. Thereafter shareholders will not be able to join the meeting through VC/OAVM mode.
17. In case of any query related to shares, members holding shares in physical form may contact the Company at registered office or mail id: compliance@digamberfinance.com and members holding shares in demat form may contact the company's RTA CDSL Ventures Limited having registered office address I-202 Deck Level, Tower No. 4, 2nd Floor, above Belapur Railway Station, Belapur, Navi Mumbai-400614 by courier or at e-mail id satishc@cdslindia.com or milinds@cdslindia.com.
18. The Registers maintained under the Companies Act, 2013 and other documents as required will be available for inspection at the Registered Office of the Company during specified business hours i.e. between 11.00 am to 1.00 pm on all working days except on holidays and will also be available for inspection by the Members of company at the ensuing AGM. Any member seeking to inspect such registers can send their request to us at e-mail id compliance@digamberfinance.com
19. Instruction for joining the AGM through VC/OAVM:
 - a) Shareholders will be able to attend the AGM through VC/OAVM Facility through "Go To Meeting" video conferencing application. The link for joining the AGM via VC / OAVM is provided along with the said notice in the E-mail

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and please download and install the application in your Laptop/computer with this link <https://meet.goto.com/digamberfinance/annual-general-meeting> and after installation just click on the joining link and join the AGM.

- b) Shareholders may join the Meeting through Laptops for better experience. Further, the shareholders will be required to use Camera and Internet with a good speed to avoid any disturbance during the meeting. Please note that shareholders connecting from mobile or tablets or through laptops etc. connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

**By order of the Board of Directors of
DIGAMBER CAPFIN LIMITED**

**Date: 07.05.2024
Place: Jaipur**

**Sd/-
Rajiv Jain
Chairman and Managing Director
DIN:00416121**

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Annexure A

Brief profile of Ms. Debleena Majumdar, (DIN:07663430) along with her additional information as proposed at Item No. 4 & 6, is provided as required by Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Name of the Director	Ms. Debleena Majumdar
Category	Independent Director
Director Identification Number (DIN)	07663430
Date of Birth	17/08/1977
Age	46 years
Nationality	Indian
Date of Appointment on the Board	07/05/2024 (Appointed as Additional Director)
Qualifications	Management degree in Strategy and Finance from Faculty of Management Studies, Delhi Graduation in Statistics from Presidency College, Kolkata Six Sigma certification from General Electric German language certification from Max Mueller Bhavan, Kolkata
Expertise in specific functional area	Strategy and Finance
Brief Resume	Ms. Debleena Majumdar (DIN: 07663430) has over 20+ years of leadership experience across Strategy and Finance in leading global companies. Over the last 7 years, she has been the co-founder of Kahaniyah, which helps companies to simplify strategy using data and narrative story structuring. She has been on the Advisory Board of Conflux Technologies, a Fintech firm. She is a published author. She has deep expertise in Strategy, Finance, Storytelling, leading teams across global firms, entrepreneurship skills and expertise in writing books as well as writing for Economic Times.
Last drawn Remuneration Details along with remuneration sought to be paid	Last Drawn remuneration: NIL Remuneration sought to be paid: It is proposed to pay her remuneration of Rs. 25,000/- per month for a period of one-year i.e from 07.05.2024 to 06.05.2025 subject to approval of members of company. Further she is eligible to receive sitting fee, as decided by the Board from time to time for attending the Board or Committee Meetings of the Company.
Eligibility	Ms. Debleena Majumdar (DIN:07663430) is fulfilling the Fit and Proper criteria as prescribed under RBI guidelines and is eligible to be appointed as Independent Director. Further she is not

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	disqualified in any criteria as per section 164 of the Companies Act, 2013 as an Independent Director of the company.
Terms and Conditions	Appointed as an Independent Director (Additional Director) of the company w.e.f. 7 th May, 2024 to hold the office till the ensuing Annual General Meeting and is proposed to be confirmed as Independent Director for term of 5 (five) consecutive years, not liable to retire by rotation, from 07 th May, 2024 to 06 th May, 2029 subject to approval of members of company.
Number of equity shares held in the Company in which she is director/ Designated Partner	She is holding 48.26% of shareholding in Storyed Private Limited and 50% of contribution ratio in Kahaniyah LLP
No. of Board/Committee meetings attended of Digamber Capfin Limited held during FY 2023-2024	Not Applicable as she was appointed in the Board Meeting held on 7 th May, 2024
List of the directorships held in other companies (except Digamber Capfin Limited)	1. Kahaniyah LLP 2. Storyed Pvt. Ltd.
Relationships between Directors/ Managers/ KMP	Not related to any Director / Key Managerial Personnel or their relatives.
Chairmanship/Membership in any Company	NIL

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Annexure B

Brief profile of Mr. Chandramouli Coorg Subramanian (DIN: 10619001) along with his additional information as proposed at Item No. 5, is provided as required by Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Name of the Director	Mr. Chandramouli Coorg Subramanian
Category	Independent Director
Director Identification Number (DIN)	10619001
Date of Birth	10/06/1981
Age	42 years
Nationality	USA
Date of Appointment on the Board	07/05/2024
Qualifications	Bachelor of Engineering, Mechanical Engineering.
Expertise in specific functional area	Information Technology and Product strategist
Brief Resume	Mr. Chandramouli Coorg Subramanian (DIN: 10619001) is accomplished as senior technology executive with over two decades of experience specializing in artificial intelligence, digital transformation, and strategic product management. He is known for pioneering leadership that has significantly impacted business growth and operational efficiency in start-ups and major enterprises alike. He is expert in navigating complex business environments and leveraging technology to enhance organizational capabilities and achieve strategic goals.
Last drawn Remuneration Details along with remuneration sought to be paid	Last Drawn remuneration: NIL Remuneration sought to be paid: No remuneration sought to be paid except sitting fee, as decided by the Board from time to time for attending the Board or Committee Meetings of the Company.
Terms and Conditions	He is Appointed as an Independent Director (Additional Director) of the company w.e.f 7 th May, 2024 to hold the office till the ensuing Annual General Meeting and is proposed to be confirmed as Independent Director for term of 5 (five) consecutive years, not liable to retire by rotation, from 07 th May, 2024 to 06 th May, 2029 subject to approval of members of company
Eligibility	Mr. Chandramouli Coorg Subramanian (DIN: 10619001) is fulfilling the Fit and Proper criteria as prescribed under RBI guidelines and is eligible to be appointed as Independent Director. Further he is not disqualified in any criteria as per section

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	164 of the Companies Act, 2013 as an Independent Director of the company.
Number of equity shares held in the Company in which he is director.	NIL
No. of Board/Committee meetings attended of Digamber Capfin Limited held during FY 2023-2024	Not Applicable as he was appointed in the Board Meeting held on 7 th May, 2024
List of the directorships held in other companies (except Digamber Capfin Limited)	NIL
Relationships between Directors/Managers/ KMP	Not related to any Director / Key Managerial Personnel or their relatives.
Chairmanship/Membership in any Company	NIL

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STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

Pursuant to RBI circular ref. no. DOS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, M/s Kalani & Company, Chartered Accountants, (FRN:000722C), were appointed as the Statutory Auditor of the company for a period of 3 years from the conclusion of 26th Annual General Meeting ("AGM") held in Financial Year 2021-2022 till the conclusion of 29th AGM to be held in Financial Year 2024-25

Further as per the provisions and various clauses of above mentioned circular, M/s Kalani & Company is not eligible to be re-appointed for another term. On the recommendation of Audit Committee, the Board of Directors vide its resolution passed in Board meeting dated May 07, 2024 after considering various proposals of CA firms based on the assessment of Independence of the auditor, conflict of interest position in terms of relevant regulatory provisions, standards and best practices and assessing the eligibility of firm on various defined criteria's as per Companies Act, 2013, RBI Guidelines and any other as applicable, has recommended to appoint M/s Jain Paras Bilala & Company, Chartered Accountants, (FRN: 011046C) as Statutory Auditors of the company for a continuous period of three years from conclusion of the ensuing 29th Annual General Meeting till the Conclusion of 32nd Annual General Meeting subject to the assessment of the firms satisfying the eligibility norms each year by Board of Directors and approval of shareholders in the ensuing 29th AGM.

Furthermore, as required under Section 139(1) of the Companies Act, 2013 and RBI Guidelines, the Company has obtained an eligibility certificate from M/s Jain Paras Bilala & Company, Chartered Accountants, (FRN: 011046C) to the effect that they confirm that they fulfil the criteria as specified in the said Section and that they have not been disqualified in any manner for being appointed as Statutory Auditors within the meaning of Section 141 of the Companies Act, 2013 and aforesaid RBI Guidelines.

The Board of Directors of your Company recommends the Ordinary Resolution set out in Item No. 3 for approval of the Members of company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

ITEM NO. 4

Pursuant to the provisions of Section 149, 150, 152 & 161 and other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification or re-enactment thereof for the time being in force) read with schedule IV of the Companies Act, 2013, and on the recommendation of Nomination and Remuneration Committee, the Board of Directors has appointed Ms. Debleena Majumdar (DIN: 07663430) as an Independent Director (Additional Director) of the company w.e.f. 7th May, 2024 to hold the office till the ensuing Annual General Meeting.

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Email id: info@digamberfinance.com

Ms. Debleena Majumdar (DIN: 07663430) has over 20+ years of leadership experience across Strategy and Finance in leading global companies. Over the last 7 years, she has been the cofounder of Kahaniyah, which helps companies to simplify strategy using data and narrative story structuring. She has been on the Advisory Board of Fintech firms. She is a published author.

She has deep expertise in Strategy, Finance, Storytelling, leading teams across global firms, entrepreneurship skills and expertise in writing books as well as writing for Economic Times.

Based on her background, experience, qualification and expertise in the field of Strategy and Finance, her appointment would be beneficial to the Company. Therefore, on the recommendation of Nomination and Remuneration Committee and Board of Directors, it is proposed to members of company to confirm and regularise the appointment of Ms. Debleena Majumdar (DIN: 07663430) as an Independent Director of the Company for term of 5 (five) consecutive years, not liable to retire by rotation, with effect from 07th May, 2024 to 06th May, 2029.

Further Ms. Debleena Majumdar (DIN: 07663430) has given her consent in the Form DIR-2 to act as an Independent Director of the company and has submitted her declaration of independence & form DIR-8 for being eligible to be appointed and not disqualify in any criteria as per section 164 of the Companies Act, 2013 as an Independent Director of the company. The terms of her appointment shall be in accordance with the Company's policies and regulatory requirements. She is not disqualified from being appointed as a Director. She is also fulfilling the Fit and Proper Criteria prescribed under RBI guidelines.

The Brief profile and other documents related to appointment of Ms. Debleena Majumdar (DIN: 07663430) would be available for inspection to the Members at the Registered Office of the Company during normal business hours on any working day till the date of the AGM and also on the day of AGM.

The Board of Directors of your Company recommends the Ordinary Resolution set out in Item No. 4.

The other details of Ms. Debleena Majumdar (DIN: 07663430) as required to be given pursuant to the Secretarial Standard-2 in respect of Item No. 4 of the Notice are given in the Annexure A to this Notice.

Except Ms. Debleena Majumdar (DIN: 07663430), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

ITEM NO. 5

Pursuant to the provisions of Section 149, 150, 152 & 161 and other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification or re-enactment thereof for the time being in force) read with schedule IV of the Companies Act, 2013, and on the recommendation of Nomination and Remuneration

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Email id: info@digamberfinance.com

Committee, the Board of Directors has appointed Mr. Chandramouli Coorg Subramanian (DIN: 10619001) as an Independent Director (Additional Director) of the company w.e.f. 7th May, 2024 to hold the office till the ensuing Annual General Meeting.

Mr. Chandramouli Coorg Subramanian (DIN: 10619001) is an accomplished senior technology executive with over two decades of experience specializing in artificial intelligence, digital transformation, and strategic product management. He is known for pioneering leadership that has significantly impacted business growth and operational efficiency in startups and major enterprises alike. He is also an expert in navigating complex business environments and leveraging technology to enhance organizational capabilities and achieve strategic goals.

Based on his background, experience, qualification and expertise in the field of Information Technology and Product Strategy, his appointment would be beneficial to the Company. Therefore, on the recommendation of Nomination and Remuneration Committee and Board of Directors, it is proposed to members of company to confirm and regularise the appointment of Mr. Chandramouli Coorg Subramanian (DIN: 10619001) as an Independent Director of the Company for term of 5 (five) consecutive years, not liable to retire by rotation, with effect from 07th May, 2024 to 06th May, 2029.

Further Mr. Chandramouli Coorg Subramanian (DIN: 10619001) has given his consent in the Form DIR-2 to act as an Independent Director of the company and has submitted his declaration of Independence & form DIR-8 for being eligible to be appointed and not disqualify in any criteria as per section 164 of the Companies Act, 2013 as an Independent Director of the company. The terms of his appointment shall be in accordance with the Company's policies and regulatory requirements. He is not disqualified from being appointed as a Director. He is also fulfilling the Fit and Proper Criteria prescribed under RBI guidelines.

The Brief profile and other documents related to appointment of Mr. Chandramouli Coorg Subramanian (DIN: 10619001) would be available for inspection to the Members at the Registered Office of the Company during normal business hours on any working day till the date of the AGM and also on the day of AGM.

Further he is eligible to receive sitting fee as decided by the Board from time to time & reimbursement of travel and other incidental expenses incurred for attending the Board or Committee Meetings of the Company.

The Board of Directors of your Company recommends the Ordinary Resolution set out in Item No. 5 for approval of the Members of company.

The other details of Mr. Chandramouli Coorg Subramanian (DIN: 10619001) as required to be given pursuant to the Secretarial Standard-2 in respect of Item No. 5 of the Notice are given in the Annexure B to this Notice.

Except Mr. Chandramouli Coorg Subramanian (DIN: 10619001), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5

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ITEM NO. 6

Pursuant to the provisions of Section 149, 150, 152 & 161 and other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification or re-enactment thereof for the time being in force) read with schedule IV of the Companies Act, 2013, and on the recommendation of Nomination and Remuneration Committee, the Board of Directors has appointed Ms. Debleena Majumdar (DIN: 07663430) as an Independent Director (Additional Director) of the company w.e.f 7th May, 2024 to hold the office till the ensuing Annual General Meeting and therefore it is proposed to the members of company to confirm and regularise the appointment Ms. Debleena Majumdar (DIN: 07663430) as an Independent Director of the Company for term of 5 (five) consecutive years, not liable to retire by rotation, with effect from 07th May, 2024 to 06th May, 2029.

Pursuant to the provisions of Section 197, 198 read with Schedule V to the said Act and any other applicable provisions of the Companies Act, 2013 ('the Act') and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and on the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company after considering her background, experience, qualification and expertise in the field of Strategy and Finance, it is proposed to fix a remuneration of Rs. 25,000/- per month for Ms. Debleena Majumdar (DIN: 07663430) for the period of one year i.e. from 07.05.2024 to 06.05.2025 as the Independent Director of the Company. The Committee and the Board is of the view, that her experience and skill set would be beneficial to the company in the long run and she will be an asset for the growth of the Company and will be contributing significantly in increasing the effectiveness of the Board and Committee Meetings.

Further she is eligible to receive sitting fee, as decided by the Board from time to time & reimbursement of travel and other incidental expenses incurred for attending the Board or Committee Meetings of the Company.

The Board of Directors of your Company recommends the Special Resolution set out in Item No. 6 for approval of the Members of company.

The other details of Ms. Debleena Majumdar (DIN: 07663430) as required to be given pursuant to the Secretarial Standard-2 in respect of Item No. 6 of the Notice are given in the Annexure A to this Notice.

Except Ms. Debleena Majumdar (DIN: 07663430), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

ITEM NO. 7

In the Extra-Ordinary General Meeting (EoGM) held on Saturday, 25th June, 2022, the members of company approved the revision in remuneration of Mr. Rajiv Jain (DIN:

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00416121), Chairman cum Managing Director of the company from Rs. 10,00,000/- (Rupees Ten Lakh) per month i.e. Rs. 1,20,00,000/- (Rupees One Crore Twenty Lakh) per annum to Rs 30,00,000/- (Rupees Thirty lakh only) per month i.e. Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per annum including perquisites & other allowances as per company norms, with effect from 25.06.2022 to 24.06.2025.

Since the remuneration is fixed till 24.06.2025, it was recommended by the Nomination and Remuneration Committee and Board of Directors to keep the remuneration of Mr. Rajiv Jain (DIN: 00416121), Chairman cum Managing Director of the company at the present level with effect from 29.06.2024 to 13.04.2026 i.e. till his present tenure as Chairman and Managing Director on the terms and conditions as mentioned below:

Remuneration & Perquisites:

Monthly/ yearly remuneration	Upto Rs 30,00,000/- (Rupees Thirty lakh only) per month i.e. Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per annum including all, perquisites & other allowances as per company norms or as may be decided by Board of Directors from time to time.
Commission	Not exceeding 2 (two) percent of net profit in an accounting year of the Company subject to availability of profit.

Except for the revision in tenure of remuneration, all other terms and conditions of appointment, as approved earlier by the members of company, and which are not dealt with in this item resolution, shall remain unaltered.

As the above mentioned remuneration is to be paid as per the provisions of Section II of Part II of Schedule V of Companies Act, 2013 read with relevant provisions of Companies Act 2013, accordingly a special resolution is proposed for the approval of the shareholders.

Disclosure as required under Schedule V and amendment made thereafter under Companies Act, 2013 is given hereunder as Annexure C.

ITEM NO. 8

In the Extra-Ordinary General Meeting (EoGM) held on Saturday, 25th June, 2022, the members of company approved the revision in remuneration of Mr. Amit Jain (DIN: 00416133), Whole-time Director cum CFO of the company from Rs. 10,00,000/- (Rupees Ten Lakh) per month i.e. Rs. 1,20,00,000/- (Rupees One Crore Twenty Lakh) per annum to Rs 30,00,000/- (Rupees Thirty lakh only) per month i.e. Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per annum including perquisites & other allowances as per company norms, with effect from 25.06.2022 to 24.06.2025.

Since the remuneration is fixed till 24.06.2025, it was recommended by the Nomination and Remuneration Committee and Board of Directors to keep the remuneration of Mr. Amit

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Jain (DIN: 00416133), Whole-time Director cum CFO of the company at the present level with effect from 29.06.2024 to 13.04.2026 i.e. till his present tenure as Whole-time Director cum CFO on the terms and conditions as mentioned below:

Remuneration & Perquisites:

Monthly/ yearly remuneration	Upto Rs 30,00,000/- (Rupees Thirty lakh only) per month i.e. Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per annum including all, perquisites & other allowances as per company norms or as may be decided by Board of Directors from time to time.
Commission	Not exceeding 2 (two) percent of net profit in an accounting year of the Company subject to availability of profit.

Except for the revision in tenure of remuneration, all other terms and conditions of appointment, as approved earlier by the members of company, and which are not dealt with in this resolution, shall remain unaltered.

As the above mentioned remuneration is to be paid as per the provisions of Section II of Part II of Schedule V of Companies Act, 2013 read with relevant provisions of Companies Act 2013, accordingly a special resolution is proposed for the approval of the shareholders.

Disclosure as required under Schedule V and amendment made thereafter under Companies Act, 2013 is given hereunder as Annexure C.

DIGAMBER CAPFIN LIMITED

Annexure C:

Disclosure as required under Schedule V and amendment made thereafter under Companies Act, 2013 is given hereunder:

(I) GENERAL INFORMATION:

1. Nature of Industry:

Digamber Capfin Limited (DCL) is a non-banking finance Company-Micro Finance Institution (NBFC-MFI), registered with Reserve Bank of India (RBI) situated at Jaipur, Rajasthan, incorporated on April 17, 1995 and providing financial and support services to the marginalized sections in society, particularly to rural and semi-urban women. DCL was initially registered as NBFC-AFC and was doing business of vehicle financing in rural areas. In the year 2009, the company starts the new microfinance vertical and change in its RBI classification as NBFC-MFI.

2. Date of Commencement of business:

The Company is carrying the business since the date of receipt of certificate of commencement i.e 23rd July, 1996. The company is in MFI business since 2009 and got revised license from RBI for NBFC-MFI on 06th September, 2013.

3. Financial Performance based on given Indicators:

The Company's financial Summary or Highlights for the financial year 2023-24 along with previous financial year 2022-23 figures is given hereunder:

Particulars	Unit	March 31, 2024	March 31, 2023	Difference	Change (%)
Total Revenue from Operations	Rs. In Lakh	26,803.98	25,072.10	1731.88	(+)6.91%
(+) Other Income	Rs. In Lakh	1,047.89	609.45	438.45	(+)71.94%
Total Income	Rs. In Lakh	27,851.87	25,681.55	2170.33	(+)8.45%
(-) Total Expenditure (other than Interest Expense and Depreciation)	Rs. In Lakh	14432.92	11849.50	2583.42	(+)21.80%
EBIDTA (Earnings before interest Depreciation & Tax)	Rs. In Lakh	13418.95	13832.05	(-)413.10	(-)2.99%
(-) Interest Expense	Rs. In Lakh	10087.50	8336.32	1751.18	(+)21.01%
Profit before Depreciation and tax	Rs. In Lakh	3331.45	5495.73	(-)2164.28	(-)39.38%
(-) Depreciation	Rs. In Lakh	156.27	143.21	13.06	(+)9.12%
Profit before tax	Rs. In Lakh	3,175.18	5,352.52	(-)2177.34	(-)40.68%
(-) Tax Expenses	Current Tax	798.15	1665.64	(-)867.49	(-)52.08%
	Deferred Tax	(-)55.99	(-)291.08	235.10	(+)80.76%
	Income Tax for Earlier Year	11.82	36.71	(-)24.89	(-)67.80%
Profit after tax	Rs. In Lakh	2,421.20	3,941.25	(-)1520.05	(-)38.57%

DIGAMBER CAPFIN LIMITED

Total Comprehensive Income for the period	Rs. In Lakh	2425.67	3955.26	(-)1529.59	(-)38.67%
EPS (Basic)	In Rs.	24.47	39.90	(-)15.43	(-)38.67%
EPS (Diluted)	In Rs.	24.42	39.81	(-)15.39	(-)38.66%
Paid-up Equity Share Capital	Rs. In Lakh	989.32	987.69	1.63	(+) 0.17%
Face Value of Equity Shares	In Rs.	10 each	10 each	-	-

4. Foreign investments or collaborations, if any:

There is no foreign collaboration or investment made by the company.

However, during financial year 2023-2024, the Company has raised funds through External Commercial Borrowings of € 5,000,000 (Euro Five Millions Only) from foreign lender IIV Mikrofinanzfonds, a close ended credit fund organized and existing under the laws of Germany, represented by HANSAINVEST Hanseatische Investment-GmbH, Germany.

(II) INFORMATION ABOUT THE PERSON WHOSE REMUNERATION IS UNDER CONSIDERATION:

A. Details about Mr. Rajiv Jain

1. Back ground Details:

Mr. Rajiv Jain, (DIN: 00416121), the Chairman and Managing Director is Co-founder of the company and having 29 Years of progressive experience in the finance field. He is the Director and Promoter of the Company since 17.04.1995

Further, Mr. Rajiv Jain (DIN: 00416121) was appointed as Whole Time Director of the company for a period of 20 years w.e.f. 15.04.2001 to 14.04.2021 in EGM held on 20.06.2001. Considering his knowledge on various aspects relating to the Company's affairs and long business experience, the services of Mr. Rajiv Jain (DIN: 00416121) as Chairman cum Managing Director of the Company was extended for a period of 5 Years (Five years) with effect from 14th April, 2021 to 13th April, 2026 by the approval of members in the EGM held on 13.04.2021.

2. Job Profile & Recognition or Awards:

He has been associated with the Company since inception as Director and Promoter & responsible for the overall working of the Company and is instrumental in making strategic decisions for the Company & his strategic direction leads to achieve SBI excellence award in 2010. He is expert in assessing problem situations to identify causes, gather and process relevant information, generate possible solutions, and make recommendations and resolve the problem. He has through knowledge of market changes and forces that influence the company

He plays a vital role in executing the Company's strategies to develop and initiates revenue growth of the company. He is responsible for preparing and implementing comprehensive business plans to facilitate achievement by planning cost,

DIGAMBER CAPFIN LIMITED

effective operations, market development activities and implements daily business operations. He acts as the primary liaison to the board of directors of the Company. He oversees the company financial performance and investments and evaluate best industry practices in comparison to internal systems and needed resources, with an eye toward both future needs and budget realities. His mastery in the mathematic subject for which the company gets the benefits for designing of new loan product and financial workflows.

In view of his rich experience, dynamism and recognition, the Board of Directors of the Company feels that his association would be of immense benefit to the Company.

3. Present and Past Remuneration:

(i) Past Remuneration for Last 5 years with respect to the Financial Year 2023-2024:

Financial Year	Designation	Remuneration paid on the following Terms and Conditions as per limit approved by members of Company	Date of Approvals by Members of company
2018-19	Whole Time Director	Increase in remuneration from Rs. 2.50 Lakhs p.m. (Rs. 30 Lakhs p.a.) to Rs. 10 Lakhs p.m. (Rs. 120 Lakhs p.a.) including perquisites and other allowances as per company norms, as decided by the Board of Director from time to time with effect from 1 st day of November, 2018.	In the EGM held on 04.10.2018
2019-2020	Whole Time Director	Monthly Remuneration of Rs. 10 Lakhs p.m. (Rs. 120 lakhs p.a.) including perquisites and other allowances as per company norms & commission not exceeding 2% of Net Profit subject to availability of profits.	In the AGM held on 28.09.2019
2020-2021	Whole Time Director	Monthly Remuneration of Rs. 10 Lakhs p.m. (Rs. 120 lakhs p.a.) including perquisites and other allowances as per company norms & commission not exceeding	In the AGM held on 28.09.2019

DIGAMBER CAPFIN LIMITED

		2% of Net Profit subject to availability of profits.	
2021-2022	Managing Director	Monthly Remuneration of Rs. 20 Lakhs p.m. (Rs. 240 Lakhs p.a.) including perquisites and other allowances as per company norms & commission not exceeding 2% of Net Profit subject to availability of profits with effect from 14.04.2021	In the EGM held on 13.04.2021
2022-2023	Managing Director	Monthly Remuneration of Rs. 30 Lakhs p.m. (Rs. 360 Lakhs p.a.) including perquisites and other allowances as per company norms & commission not exceeding 2% of Net Profit subject to availability of profits w.e.f 25.06.2022	In the EGM held on 25.06.2022
2023-2024	Managing Director	Monthly Remuneration of Rs. 30 Lakhs p.m. (Rs. 360 Lakhs p.a.) including perquisites and other allowances as per company norms & commission not exceeding 2% of Net Profit subject to availability of profits w.e.f 25.06.2022	In the EGM held on 25.06.2022

(ii) Present Remuneration:

Mr. Rajiv Jain, Chairman cum Managing Director (DIN: 00416121) of the company is presently drawing a remuneration as per following terms and conditions as set out below:

Monthly/ yearly remuneration	Rs 30,00,000/- (Rupees Thirty lakh only) per month i.e. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per annum including perquisites & other allowances as per company norms.
Commission	Not exceeding 2 (two) percent of net profit in an accounting year of the Company subject to availability of profit.

DIGAMBER CAPFIN LIMITED

4. Remuneration Proposed:

The remuneration of Mr. Rajiv Jain, Chairman cum Managing Director (DIN: 00416121) of the company has been proposed with effect from 29.06.2024 to 13.04.2026 on the terms and conditions as mentioned below:

Remuneration & Perquisites:

Monthly/ yearly remuneration	Upto Rs 30,00,000/- (Rupees Thirty lakh only) per month i.e. Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per annum including all, perquisites & other allowances as per company norms or as may be decided by Board of Directors from time to time.
Commission	Not exceeding 2 (two) percent of net profit in an accounting year of the Company subject to availability of profit.

B. Details about Mr. Amit Jain

1. Back ground Details:

Mr. Amit Jain, Whole time Director cum CFO (DIN: 00416133) is the Co-founder of the company and having 29 Years of progressive experience in the field of finance as he is associated with the Company since incorporation as promoter and director of the company i.e since 17.04.1995

Mr. Amit Jain (DIN: 00416133) was appointed as Whole Time Director of the company for a period of 20 years w.e.f. 15.04.2001 to 14.04.2021 in EGM held on 20.06.2001. Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the services of Mr. Amit Jain (DIN: 00416133) as Whole-Time Director of the Company was extended for a period of 5 Years (Five years) with effect from 14th April, 2021 to 13th April, 2026 in the EGM held on 13.04.2021. Further Mr. Amit Jain (DIN: 00416133) was appointed as Chief Financial Officer (CFO) w.e.f 27.03.2019 along with existing designation of Whole-time Director (WTD) of the company w.e.f 27th March, 2019

2. Job Profile & Recognition or Awards:

The willingness of Mr. Amit Jain, Whole time Director cum CFO (DIN: 00416133) to be flexible, versatile and tolerant in a changing work environment while maintaining effectiveness and efficiency, are the major strength which helped the organization in completing 29 years successfully. He is reliable professional with broad knowledge to all accounting, financial and business principles. Further his inquisitiveness and zeal towards adoption of new technology leads the company towards digitalization & significant over the others. He is active member of MIFOS Initiatives (USA) and acting as an advisor in developing RuPie app "a brand of

DIGAMBER CAPFIN LIMITED

Wepact technologies Private Ltd" for developing world class digital lending platform.

Mr. Amit Jain, Whole time Director cum CFO (DIN: 00416133) mainly establishes and maintains positive working relationships with others, both internally and externally, to achieve the goals of the organization. He is responsible for driving the company's financial planning and overseeing the risk management by analyzing the liabilities and investments of the company. He oversees budgeting, financial forecasting, cash flow, coordination of audit activities and develop annual financial plans and projections for the company. He is looking over the control and evaluation of the Company's fund raising plan and capital structure and ensuring the cash flow appropriateness as per company's operations. He oversees the Company's Finance, Information Technology system and ensure adherence to financial laws and guidelines.

In view of his strong leadership, rich experience and flexible approach, the Board of Directors of the Company considers that his association would be of immense benefit to the Company.

3. Present and Past Remuneration:

(i) Past Remuneration for Last 5 years with respect to the Financial Year 2023-2024:

Financial Year	Designation	Remuneration paid on the following Terms and Conditions as per limit approved by members of Company	Date of Approvals by Members of company
2018-19	Whole Time Director	Increase in remuneration from Rs. 2.50 Lakhs p.m. (Rs. 30 Lakhs p.a.) to Rs. 10 Lakhs p.m. (Rs. 120 Lakhs p.a.) including perquisites and other allowances as per company norms, as decided by the Board of Director from time to time with effect from 1 st day of November, 2018.	In the EGM held on 04.10.2018
2019-2020	Whole Time Director cum CFO	Monthly Remuneration of Rs. 10 Lakhs p.m. (Rs. 120 Lakhs p.a.) including perquisites and other allowances as per company norms & commission not exceeding 2% of Net Profit subject to availability of profits.	In the AGM held on 28.09.2019
2020-2021	Whole Time Director cum CFO	Monthly Remuneration of Rs. 10 Lakhs p.m. (Rs. 120 Lakhs p.a.) including perquisites and other allowances as per company norms & commission not exceeding 2% of Net Profit subject to availability of profits.	In the AGM held on 28.09.2019

DIGAMBER CAPFIN LIMITED

2021-2022	Whole Time Director cum CFO	Monthly Remuneration of Rs. 20 Lakhs p.m. (Rs. 120 Lakhs p.a.) including perquisites and other allowances as per company norms & commission not exceeding 2% of Net Profit subject to availability of profits with effect from 14.04.2021	In the EGM held on 13.04.2021
2022-2023	Whole Time Director cum CFO	Monthly Remuneration of Rs. 30 Lakhs p.m. (Rs. 360 Lakhs p.a.) including perquisites and other allowances as per company norms & commission not exceeding 2% of Net Profit subject to availability of profits w.e.f 25.06.2022	In the EGM held on 25.06.2022
2023-2024	Whole Time Director cum CFO	Monthly Remuneration of Rs. 30 Lakhs p.m. (Rs. 360 Lakhs p.a.) including perquisites and other allowances as per company norms & commission not exceeding 2% of Net Profit subject to availability of profits w.e.f 25.06.2022	In the EGM held on 25.06.2022

(ii) Present Remuneration:

Mr. Amit Jain, Whole Time Director cum CFO (DIN: 00416133) of the company is presently drawing a remuneration as per following terms and conditions as set out below:

Monthly/ yearly remuneration	Rs 30,00,000/- (Rupees Thirty lakh only) per month i.e. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per annum including perquisites & other allowances as per company norms.
Commission	Not exceeding 2 (two) percent of net profit in an accounting year of the Company subject to availability of profit.

4. Remuneration Proposed:

The remuneration of Mr. Amit Jain, Whole-time Director cum CFO (DIN: 00416133) of the company has been proposed with effect from 29.06.2024 to 13.04.2026 on the terms and conditions as mentioned below:

Remuneration & Perquisites:

Monthly/ yearly remuneration	Upto Rs 30,00,000/- (Rupees Thirty lakh only) per month i.e. Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per annum including all, perquisites & other allowances as per company
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DIGAMBER CAPFIN LIMITED

	norms or as may be decided by Board of Directors from time to time.
Commission	Not exceeding 2 (two) percent of net profit in an accounting year of the Company subject to availability of profit.

5. Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person:

The current remuneration being paid/proposed to be paid to Mr. Rajiv Jain, Chairman cum Managing Director (DIN: 00416121) and Mr. Amit Jain, Whole-time Director cum CFO (DIN: 00416133) (looking at the profile of the position and person) is as per the remuneration being paid by the companies of comparable size in the industry in which the company operates.

6. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Mr. Mr. Rajiv Jain, Chairman cum Managing Director (DIN: 00416121) and Mr. Amit Jain, Whole-time Director cum CFO (DIN: 00416133) of the company. They are also the Promoters of the Company.

Further Mr. Rajiv Jain holds 25,59,277 (25.87%) equity shares and Mr. Amit Jain holds 23,66,666 (23.92%) equity shares of the company as on 7th May, 2024. They are also taking the remuneration and Commission as being the Chairman cum Managing Director and Whole-Time Director cum CFO of the company respectively.

Apart from above remuneration including perquisites paid or proposed to be paid to Mr. Rajiv Jain, Chairman cum Managing Director (DIN: 00416121) and Mr. Amit Jain, Whole-time Director cum CFO (DIN: 00416133) of the company as stated above and their respective shareholding held directly or through their relatives in the company, Mr. Rajiv Jain and Mr. Amit Jain are brothers. Mrs. Shilpa Ajmera, wife of Mr. Rajiv Jain, Chairman cum Managing Director (DIN: 00416121) and Mrs. Shweta Jain, wife of Mr. Amit Jain, Whole-Time Director cum CFO (DIN: 00416133) are holding the place of profit in the company. Other than stated above they do not have any pecuniary relationship directly or indirectly with the Company, or relationship with any Director or KMP of the Company or their relatives.

(III) OTHER INFORMATION:

1. Reasons of loss or inadequate profits:

The company has reported the Profit after Tax of Rs. 2421.20 Lakhs for the financial year 2023-2024 as compared to Profit after Tax of Rs. 3,941.25 Lakhs for the financial year 2022-2023.

DIGAMBER CAPFIN LIMITED

During the financial year 2023-2024, the company expanded its operations in various states esp. in the state of Bihar and opened 43 more branches and 2 Zonal offices. Due to the expansion and recruitment of man power (647 new employees were recruited during the financial year 2023-2024), the personnel cost and operational cost of the company also increased which will yield positive financial results in coming time.

Further, During the financial year 2023-2024, due to the increased risk of fake KYCs, the company decided to do a conscious lending and due to this the Asset Under Management (AUM) of the company was not aggressively increased.

2. Steps taken or proposed to be taken for improvement:

The Company has been consistently developing its various offices based on their performance and financial viability by considering their business continuation and business potential. Henceforth during the financial year 2023-2024, the company has spread its presence and business operations by opening 43 more branches and 2 Zonal offices and has also closed 3 branches.

As on 31st March 2024, the Company has its geographical presence in States and Union Territory namely, Bihar, Haryana, Himachal Pradesh, Jammu, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh and Uttarakhand.

The Company has a strong foothold in Micro finance loans by providing financial solution to its customers in rural and semi-rural areas through JLG products.

The company have received the KUA license from Unique Identification Authority of India (UIDAI) and after technology integration the e-KYC feature will be activated which will eliminate the risk of fake KYC and as a result the business as well as profitability is expected to be increased in coming year(s).

3. Expected increase in productivity and profits in measurable terms:

The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

The company has earned the Profit (i.e Profit after Tax) of Rs. 2421.20 Lakhs for financial year 2023-2024 and the company with all the above mentioned efforts and strategy is expected to do well in future.

DIGAMBER CAPFIN LIMITED

The other details of Mr. Rajiv Jain & Mr. Amit Jain as required to be given pursuant to the Secretarial Standard in respect of Item No. 7 & 8 of the Notice are as under:

S. No.	Particulars	Mr. Rajiv Jain	Mr. Amit Jain
1.	Date of Birth	23/09/1974	28/07/1976
2.	DIN	00416121	00416133
3.	Age	50 Years	48 Years
4.	Category	Executive	Executive
5.	Nationality	Indian	Indian
6.	Date of Appointment on the Board	17/04/1995 (Since Incorporation)	17/04/1995 (Since Incorporation)
7.	Qualifications	B.Sc.	B.Sc., LLB
8.	Master in specific functional area	29 Years' experience in finance field	29 Years' experience in finance field
9.	No. of Equity Shares held in the Company Shares as on 07.05.2024	25,59,277	23,66,666
10.	Number of Board Meeting attended during the year 2023-2024	There were 6 Board Meetings held during the FY 2023-2024 and all the Six meetings were attended by him.	There were 6 Board Meetings held during the FY 2023-2024 and all the Six meetings were attended by him.
11.	Terms & Conditions of Appointment	Appointed as Chairman Cum Managing Director of the Company for a period of 5 Years (Five years) with effect from 14th April, 2021 to 13th April, 2026	Appointed as Whole-Time Director cum CFO of the Company for a period of 5 Years (Five years) with effect from 14th April, 2021 to 13th April, 2026
12.	Eligibility	He fulfills the Fit and Proper Criteria prescribed under RBI guidelines and is not disqualified in any criteria as per section 164 of the Companies Act, 2013 as Director of the company	He fulfills the Fit and Proper Criteria prescribed under RBI guidelines and is not disqualified in any criteria as per section 164 of the Companies Act, 2013 as Director of the company
13.	Relationships between Directors/ KMP	He is Brother of Mr. Amit Jain, Whole-Time Director cum CFO. Other than this he is not related to any Director of KMP of the company.	He is Brother of Mr. Rajiv Jain, Chairman cum Managing Director. Other than this he is not related to any Director of KMP of the company.

Further, Mr. Rajiv Jain, Chairman cum Managing Director (DIN: 00416121) and Mr. Amit Jain, Whole-time Director cum CFO (DIN: 00416133) of the company, are not having directorship in any company other than Digamber Capfin Limited

DIGAMBER CAPFIN LIMITED

J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018
 CIN: U67120RJ1995PLC009862 Website: www.digamberfinance.com Contact No.: +911412700233-234
 Email id: info@digamberfinance.com

Details of Chairmanship/ Membership in committees of Digamber Capfin Limited are as follows:

Mr. Rajiv Jain, Chairman cum Managing Director (DIN: 00416121) and Mr. Amit Jain, Whole-time Director cum CFO (DIN: 00416133) of the company, are not the members of any other company other than Digamber Capfin Limited.

Mr. Rajiv Jain	Chairman/Member	Mr. Amit Jain	Chairman/Member
Asset-Liability Management Committee	Chairman	Asset-Liability Management Committee	Member
Corporate Social Responsibility Committee	Chairman	Corporate Social Responsibility Committee	Member
Executive Committee	Chairman	Executive Committee	Member
Risk Management Committee	Chairman	Risk Management Committee	Member
Nomination & Remuneration Committee	Member	Staff Appraisal Committee	Member
Staff Appraisal Committee	Chairman	IT Strategy Committee	Member
IT Strategy Committee	Member	IT Steering Committee	Member
IT Steering Committee	Chairman	Incentive Distribution Committee	Member
Incentive Distribution Committee	Chairman	New Product Committee	Member
New Product Committee	Chairman	Environmental, Social and Governance Committee	Chairman
Stakeholder Relationship Committee	Chairman	Stakeholder Relationship Committee	Member

Disclosure: All the disclosures from (i) to (iv) as mentioned under point IV under the heading Disclosures of Schedule V of Companies Act 2013 are mentioned in the Board of Director's report under the heading "Corporate Governance".

The Board recommends the special resolutions set out at Item No. 7 & 8 of the notice for approval by members of company. Only those members who are not interested in these items can vote for Item No. 7 & 8

Except Mr. Rajiv Jain, Chairman cum Managing Director (DIN: 00416121) and Mr. Amit Jain, Whole-time Director cum CFO (DIN: 00416133) of the company and their relatives who are members, none of the Directors or any of the Key Managerial Personnel of the

DIGAMBER CAPFIN LIMITED

Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolutions set out at Item No. 7 & 8 of the notice.

**By order of the Board of Directors of
DIGAMBER CAPFIN LIMITED**

**Date: 07.05.2024
Place: Jaipur**

**Sd/-
Rajiv Jain
Chairman and Managing Director
DIN:00416121**

DIGAMBER CAPFIN LIMITED

J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018
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Email id: info@digamberfinance.com

GREEN INITIATIVE

The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative” in Corporate Governance by allowing paperless compliance by companies through electronic mode. In accordance with the circulars bearing No.17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by Ministry of Corporate Affairs, Companies can send various notices/documents including Notice calling Annual General Meeting, Audited Financial Statements, Director's Report, Auditor's Report etc. for the financial year 2023-2024 (29th Annual Report), to their shareholders through electronic mode, to the registered e-mail address of the shareholders.

In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 29th Annual General Meeting along with Annual Report of the company has been uploaded on the website of the Company at www.digamberfinance.com.

This is opportunity for every shareholder of **DIGAMBER CAPFIN LIMITED** (The Company) to contribute to the Green Initiative of the Company. In furtherance of the initiative, the company proposes to send all communication and notices/documents at the registered e-mail id of the shareholders. However, in case you wish to receive the above communication/documents in physical mode or have not registered the e-mail address, you may send your request for getting the communications/documents in hard copy and for getting your e-mail registered at e-mail id to compliance@digamberfinance.com.

The Route Map, Proxy Form and Attendance Slip are attached with the Annual Report.

DIGAMBER CAPFIN LIMITED

J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018
CIN: U67120RJ1995PLC009862 Website: www.digamberfinance.com Contact No.: +911412700233-234
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BOARD'S REPORT

To,
The Members
Digamber Capfin Limited
J 54-55, Anand Moti, Himmat Nagar,
Gopalpura, Tonk Road,
Jaipur-302018, Rajasthan

The Directors of the Company have pleasure in presenting the Twenty-Ninth (29th) Board's Report of the Company together with the Audited Standalone Financial Statements and the Independent Auditors Report of the Company for the financial year ended March 31, 2024.

1. OVERVIEW

Digamber Capfin Limited ("**hereinafter referred as the Company or DCL**") is a Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI) and is registered with Reserve Bank of India under Section 45-IA of Reserve Bank of India Act, 1934 having Registration No. (RBI: B.10.00099).

Further, as per the Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 dated October 19, 2023 and RBI Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated October 22, 2021, the Company falls under the category of NBFC-Middle Layer as on March 31, 2024.

The company is a Non-deposit taking NBFC MFI and is operating primarily in the business of micro finance.

2. FINANCIAL SUMMARY AND HIGHLIGHTS OF THE COMPANY

The Company's financial Summary or Highlights for the year under review along with previous year's figures is given hereunder:

Particulars	Unit	March 31, 2024	March 31, 2023	Difference	Change (%)
Total Revenue from Operations	Rs. In Lakh	26,803.98	25,072.10	1731.88	(+)6.91%
(+) Other Income	Rs. In Lakh	1,047.89	609.45	438.45	(+)71.94%
Total Income	Rs. In Lakh	27,851.87	25,681.55	2170.33	(+)8.45%
(-) Total Expenditure	Rs. In Lakh	14432.92	11849.50	2583.42	(+)21.80%

DIGAMBER CAPFIN LIMITED

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 Email id: info@digamberfinance.com

(other than Interest Expense and Depreciation)					
EBIDTA (Earnings before interest Depreciation & Tax)		Rs. In Lakh	13418.95	13832.05	(-)413.10 (-)2.99%
(-) Interest Expense		Rs. In Lakh	10087.50	8336.32	1751.18 (+)21.01%
Profit before Depreciation and tax		Rs. In Lakh	3331.45	5495.73	(-)2164.28 (-)39.38%
(-) Depreciation		Rs. In Lakh	156.27	143.21	13.06 (+)9.12%
Profit before tax		Rs. In Lakh	3,175.18	5,352.52	(-)2177.34 (-)40.68%
(-) Tax Expenses	Current Tax	Rs. In Lakh	798.15	1665.64	(-)867.49 (-)52.08%
	Deferred Tax		(-)55.99	(-)291.08	235.10 (+)80.76%
	Income Tax for Earlier Year		11.82	36.71	(-)24.89 (-)67.80%
Profit after tax		Rs. In Lakh	2,421.20	3,941.25	(-)1520.05 (-)38.57%
Total Comprehensive Income for the period		Rs. In Lakh	2425.67	3955.26	(-)1529.59 (-)38.67%
EPS (Basic)		In Rs.	24.47	39.90	(-)15.43 (-)38.67%
EPS (Diluted)		In Rs.	24.42	39.81	(-)15.39 (-)38.66%
Paid-up Equity Share Capital		Rs. In Lakh	989.32	987.69	1.63 (+) 0.17%
Face Value of Equity Shares		In Rs.	10 each	10 each	- -

During the FY 2023-2024, the Net worth has increased to Rs. 26122.48 Lakhs from Rs. 23670.96 Lakhs. The company's capital adequacy has been further improved from 25.80 % to 26.33% well above minimum requirement of 15% of Tier -1 capital as prescribed by RBI.

During the financial year 2023-2024 total revenue from operation of the company was Rs. 26,803.98 Lakhs as compared to financial year 2022-2023 which was Rs. 25,072.10 Lakhs, hence witnessed an increase of 6.91%, whereas the total income for the financial year 2023-2024 is Rs. 27,851.87 Lakhs as compared to total income for the financial year 2022-2023 which was Rs. 25,681.55 Lakhs, hence witnessed an increase of 8.45%.

The company has reported the Profit after Tax of Rs. 2421.20 Lakhs for the financial year 2023-2024 as compared to Profit after Tax of Rs. 3,941.25 Lakhs for the financial year 2022-2023.

During the financial year 2023-2024, the company expanded its operations in various states especially in the state of Bihar and opened 43 more branches and 2 Zonal offices. Due to the expansion and recruitment of man power (647 new employees were recruited during the financial year 2023-2024), the personnel cost and operational cost of the company also increased which will yield positive financial results in coming time.

During the financial year 2023-2024, due to the increased risk of fake KYCs, the company decided to do a conscious lending and due to this the Asset Under

DIGAMBER CAPFIN LIMITED

Management (AUM) of the company was not aggressively increased. The company have received the KUA license from Unique Identification Authority of India (UIDAI) and after technology integration the e-KYC feature will be activated which will eliminate the risk of fake KYC and as a result the business as well as profitability is expected to be increased in coming year(s).

Further, the Company has not accepted any public deposits during the Financial Year 2023-2024 and does not have outstanding public deposits at the end of financial year ended March 31, 2024.

3. AMOUNTS TRANSFERRED TO RESERVES AND SURPLUS

The company has transferred Rs. 485.13 Lakhs to statutory reserves fund in accordance with the provisions of section 45-IC of Reserve Bank of India Act, 1934 i.e., aggregating 20% of Profit after Tax. Further, remaining current year profit of Rs. 1936.07 Lakhs has been transferred to the Reserves and Surplus.

Further, the Company has transferred Rs. 24.21 lakhs to Share based payment reserves from profit and loss account and Rs. 28.10 Lakhs is transferred from share based payment reserves to share premium account on account of shares allotted under Employee Stock Option Scheme.

The company has transferred following amounts from/to retained earnings to these reserves:

Particulars	As at March 31, 2024 (In Rs. Lakh)	As at March 31, 2023 (In Rs. Lakh)
At the Beginning of the Period	15,827.87	12,943.11
Add: Profit/(Loss) for the period	2,421.20	3,941.25
Add: Other Comprehensive Income	4.48	14.01
Add: Transfer from Debenture Redemption Reserves	250.00	0.00
Less: Transfer to Special Reserves under section 45 IC of RBI	485.13	1,070.50
Less: Transfer to Capital Redemption Reserve (CRR)	0.00	0.00
Less: Transfer to Debenture Redemption Reserve (DRR)	0.00	0.00
At the end of the period	18018.41	15,827.87

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4. DIVIDEND

The Board of Directors has not recommended any dividend for the year under consideration on Equity Shares of the Company.

5. OPERATIONAL HIGHLIGHTS

Particulars	Unit	March 31, 2024	March 31, 2023	Change (%)
Number of Branches	No's	239	199	(+)20.10%
Number of States and Union Territory	No's	9	9	NIL
No. of Customers/ Borrowers	No's	418151	393347	(+)6.31%
No. of Employees	No's	2555	1906	(+)34.05%
Amount Disbursed	Rs. In Lakh	90627.98	77847	(+)16.42%
Gross Loan Portfolio (Ind As)	Rs. In Lakh	97,372.28	92,309.12	(+)5.49%
Assets Under Management (Ind As)	Rs. In Lakh	1,13,043.58	1,14,260.41	(-)1.06%

The Company has a strong foothold in Micro finance loans by providing financial solution to its customers in rural and semi-rural areas through JLG products. The Company has been consistently developing its various offices based on their performance and financial viability by considering their business continuation and business potential. Henceforth during the financial year 2023-2024, the company has spread its presence and business operations by opening 43 more branches and 2 Zonal offices and 3 branches were closed due to being merged.

As on 31st March 2024, the Company has its geographical presence in States and Union Territory namely, Bihar, Haryana, Himachal Pradesh, Jammu, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh and Uttarakhand.

The company have received the KUA license from Unique Identification Authority of India (UIDAI) and after technology integration the e-KYC feature will be activated which will eliminate the risk of fake KYC and will give ease and speed to the on boarding process, due to this the lending/AUM is expected to be increased and resultantly the profitability may also increase.

Further, overseeing the current scenario and leading towards the new opportunities, the company is aspiring to scale up its business through starting a parallel revenue line. Considering this, the company has obtained micro insurance agency code from SBI Life Insurance Company Limited for providing life insurance coverage to its borrowers on behalf of the insurer.

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Furthermore, the Company is in the process of obtaining the Composite corporate agency license for providing Life insurance, General insurance & Health Insurance as a Corporate Agent of various insurers.

6. STATE OF THE COMPANY'S AFFAIR DURING THE YEAR

The directors wish to present the details of Company's Business operations and State of affairs during the year under review.

a) Segment-Wise position of Business and its operations:

During the financial year 2023-24 the company operated in the single segment, i.e. as a Non-Banking Finance as a Micro-finance institution.

b) Change in status of the Company:

The company was debt listed entity and with the redemption of its Non-Convertible Debentures on April 21, 2023, the status of the company changed to an unlisted entity by the end of June Quarter 2023. Other than above there is no change in status of the company.

c) Key business developments:

The company has started processing of Loan application through Loan Book App, which has reduced TAT of Loan Processing thereby complying with the guidelines of Core Financial Service Solution (CFSS).

d) Change in the Financial Year:

The Company's financial year begins from April 1 every year and ends on March 31 in the subsequent year. During the period under review, there is no change in the Financial Year of the Company.

e) Capital Expenditure Programmes:

During the financial year 2023-24, the Company has incurred an expenditure amounting to Rs. 640.06 Lakhs on Property, Plant and Equipment, intangible assets and construction of office building and all were related to the business operations of the company.

f) Details and status of acquisition, merger, expansion, modernization and diversification:

During the financial year 2023-24, there were no events of acquisition, expansion, modernization, diversification and merger.

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g) Developments, acquisition and assignment of material Intellectual Property Rights:

During the financial year, company has got registered its copyright for its Mark, the Artistic Work Device of D on December 27, 2023 vide registration number A- 1503 12/2023. This was already registered under Trademark Act 1999 and the same was also registered now under Copy Right Act, 1957.



The logo has now become an identification mark which creates the recognition in the eyes of people for Digamber Capfin Limited, thereby fulfilling its purpose as an intellectual property rights.

h) Future prospects including constraints affecting due to government policies:

The Company believes that the RBI's regulations are providing directions to strengthen the compliance framework and Regulators have taken various measures to monitor the compliances of all the applicable Directions, guidelines and circulars issued by Reserve Bank of India are adhered.

i) Resource mobilisation:

During the Financial Year 2023-24, the Company met its funding through diversified sources from Public Sector Banks, Private Sector Banks, Financial Institutions, NBFCs, External Commercial Borrowings etc.

No interest payment or principal repayment of the term loans and Non-Convertible Debentures ('NCDs') which was due and remained unpaid during the financial year 2023-2024. The Company did not receive any grievances from the debt security holders during the financial year 2023-2024. The assets of the Company which are available by way of security are sufficient to discharge the claims of the debt security holders as and when they become due.

7. CHANGE IN THE NATURE OF THE BUSINESS OF THE COMPANY

During the financial year, the company has not discontinued/sold or disposed-off any of its existing businesses or hived off any segment or division. Thus, there is no change in the business activities of the company during the period under review. The MFI business remains as the main business line for the Company. The company has initiated micro insurance business through starting a parallel revenue line along with main business, however micro insurance business shall not impact any major change in the main line of business.

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8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY HAVING OCCURRED SINCE THE END OF THE FINANCIAL YEAR TILL DATE OF THIS BOARD REPORT

No such material changes took place from the date of closure of the financial year in the nature of business and their effect on the financial position of the company.

9. DETAILED REASONS OR REPORT FOR REVISION OF FINANCIAL STATEMENT IN THE RELEVANT FINANCIAL YEAR IN WHICH SUCH REVISION IS BEING MADE:

During the period under review, no such revision was made in the financial statements of the Company. Thus, reporting under this clause is not applicable.

10. GENERAL INFORMATION

Adoption of Indian Accounting Standard (IND-AS): DCL adopted Indian Accounting Standard (IND-AS) from the financial year March 31, 2022. The annexed Standalone financial statement complies all the materials aspects mention in the Indian Accounting Standard and the Schedules of the Companies Act 2013 and other relevant provisions of the Act.

Marketing and Market Environment: During the period under review, the Company has covered States and Union Territory of Bihar, Haryana, Himachal Pradesh, Jammu, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh and Uttarakhand. The application of modified marketing strategies led to opening of new branches in the above-mentioned states and as on March 31, 2024. There were 239 Branches of the company in these States and Union Territories.

Induction of strategic and financial partners during the year: During the period under review, the Company has raised funds through External Commercial Borrowings € 5,000,000 (Euro Five Millions Only) from foreign lender IIV Mikrofinanzfonds, a close ended credit fund organized and existing under the laws of Germany, represented by HANSAINVEST Hanseatische Investment-GmbH, Germany.

List of other new Financial partners during financial year 2023-2024 are as follows:

1. A. K. Capital Finance Limited
2. A.K. Securitisation & Credit Opportunities Fund - II
3. Ambit Finvest Private Limited
4. Utkarsh Small Finance Bank Limited
5. Arohan Financial Services Limited

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11. CAPITAL & DEBT STRUCTURE

A. Changes in the capital structure of the company during the financial year 2023-24, including the following:

a) Change in the authorised, issued, subscribed and paid up share capital;

(Amount in Lakhs)

Particulars for Year ended March 31	2024		2023		Change in %
<u>Authorised Share Capital:</u> 1,50,00,000 Equity Shares of Rs. 10/- each 30,00,000 Preference Shares of Rs. 10/- each	1500.00	1800.00	1500.00	1800.00	No change
<u>Issued Capital:</u> 98,76,930 Equity Shares of Rs. 10/- each as on 31 st March, 2023 98,93,246 Equity Shares of Rs. 10/- each as on 31 st March, 2024	989.32	989.32	987.69	987.69	0.16%
<u>Subscribed Capital:</u> 98,76,930 Equity Shares of Rs. 10/- each as on 31 st March, 2023 98,93,246 Equity Shares of Rs. 10/- each as on 31 st March, 2024	989.32	989.32	987.69	987.69	(Change occurred due to Equity shares allotted under 'Digamber Capfin Limited
<u>Paid up Share capital:</u> 98,76,930 Equity Shares of Rs. 10/- each as on 31 st March, 2023 98,93,246 Equity Shares of Rs. 10/- each as on 31 st March, 2024	989.32	989.32	987.69	987.69	Employees Stock Option Scheme-2022 (DCL ESOP 2022))

b) Reclassification or subdivision of authorised share capital: **NIL**

c) reduction of share capital or buy back of shares: **NIL**

d) change in the capital structure resulting from restructuring: **NIL** and

e) Change in Voting Rights: **NIL**

B. Issue of shares:

There was no issue of any Bonus Shares/Sweat Equity/Right issue/ Equity shares with differential rights during the financial year 2023 - 2024. Further, the Company had not issued Preference Shares during the period under review.

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CIN: U67120RJ1995PLC009862 Website: www.digamberfinance.com Contact No.: +911412700233-234

Email id: info@digamberfinance.com

During the Financial year 2023-2024, the company has issued and allotted 16316 shares to its employees under "DCL ESOP 2022" on 16th October, 2023 at a price of Rs. 10/- at par on the face value. The Equity Shares of the company are not listed on any Stock Exchange in India or abroad.

C. Details of Employees Stock Option Plan

The Board of Directors of the Company approved the '**Digamber Capfin Limited Employees Stock Option Scheme-2022 (DCL ESOP 2022)**' in the Board meeting held on May 26, 2022. Subsequently, the Scheme was also approved by the members in the Extra-Ordinary General Meeting held on June 25, 2022.

The purpose of the scheme is to reward the employee for their performance and motivate them to contribute towards the growth and profitability of the Company. By giving ESOP to the eligible employees a sense of association is established with the company and they are motivated to work efficiently and effectively in such a manner that their personal and professional goals are aligned with the company's goal. Since the participants are the shareholders of the company, these plans supposedly encourage participants to do what's best for the company.

Employees, meanwhile, are given an opportunity to enhance their net worth, increase their compensation, and essentially be rewarded for their hard work and commitment. Having a stake in the company makes employees feel more appreciated, important and engaged towards the growth of the company.

The disclosures as per Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on March 31, 2024 are as follows:

S. No.	Particulars	Details
a)	No. of options granted;	68,721
b)	No. of options vested;	16316
c)	No. of options exercised;	16316
d)	The total number of shares arising as a result of exercise of option;	16316
e)	No. of options lapsed*	16052
f)	Exercise price per option (in Rs.);	10
g)	Variation of terms of options;	NIL
h)	money realized by exercise of options;	Rs. 1,63,160
i)	total number of options in force;	52669
j)	employee wise details of options granted to:	Ms. Neha Agarwal, Company Secretary
	(i) key managerial personnel;	

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	(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	1) Mr. Vivek Yadav 2) Mr. Pawan Kumar 3) Mr. Dharmendra Jangid 4) Mr. Virendra Kumar Bhargaw
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	NIL

*Information regarding the employees who have left & whose options were lapsed:

S. No.	Name of Employee	Designation	No. of shares Granted	Allotted during 1st Vesting	Options Lapsed	Date of Lapsed
1	Nanchuram Yadav	Circle Manager	2949	885	2064	06-11-2023
2	Rakesh Kumar Yadav	Regional Manager	1480	444	1036	08-12-2023
3	Jai Ram Yadav	Circle Manager	2335	701	1634	27-09-2023
4	Vivek Yadav	Head- Risk & Monitoring	4596	-	4596	15-06-2023
5	Virendra Kumar Bhargaw	Vice President	6722	-	6722	15-05-2023

D. Shares held in trust for the benefit of employees where the voting rights are not exercised directly by the employee

Pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014 and Rule 12 of Companies (Share Capital and Debenture) Rules, 2014, Section 62 and 67 of Companies Act, 2013, the shares are not granted through the Trust Route for the benefit of employees. So this clause is not applicable for the period under review.

E. Details of Debentures, Bonds or any Non-Convertible Debentures or warrants

During the Financial Year 2023-24, there were two transactions related to Non-Convertible Debentures. One is of redemption and the other is of Issue and allotment of Non-Convertible Debentures.

On April 21, 2023, the 250 11.50% rated, secured, senior, redeemable, taxable, transferable, listed non-convertible debentures of Face Value of Rs. 10,00,000/- (Rupees Ten Lakhs only) which were issued to State Bank of India on private placement basis during the Financial Year 2020-21 were fully redeemed at par on maturity.

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Further, the Company has raised funds by issue & allotment of Secured, rated, unlisted, Transferable, Redeemable, Non-Convertible Debentures denominated in Indian Rupees ("INR") to A.K. Securitization and Credit Opportunities Fund II, details of which are given below:

Security Name	13.25 % Digamber Capfin Limited 2027
Date of Issue	January 09, 2024
Category of Issue	Private Placement
Date of allotment	January 10, 2024
Number of Securities	1400
Brief details of the debt restructuring pursuant to which the securities are issued	NA
Issue Price	Rs. 1,00,000 per Debenture
Coupon rate	13.25% p.a. payable monthly on Coupon Payment Date.
Maturity Date	November 25, 2027
Amount raised	Rs. 14,00,00,000

At the end of the year the principal outstanding balance of NCDs is Rs. 1400.00 Lakhs.

Details of timely payment of interest as on date of signing of this report:

Due Date of Interest Payment	Date of Interest Payment	Amount in Rs.
25-01-2024	25-01-2024	7,60,246
26-02-2024	26-02-2024	15,71,175
26-03-2024	26-03-2024	14,69,810
25-04-2024	25-04-2024	15,75,479

12. DEBENTURE TRUSTEE:

To protect the Interest of the Debenture Holders of the Company, the Company has appointed the following Debenture Trustee:

Vardhaman Trusteeship Private Limited	
Registered Office: 3rd Floor, Room No - 15 6, Lyons Range, Turner Morrison House, Kolkata, West Bengal, India, 700001	Corporate Office: The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai-400051
Tel: 022-42648335, Email: compliance@vardhmantrustee.com , Website: https://vardhmantrustee.com/	

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J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018
CIN: U67120RJ1995PLC009862 Website: www.digamberfinance.com Contact No.: +911412700233-234
Email id: info@digamberfinance.com

13. CREDIT RATING

The Credit Rating obtained by the company for the Loan Facilities/Securities availed/ issued by the company as on 31st March, 2024 are listed below:

Particulars	Rating Agencies	Date of Issue	Date of Revision	Rating
Term Loan Rating	Acuite Ratings & Research	Feb 20, 2024	-	ACUITE BBB/Stable
Term Loan Rating	CRISIL Rating Ltd	Dec 15, 2023	-	CRISIL BBB/Stable
Cash Credit & OD facility	CRISIL Rating Ltd	Dec 15, 2023	-	A3+
Non-Convertible Debentures	CRISIL Rating Ltd	Dec 15, 2023	-	CRISIL BBB/Stable

14. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the financial year 2023-24, no amount was required to be transferred to the Investor Education and Protection Fund established by the Central Government, in compliance with Section 125 of the Companies Act, 2013 and rules made thereunder.

15. MANAGEMENT

A. Directors & Key Managerial Personnel (KMP)

The composition of the Board is in line with the requirements of the Act, and the applicable RBI Regulations. While selecting Directors, the Company looks for an appropriate balance of skills, domain expertise, experience, independence and knowledge to enable them to discharge their responsibilities effectively.

The details of the Board, its Committees, areas of expertise of Directors and other details are available in the Report on Corporate Governance, which forms integral part of this Annual Report.

The composition of the Board of Directors as on 31st March, 2024, is as follows: -

S. No.	Name of the Directors	DIN	Designation	Category
1.	Mr. Rajiv Jain	00416121	Chairman & Managing Director	Promoter & Executive Director
2.	Mr. Amit Jain	00416133	Whole Time Director & CFO	Promoter & Executive Director
3.	Mr. Lalit Kumar Jain	07517615	Independent Director	Non-Executive Director
4.	Dr. Amita Gill	09066022	Woman Independent Director	Non-Executive Director

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S. No.	Name of the Directors	DIN	Designation	Category
5.	Mr. Nayan Ambali	03312980	Non-Executive Director	Non-Executive Director
6.	Mr. Shashank Vyas	09789867	Nominee Director representing SIDBI	Non-Executive & Non-Independent Director
7.	Mr. Jatin Chhabra	08271333	Non- Executive Director	Non-Executive Director

The Company has adopted a Policy on Fit and Proper Criteria of Directors for ascertaining the Fit and Proper criteria of Directors at the time of appointment and on a continuing basis, pursuant to the Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India.

All the Directors of the Company have confirmed that they satisfy the fit and proper criteria and that they are not disqualified from being appointed/continuing as Director.

Further, as on 31st March, 2024, the Company has the following KMPs:

S. No.	Name of KMP	Designation
1.	Mr. Rajiv Jain (00416121)	Managing Director
2.	Mr. Amit Jain (00416133)	Whole-time Director and Chief Financial Officer (CFO)
3.	Ms. Neha Agarwal	Company Secretary

Further, there was no change in Directors and Key Managerial Personnel during the financial year 2023-2024. However, after the end of financial year up to the date of the Board Report there were following changes which are as follows: -

1. Ms. Neha Agarwal, Company Secretary has resigned from the company w.e.f. the closing of business hours of 30.04.2024.
2. Ms. Debleena Majumdar (DIN: 07663430) and Mr. Chandramouli Coorg Subramanian (DIN: 10619001) were appointed as Independent Directors (Additional Directors) of the Company w.e.f. 7th May, 2024 and they shall hold the office till the ensuing Annual General Meeting. Further, it is proposed to regularize their appointment as an Independent Director of the Company for a period of 5 Years from 7th May, 2024 to May 06, 2029 subject to approval of shareholders in the 29th Annual General Meeting of the Company.

None of the Directors of the Company is disqualified for being appointed/re-appointed as Director or holding directorship in the company, as specified under section 164(2) of

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the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Further, the sitting fees payable to Non-Executive Director and Independent Directors are in accordance with the Nomination, Remuneration & Compensation policy, which is available on the Company's website at <https://digamberfinance.com/code.php>.

B. Retire by Rotation

During the period under review, in accordance with the provisions of Section 152 of the Companies Act, 2013 read with Rules thereunder, Mr. Nayan Ambali (DIN: 03312980), Non-Executive Director of the company, is liable to retire by rotation at the ensuing 29th Annual General Meeting and being eligible, offers himself for re-appointment. Details of this matters are given in notice of 29th Annual General Meeting.

C. Independent Directors

During the financial year 2023-2024, no Independent Director was appointed or removed or resigned.

The Board is of the opinion that the Independent Directors appointed on the Board of the Company are the persons of integrity and possess the requisite expertise and experience required for the position and the Independent Director(s).

Further, pursuant to section 149 of the Companies Act, 2013 and Schedule IV, considering the skills and expertise of Ms. Debleena Majumdar (DIN: 07663430) and Mr. Chandramouli Coorg Subramanian (DIN: 10619001) and based on the recommendation of the Nomination and Remuneration Committee, the Board has appointed Ms. Debleena Majumdar (DIN: 07663430) and Mr. Chandramouli Coorg Subramanian (DIN: 10619001) as Independent Directors (Additional Directors) of the Company w.e.f 7th May, 2024 to hold the office till the ensuing Annual General Meeting. Further on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, it is proposed to appoint Ms. Debleena Majumdar (DIN: 07663430) and Mr. Chandramouli Coorg Subramanian (DIN: 10619001) as Independent Directors of the company for a term of five consecutive years commencing from May 07, 2024 to May 06, 2029 respectively subject to the approval of the Shareholders by way of Ordinary Resolution at the ensuing Annual General Meeting.

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D. Declaration by Independent Director(s) and Statement on compliance of code of conduct

The Company has received declarations from all the Independent Directors of the Company as prescribed under Section 149(7) of the Companies Act, 2013 and rules made there under that they are fulfilling the criteria of their independence as laid down in Section 149(6) of the Companies Act, 2013. The declarations received by the Company from Independent Directors are annexed with this report in **Annexure A**".

Further, the Independent Directors have complied with the Code for Independent Directors adopted by the company as prescribed in Schedule IV to the companies Act, 2013.

The Statement of Compliance of Code of Ethics & Business Conduct which is applicable to all the directors & all employees of the company has been annexed to this report in **Annexure "B"**

E. Meetings of The Board of Directors and General Meetings

During the Financial Year 2023-2024, there were 6 (Six) meetings of the Board of Directors as per Section 173 of the Companies Act, 2013. The details of Board meetings held and attendance of Directors are disclosed in the Report on Corporate Governance which is annexed with this Board Report as **Annexure "C"**. The maximum gap between any two meetings was less than 120 days as stipulated in the provisions of Companies Act, 2013.

Following are the details of the general meetings of shareholders held during the financial year 2023-2024: -

S. No.	Type of Meeting (Annual/ Extra- Ordinary)	Date	No. of Special Resolution
1	Extra Ordinary General Meeting	16/01/2024	1
2	28 th Annual General Meeting	26/09/2023	2

F. Committees of Board of Directors

The Company has constituted various committees in accordance with the provisions of the Companies Act, 2013 & guidelines of Reserve Bank of India.

Details of all the above Committees including composition, terms of reference and number & meetings held during the period under review are provided in Report on Corporate Governance annexed with Board Report as **Annexure "C"**.

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G. Recommendations of Audit Committee.

During the period under review, all the recommendations given by the Audit Committee was duly accepted by the Board of Directors.

H. Company's Policy on Directors' Appointment & Remuneration

During the period under review, the board, on the recommendation of the Nomination & Remuneration Committee has amended the Nomination, Remuneration and Compensation Policy for Directors, Senior Management & Key Managerial Personnel of the company in line with Section 178 of the Companies Act and the Scale Based Regulation (SBR) dated October 22, 2021 read with 'Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs' issued by the Reserve Bank of India dated April 29, 2022 and was renamed as Nomination, Remuneration & Compensation Policy in the Board Meeting held on August 29, 2023.

The Policy contains, inter-alia, selection, appointment and remuneration & Compensation structure including criteria for determining qualifications, positive attributes, independence, fit and proper etc. The compensation structure of KMP, Senior Management & other employees comprise fixed, variable and Long Term Pay along with Malus & Clawback provisions. The Nomination, Remuneration and Compensation Policy is annexed herewith as **Annexure "D"**. Also the policy is available at website of the company at <https://digamberfinance.com/images/uploadimage/Nomination%20Remuneration%20&%20Compensation%20Policy-new23.pdf>

I. Board Evaluation

In accordance with the provisions of Section 178 of the Act, Schedule IV and Nomination, Remuneration & Compensation policy, the Company has devised a process and criteria for performance evaluation of Board as a whole, its committees, non-executive directors, executive directors, independent directors & Chairman, as approved by the Nomination and Remuneration Committee (NRC). In line with the same the Independent Directors in their separate meeting held on February 08, 2024:-

- (i) reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;
- (ii) reviewed the performance of the Chairperson of the Company, taking into account the views of executive and non-executive Directors; and
- (iii) assessed the quality, quantity and timelines of flow of information between the Company management and the Board of Directors that was necessary for the Board of Directors to effectively and reasonably perform their duties

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Details of the separate meeting of the Independent Directors held and attendance of Independent directors therein are disclosed in the Report on Corporate Governance which is annexed with this Board Report as **Annexure “C”**

The provisions of Section 134(3)(p) of Companies Act, 2013 relating to formal annual evaluation by the Board of its own performance and that of its committees and individual directors are not applicable on the Company as the paid-up share capital of the company is below Rupees Twenty-Five Crores as specified in Rule 8 (4) of the Companies (Accounts) Rules, 2014.

Performance evaluation of Independent directors was done by the board of directors excluding the participation of the directors being evaluated. The evaluation included:

- (a) performance of the independent directors; and
- (b) fulfillment of the independence criteria as laid down in NRC policy and their independence from the management

The Board of Directors have expressed their satisfaction with the evaluation process and performance of Independent Directors.

J. Remuneration of Directors and Employees

A statement containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure “E”** to this report.

Further as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, No employees of the company posted and working in a country outside India, not being directors or their relatives.

Further No employee has received remuneration in excess of the limits set out in Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during FY 2023-24 except Managing Director and CFO (WTD), details of which is given in **Annexure “E”** to this report.

Moreover, the brief details of remuneration (including salary/sitting fees/other allowances etc. paid/to be paid therein to the Directors and KMP are disclosed in the Report on Corporate Governance which is annexed with this Board Report as **Annexure “C”**.

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K. Remuneration received by Managing Director/Whole Time Director from Holding or Subsidiary Company

There is no Holding or Subsidiary company of the company, hence this clause is not applicable on the company.

L. Director's Responsibility Statement

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm:

- a) that in the preparation of the annual accounts for the financial year 2023-24, the applicable Indian accounting standards had been followed along with proper explanations relating to material departures,
- b) that 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 Financial Year 2023-24 and of the profit & loss of the company for the period,
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities,
- d) that the Directors had prepared the annual accounts for the financial year ended 31st March, 2024 on a 'going concern' basis,
- e) that 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,
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

M. Internal Financial Controls

The Company has a sound Internal Control System, commensurate with the nature, size, scale & complexity of its business activities and various business operations which ensures that transactions are recorded, authorized and reported correctly. The Company has put in place policies and procedures for continuously monitoring and ensuring the orderly and efficient conduct of the business, including adherence to the Company's Policies, for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and prepare financial records in timely and reliable manner.

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The company has in-house internal audit department along with branch audit department which carries out branch audits at all branches of the company as per the audit Schedule and scope approved by Audit committee.

The Audit Committee of the Board of Directors, comprising of Non-Executive Directors, periodically reviews the internal audit reports, covering findings along with the follow up actions, adequacy and effectiveness of internal controls, and ensure compliances. It provides valuable suggestions and keeps the Board of Directors informed about its major observations, from time to time. It also oversees the implementation of audit recommendations especially involving risk management measures.

The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system, compliance to accounting policies and procedures, adequacy and effectiveness of the internal controls and systems followed by the Company. Information System Security controls enable the Company to keep a check on technology-related risks and also improve business efficiency and distribution capabilities. Your Company is committed to invest in IT systems, including back-up systems, to improve the operational efficiency, customer service and decision-making process.

The objective is to assess the existence, adequacy and operation of financial and operating controls set up by the Company and to ensure compliance with the Companies Act, 2013, Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023, and other applicable regulations and corporate policies.

The Audit Committee meets the Chief Compliance officer (CCO) once in a quarter without the presence of Executive Directors & other Senior Management officials to ensure the independence of compliance function.

N. Frauds reported by the Auditor

During the period under review, no fraud has been noticed or reported by the Auditors which are reportable to the central government under sub-section (12) of Section 143 of Companies Act, 2013 and rules made thereunder.

Following amount and category of Fraud reported by the statutory auditors in their Independent Auditor Report: -

Nature of Fraud	Amount Involved (in Rs. Lakhs)
Cash Embezzlement	3.17

The Company follows a robust system for prevention and detection of fraudulent activities. In such cases, the action taken by the Company is, to issue Show cause

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notices to these employees, to terminate services of these employees wherever warranted, to lodge police complaint/FIR wherever warranted, against the perpetrators and initiate necessary legal action against the perpetrators involved. Also, the company has reported information about the fraudster employees in Equifax Employment exchange.

16. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any Subsidiary or Associate Company or Joint venture during the financial year 2023-2024. None of the Company have become or ceased to become a subsidiary, associate & Joint Venture

17. PARTICULARS OF DEPOSITS

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 as well as RBI Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016

Further, the company is Non-Banking Financial Company registered with Reserve Bank of India (RBI) as non-deposit taking NBFC-MFI, hence confirms that in future also, the company shall not accept any public deposit without prior approval of the RBI.

As per RBI Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016, the directors disclosed the following particulars with respect to the deposits:

- (i) the total number of accounts of public deposit of the company which have not been claimed by the depositors or not paid by the company after the date on which the deposit became due for repayment:

NIL as already disclosed, the company has not accepted any deposits.

- (ii) the total amounts due under such accounts remaining unclaimed or unpaid beyond the dates referred to in clause (i) as aforesaid:

Not Applicable as the company has not accepted any deposits.

As per Chapter V of the Companies Act, 2013, the directors disclosed the following particulars with respect to the deposits:

- (i) accepted during the year: **NIL (Not applicable)**
- (ii) remained unpaid or unclaimed as at the end of the year: **NIL (Not applicable)**

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(iii) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:

- a. at the beginning of the year: **NIL (Not Applicable)**
- b. maximum during the year: **NIL (Not Applicable)**
- c. at the end of the year: **NIL (Not Applicable)**
- d. the details of deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013: **NIL (Not Applicable)**
- e. Details of National Company Law Tribunal (NCLT)/ National Company Law Appellate Tribunal (NCLAT) orders with respect to depositors for extension of time for repayment, penalty imposed, if any: **NIL (Not Applicable)**

18. PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

As per Rule 11 (2) of the Companies (Meetings of Board and its Powers) Rules, 2014 provisions of Section 186 of the Companies Act, 2013 is not applicable on the company except sub-section (1) of Section 186

Further as a part of business operations of the company, the company is required to open fixed deposit account with various banks to provide collateral security against the fund borrowed by the company in compliance of Section 179 & 180 (1) (a) & (c) of Companies Act, 2013 along with rules provided for this purpose & modifications thereafter, if any.

The outstanding balance as on 31st March, 2024 of Fixed Deposits and mutual funds are duly disclosed in the financial statements of the Company. Other than this the company is also required to park the funds on temporary basis in various securities/ mutual funds. Details of these are also been disclosed in the financial statements for the financial year ended 31st March, 2024.

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has formulated a policy on related party transactions in line with RBI Master Circular "Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015" dated 1st July, 2015 which is available on Company's website at <https://digamberfinance.com/images/uploadimage/Related%20Party%20Transaction%20Policy-new23.pdf> and also enclosed herewith as **Annexure: "F"**.

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This policy deals with the review and approval of related party transactions. The Board of Directors of the Company had approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis.

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions done by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company. The details of the related party transactions are disclosed as per Indian Accounting Standard (IND AS) – 24 and set out in the note 40 to the Standalone Financial Statements forming part of this annual report.

Contracts / arrangements / transactions entered by the Company during the year under review with related parties under Section 188 of the Act were in ordinary course of business and on arm's length basis. Particulars of such Contracts / arrangements / transactions are contain enclosed herewith in **Form No. AOC-2** as **Annexure: "G"**.

20. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted a Corporate social responsibility policy formulated and approved by the Board of Directors on the recommendation of Corporate Social Responsibility Committee ("CSR Committee")

Corporate Social Responsibility Policy of the company covers broad aspects with related to the CSR Implementation, CSR Committee Composition, CSR Expenditure, CSR Reporting, Transfer of Unspent CSR amount, CSR Fund, Role & responsibility of Board and CSR Committee, Activities under CSR etc. and the complete policy is available on the website of the company at <https://digamberfinance.com/images/uploadimage/Corporate%20Social%20Responsibility%20Policy-new23.pdf>.

The CSR expenditure has been incurred from time to time in the projects recommended by the CSR Committee and approved by the Board of Directors in accordance with the CSR Policy and the Annual Action Plan and Schedule VII of Companies Act 2013. The details of the CSR initiatives taken during the financial year are disclosed in the Annual report on Corporate Social Responsibility enclosed with this Annual report as **Annexure "H"**

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Details of the Corporate Social Responsibility Committee are provided separately in the Corporate Governance Report enclosed with this Annual Report as **Annexure “C”**

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

• CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy:

Your Company is financial Service provider henceforth it does not require intense consumption of energy. However, company have taken sufficient measures to reduce energy consumption. The head office of the Company has been retrofitted with LED lights to conserve electricity, as LED lights consume less electricity as compared to the conventional Compact fluorescent lamps and incandescent bulbs. Additionally, our employees are educated on responsible equipment usage and encouraged to turn off devices when not in use.

Also, company has taken various initiatives for reducing the usage of papers and moving towards digitalization. Further, Posters and awareness programmes for Educating employees for adopting environment friendly habits and saving energy have been displayed in all the branches. Also company has constituted Environment, Social & Governance Committee(ESG) for constantly taking care of ESG issues. Such tasks are being assigned to Green Captains who regularly take care of conservation of energy and minimum usage of plastic in the office premises.

(i) The steps taken by the company for utilizing alternate sources of energy: NIL as the Company is in the service industry and company is using basic energy sources.

(ii) The capital investment on energy conservation equipment's: In view of the nature of the activities carried on by the Company, there is no capital investment on energy conservation equipment. The Company may access the requirement of the same in coming years.

• TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption:

The Company actively engages itself towards technology advancements to serve its customers/borrowers better and to create technology friendly environment for its employees who, in turn, help them to manage the processes efficiently and economically.

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The Company has received the AUA-KUA License from Unique Identification Authority of India (UIDAI) and after completion of the integration of the same, the company will start bio-matrix based E-KYC which will ease the process and also will eliminate the manual efforts for KYC process.

(ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:**

As mentioned above in point (i) after completion of implementation of AUA-KUA License with the technology used by the company will help in attaining benefits like product improvement, ease of doing onboarding, reduction of manual efforts etc.

(iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):** N.A.

(iv) **The expenditure incurred on Research and Development:** NIL

• **FOREIGN EXCHANGE INFLOW/ EARNINGS AND OUTGO**

❖ **The Foreign Exchange inflow during the year:**

By receiving of Funds through External Commercial Borrowings: € 5,000,000 (Euro Five Millions Only) (in INR: 44,79,81,184 i.e. Rupees Forty-Four Crores Seventy-Nine Lakhs Eighty-One Thousand One hundred and Eighty-Four only)

❖ **The Foreign Exchange earned in terms of actual inflows during the year:** NIL

❖ **The Foreign Exchange outgo during the year in terms of actual outflows:**

Interest payment for the External Commercial Borrowings: EURO194183.33

22. **RISK MANAGEMENT**

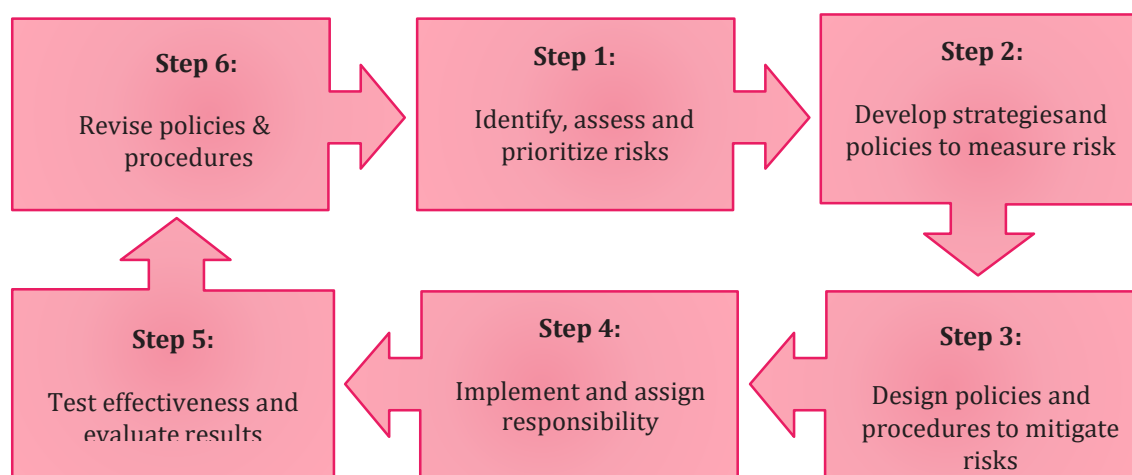
The Company has developed and implemented a well-defined risk management framework in place. The framework encompasses practices relating to identification, analysis, evaluation, treatment, mitigation, and monitoring of Credit, Market, Liquidity, financial, Operational, Compliance, Human Resource risks etc. for achieving its key business objectives. Enhancing risk receptiveness, lowering operational volatility and aligning risk appetite with strategies are just some of the risk management practices the company has incorporated into its business operations.

The Company have strong and significant Risk Management strategy-setting across the organisation, designed to identify potential events that may affect the company and manage risk to be within its risk appetite and to provide reasonable assurance

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regarding the achievement of the objectives of the Company. This risk management structure is designed in the manner to protect the reputation of the organization, enable the Company to make consistently profitable and prudent business decisions across all its offices and ensure an acceptable risk-adjusted return on capital, Risk-Appetite based Risk-Tolerances (including defined Risk Limits as applicable) and to be within its overall risk capacity or any other equivalent measure.

The Risk Management Process is evaluated on the following parameters as defined in the Diagram:



It is crucial to have a strategy in place before problems hit. Driving to assessing and Mitigating the risk and establishing a High value on corporate transparency to protect the TRUST of our stakeholders.

Further the Risk Management process is well defined in Management Discussion and Analysis report annexed separately in this Board Report as **Annexure “J”**

Henceforth, to frame, implement, and monitor the enterprise risk management plan, ensuring its effectiveness, and verifying adherence to various risk parameters, the Board of Directors of the Company has formed a Risk Management Committee (“RMC”) consisting of Two (2) Executive Directors, One Independent Director along with 2 other member who are the Senior Management Personnel of the company. The responsibilities of the Risk Management Committee are covered under the ‘Terms of Reference of Risk Management Committee’ which are mentioned in the Corporate Governance Report annexed separately in this Board Report as **Annexure “C”**.

The Company has adopted Risk Management Policy which is also available on the website of the Company at <https://digamberfinance.com/images/uploadimage/Risk-Management-Policy-new-24.pdf>

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23. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177 (9) of the Companies Act, 2013 and the Rules made thereunder, the Company has established Vigil Mechanism/Whistle Blower Policy. Policy inter alia, include the mechanism for:

- a. all Directors and employees of the Company to report suspected or actual occurrence of illegal, unethical or inappropriate actions, behaviors or practices by Directors/employees without fear of retribution. The Directors/employees can voice their concerns on irregularities, malpractices and other misdemeanors through this Policy;
- b. provides necessary safeguards and protection to the Directors/ employees who disclose the instances of unethical practices/behavior observed in the Company;
- c. The mechanism also provides for direct access to the Chairman of the Audit Committee in exceptional cases;

Vigil Mechanism/Whistle Blower Policy is available on the website of the company at https://digamberfinance.com/images/uploadimage/Vigil%20Mechanism_Whistle%20blower%20Policy-new23.pdf.

Details of the same are also stated in Corporate Governance Report enclosed as Annexure "C".

24. MATERIAL ORDERS OF JUDICIAL BODIES/ REGULATORS

No significant & material orders passed by any such authorities which impacts the going concern status and company's operations in future.

25. AUDITORS AND THEIR REPORT THEREON

• STATUTORY AUDITOR

Pursuant to RBI circular ref. no. DOS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021.

M/s Kalani & Company, Chartered Accountants, (FRN:000722C), were appointed as the Statutory Auditor of the company for a period of 3 years from the conclusion of 26th Annual General Meeting ("AGM") held in Financial Year 2021-2022 till the conclusion of 29th AGM to be held in Financial Year 2024-25.

Pursuant to RBI circular ref. no. DOS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, M/s Kalani & Company, Chartered Accountants, (FRN:000722C), were appointed as the Statutory Auditor of the company for a period of 3 years from the

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conclusion of 26th Annual General Meeting ("AGM") held in Financial Year 2021-2022 till the conclusion of 29th AGM to be held in Financial Year 2024-25.

Further as per the provisions and various clauses of above mentioned circular, M/s Kalani & Company is not eligible to be re-appointed for another term. On the recommendation of Audit Committee, the Board of Directors vide its resolution passed in Board meeting dated May 07, 2024 after considering various proposals of CA firms based on the assessment of Independence of the auditor, conflict of interest position in terms of relevant regulatory provisions, standards and best practices and assessing the eligibility of firm on various defined criteria's as per Companies Act, 2013, RBI Guidelines and any other as applicable, has recommended to appoint M/s Jain Paras Bilala & Company, Chartered Accountants, (FRN: 011046C) as Statutory Auditors of the company for a continuous period of three years from conclusion of the ensuing 29th Annual General Meeting till the Conclusion of 32nd Annual General Meeting subject to the assessment of the firms satisfying the eligibility norms each year by Board of Directors and approval of shareholders in the ensuing 29th AGM.

Furthermore, as required under Section 139(1) of the Companies Act, 2013 and RBI Guidelines, the Company has obtained an eligibility certificate cum Declaration from M/s Jain Paras Bilala & Company, Chartered Accountants, (FRN: 011046C) to the effect that they confirm that they fulfil the criteria as specified in the said Section and that they have not been disqualified in any manner for being appointed as Statutory Auditors of the Company within the meaning of Section 141 of the Companies Act, 2013 and aforesaid RBI Guidelines.

M/s Kalani & Company, the Statutory Auditors has given an unmodified report for the financial year 2023-2024 and their report is self-explanatory hence do not require any further clarification.

Further, the notes to the accounts referred to in the Auditor's Report are self-explanatory hence do not require any further clarifications.

- **SECRETARIAL AUDITORS**

In compliance with the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors in its meeting held on 29th August, 2023 has appointed M/s R. Chouhan & Associates, Practicing Company Secretaries, Jaipur as the Secretarial Auditor of the Company for the financial year 2023-2024. The Secretarial Audit Report for the financial year 2023-2024 in form MR-3 is annexed herewith which forms part of this report as **Annexure "I"**.

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The Company follows policy of 100% compliance of all applicable norms, rules and standards strictly. However, the suggestions of Secretarial Auditor for improvement in SS-1 compliances for future are noted.

Clarifications by the Board of Directors on the comments of Secretarial Auditors given in Secretarial Audit Report are given as **Annexure "I-A"** below the Secretarial Audit Report.

- **COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014, the maintenance of cost records has not been specified by the Central Government under the said section for the business activities carried out by the NBFC.

Hence, provision of appointment of Cost Auditors & maintenance cost records is not applicable to the Company.

- **INTERNAL AUDITORS**

Internal Audit plays a vital role in strengthening the Corporate Governance and complying with the management objectives to improve and strengthen the internal controls.

Internal Audit functions through Audit teams stationed at branch offices and head office headed by Internal Audit Department. It is ensured that all operating offices are audited at least once in quarter. Further, regular audits of branch offices, Head Office Departments are conducted to ensure reliability of operational and financial information, statutory/ regulatory compliances, safeguard of the assets of the Company along with implementation & adherence to corporate policies.

The internal audit department conducts its audit through modules/checklists to carry out process wise audits and ensure effective compliance and adherence to various statutory laws, rules, guidelines, regulations issued by various authorities as well as the internal guidelines issued by the management.

The internal auditor submits its report on such quarterly basis to Audit Committee of the Company.

The audit process being used by internal audit department is also being reviewed from time to time with a view to bring it in line with the regulatory framework.

In compliance with the provisions of Section 138 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the company has made

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Mr. Shashank Y. Kumar, Chartered Accountant, (M. No.: 438044) responsible as an Internal auditor, to carry out the Internal Audit of the Company for the Financial Year 2023 - 2024

Further, the company has reappointed Mr. Shashank Y. Kumar, Chartered Accountant, (M. No.: 438044) as Internal auditor of the company FY - 2024-2025.

- **INFORMATION SYSTEMS AUDITOR**

As per the requirements of the Master Direction of the Information Technology Framework for the NBFC dated June 8, 2017 and Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023 the company has to conduct audit of its Information Systems at least once in a year.

As per the structure of the company the criterion for appointment of Information System Auditor was decided by IT Strategy Committee and on this basis the Audit Committee of the company recommended to the Board of Directors for the appointment of M/s Deccan Infotech Pvt. Ltd. To carry out the Information Systems Audit for the financial year 2023-24

Further, Board of Directors in their meeting held on November 18, 2023 approved the appointment of M/s Deccan Infotech Pvt. Ltd. as the Information System Auditor (IS Auditor).

26. COMPLIANCE OF SECRETARIAL STANDARDS

The Company is regularly adhering with the Secretarial Standards- I & II as issued by the Council of the Institute of Company Secretaries of India and thereafter approved by the Central Government under section 118 (10) of Companies Act, 2013.

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

During the period under review, neither any application was made by the company nor any proceeding was initiated or pending against the Company under the Insolvency and Bankruptcy Code, 2016.

28. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the period under review, no such event took place. Therefore, reporting under this point is not applicable on the Company

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29. ANNUAL RETURN

Pursuant to section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the draft annual return of the Company for the financial year 2023-24 in the prescribed Form MGT-7 is available on the Company's website at https://digamberfinance.com/images/uploadimage/Draft-Form_MGT_7%202023-24-n2n.pdf under tab Annual Returns.

30. KEY INITIATIVES WITH RESPECT TO STAKEHOLDER RELATIONSHIP, CUSTOMER RELATIONSHIP, ENVIRONMENT, SUSTAINABILITY, HEALTH AND SAFETY

The Company finds its biggest endorsement in the satisfaction of its customers and the success and safety of its people. The Company has, over the years, built the reputation of an honest business house by upholding transparent practices. It continues to invest mind, time and funds to uplift lives of the people of community through meaningful interventions in critical areas such as education, health and hygiene and livelihood. The company has taken an initiative to create awareness and educate its widely spread customers and to support the financial literacy program of Reserve Bank of India, by way of publishing its own booklet on Financial Literacy Program

The Company implement programmes across the Indian landmass to provide hope to the underprivileged. The company believes in technology and have a vision of implementation of all robust technology for smooth operation and safeguarding the systems from any security breaches. One such initiative undertaken by the Company is that company has implemented a system for seamless loan processing through Loan Book App in its branches. Currently the same has been implemented in all branches of the company.

Also, the Company has received the AUA-KUA License from Unique Identification Authority of India (UIDAI) which shall make the procedure for KYC and granting of loans seamless and effective.

By taking AUA-KUA License from Unique Identification Authority of India (UIDAI), the Company will have the following benefits:

- Verification of the Correctness of data of the borrower
- Reduces the danger of identity fraud and other security breaches
- Boosts customer/employee trust, as identity verification and data are safe
- Simplifies and eases the onboarding process as the verification happens instantly without any manual efforts.

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As a professionally governed company, the company believes in responsible and sustainable business practices. The vision of the company is to achieve sustainability in the business and to achieve the highest standard in all the elements of Environment, Social, and Governance (ESG) as per global standards and make substantial efforts to create more value for our stakeholders. The Company has adopted the practices for minimal usage of papers and plastic in the premises as an initiative for Environment sustainability.

The company keeps a tight check on the possible fraudulent activities by its employees and others and believe in strict compliance mechanism. It regularly keeps track of the possible risks which may be identified and takes measures for their minimization.

31. PARTICULARS OF BSE (STOCK EXCHANGES)/SEBI (LODR) REGULATIONS, 2015 COMPLIANCES

250 11.50% Non-Convertible Debentures of Face Value of Rs. 10,00,000/- (Rupees Ten Lakhs Only) of the Company were listed on BSE Stock Exchange and the Company has complied with all the applicable Regulations as prescribed by the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 and any other circulars and notifications issued from time to time by SEBI and BSE.

On April 21, 2023, the 250 11.50% Non-Convertible Debentures of Face Value of Rs. 10,00,000/- (Rupees Ten Lakhs only) were fully redeemed at par on maturity. The Company as a result of redemption of debentures, become an unlisted entity and hence listing and disclosure norms are not applicable to the company from the end of June Quarter, 2023.

32. PAYMENT OF LISTING FEE

The Company affirms that the Annual Listing Fees for the Financial year 2023-2024 to the BSE Limited (Stock Exchange) has been paid within the prescribed timeline and since the company has now become an unlisted entity hence no fees is payable for the Financial year 2024-2025.

33. DISCLOSURE WITH RESPECT TO MAINTENANCE OF FUNCTIONAL WEBSITE

As the Non-Convertible Debentures of the Company were listed on BSE (Bombay Stock Exchange) during the period under review till 21st April, 2023, Hence, pursuant to Regulation 62 of the SEBI (LODR) Regulations, 2015, the company has maintained functional website & access by the said web-link through <https://www.digamberfinance.com> and the required disclosures upto the date of delisting can be seen through web-link

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<https://www.digamberfinance.com/disclosure.php>. Other than this, the Company is also fulfilling all the disclosure requirements under various applicable, guidelines, rules, regulations and laws as applicable on the Company.

Further post delisting, the company is maintaining a functional website and complying with norms of website disclosures as per laws and regulations applicable to the company.

34. **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Management Discussion and Analysis Report, highlighting the important aspects of the business are enclosed as **Annexure: “J”** and forms part of this Report.

35. **CORPORATE GOVERNANCE**

The Company is fully committed to follow sound corporate governance practices. The Board provides strategic guidance, oversees the implementation of our business objectives, and ensures compliance with legal and regulatory requirements. The Company is committed to conducting its business in accordance with the applicable laws, rules and regulations. The Company follows the highest standards of business ethics. A report on good Corporate Governance Practices is annexed separately with this Board Report as **Annexure “C”**.

Code of Conduct: The Company places strong emphasis on ethical conduct and integrity in all its business activities. Its Code of Conduct sets out the standards of behavior expected from its employees and directors. The Company promote a culture of transparency, honesty, and fairness, where ethical decision-making is upheld and any potential conflicts of interest are appropriately managed. The Company ensures that the best corporate practices are implemented in its corporate structure. The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations.

Board Committees and Oversight: To ensure effective governance and oversight, the company has established various Committees which are a unique blend of statutory and non-statutory committees, including Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, IT Strategy Committee, Stakeholder Relationship Committee, ESG Committee, Corporate Social Responsibility Committee, Alco Committee, IT steering Committee, Executive Committee, Staff Appraisal Committee, Ombudsman Committee, Credit Committee, Internal Committee, Incentive Distribution Committee, New Product Committee, etc. These committees comprise directors/members who provide specialized expertise and oversight in key areas, ensuring rigorous scrutiny, accountability, and compliance with regulatory requirements.

DIGAMBER CAPFIN LIMITED

Transparency and Reporting: Transparency is a cornerstone of Company's corporate governance practices. The Company is committed towards providing accurate and comprehensive information to its stakeholders. Its annual reports, financial statements, and other disclosures adhere to applicable accounting standards, regulatory requirements, and best practices. The Company continuously strive to enhance and maintain the greater transparency and clarity in its reporting.

The Board functions either as an entity per se, or through various committees constituted to oversee specific operational areas. There is an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the Independence of the Board.

A report on Corporate Governance is annexed separately in this Board Report as **Annexure "C"**.

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

The Company has duly complied with provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has put in place a policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under the policy. During the Financial Year 2023-24, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The following is a summary of Sexual Harassment complaints received and disposed of during the financial year 2023-24:

No. of complaints pending at the beginning of the year	No. of complaints received during the year	No. of complaints resolved during the year	No. of complaints pending at the end of the year
NIL	NIL	NIL	NIL

37. DEMATERIALIZATION OF SHARES OF THE COMPANY:

As per notification issued by Ministry of corporate affairs dated September 10, 2018 by inserting Rule 9A of Companies (Prospectus and allotment of Securities) Rules, 2014, effective since 2nd October, 2018, every Unlisted Public Limited Company is required to issue securities only in dematerialized form and required to facilitate

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dematerialization of all its existing securities in accordance to provisions of the Depositories Act, 1996 & regulations made there under.

Accordingly, company has obtained its ISIN INE02QN01014 for Equity Shares from Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) dated 27th November, 2018 & October 01, 2020 respectively and same has been communicated to the shareholders.

Further, CDSL Ventures Limited is providing its services as Registrars & Share Transfer Agent.

As per the requirement of MCA notification, complete shareholding of promoters has already been converted in Demat form. As on March 31, 2024, 92,68,977 (Ninety-Two Lakh Sixty-Eight Thousand Nine Hundred Seventy-Seven) Equity Shares out of Total 98,93,246 (Ninety-Eight Lakh Ninety-Three Thousand Two Hundred Forty Six) were in Demat form & in Percentage terms 93.69% of the shares are in Demat form and balance 6,24,269 Equity Shares representing 6.31% of the total equity capital of the Company were held in physical form.

During the period under review, no Demat requests were received from the shareholders of the Company. The Company will undertake all the required steps and will try on best effort basis to convert remaining achieve the level of 100% shares in Demat form.

38. PARTICULARS OF RBI COMPLIANCES

The Company is registered with RBI as a NBFC-MFI. The Company has complied with and continues to comply with all applicable Laws, Rules, Circulars, Regulations, etc. including Directions of RBI for NBFC-MFIs and it doesn't carry on any activities other than those specifically permitted by RBI for NBFC-MFIs.

39. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

During the period under review, there are no shares in the demat suspense account or unclaimed suspense account.

40. INFORMATION TECHNOLOGY

The company believes in maximum utilization of the technology for hassle free process for the convenience of its customers with no compromise in the secrecy and confidentiality of sensitive information of the customers.

To achieve the above objective, the company has already initiated technology solutions to support the Company's growth and enhance the efficiencies of its operations.

DIGAMBER CAPFIN LIMITED

Further RBI has notified the Implementation of Core Financial Services Solution by Non-Banking Financial Companies (NBFCs) vide its circular dated February 23, 2022 ('CFSS Circular') akin to the Core Banking Solution (CBS) adopted by banks. As per the CFSS Circular, the Company is mandatorily required to implement CFSS on or before September 30, 2025.

The Company has already initiated the process for effective implementation of CFSS within the prescribed time limits.

41. HUMAN RESOURCES

As on 31st March 2024, Company had 2555 employees on its rolls at various levels of organizational structure. The Company believes that its employees are its biggest assets. The workforce at the Company has a right blend of youth and experience and the success of organization is based on the capability, passion and integrity of its people. The company values employee satisfaction and engagement, and strives to maintain and improve the standards to attract and retain talent that focuses on sustained superior performance, provide them opportunities to learn, realise their true potential and contribute positively to the success of the Company.

Furthermore, to ensure health & safety of its employees, the company has taken Accidental Insurance Policy.

The Company organizes robust training programs regularly to update the knowledge of its employees as per their job roles.

Qandle App: The company has focused on automation and enhancing the employee experience in the Financial Year 2023-24 with regards to HR processes and transactions. The company has implemented new HR Software for the use of Employees. The Qandle Mobile App which is also available in form of web portal and provides functionalities such as attendance, leave, chat groups, chatbot and others on the same platform. Through this App, the aim is to provide all employee related services at work and collaboration in a simple and effective manner.

42. ACKNOWLEDGEMENTS

The directors of the Company take the opportunity to express their deep and sincere gratitude to the Members of the Company for their confidence and patronage, as well as to the Reserve Bank of India, Securities and Exchange Board of India, Registrar of the companies, Rating Agencies, Banks and Financial Institutions, Stock Exchange, Debenture Trustees, Depositories, Central and State Governments and its other applicable Regulatory Authorities for their cooperation, support and guidance. The directors of the Company would like to express a profound sense of appreciation for

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the commitment shown by the employees in supporting the Company in its endeavor of becoming one of the leading microfinance institutions of the country.

**For & on behalf of the Board of Directors of
Digamber Capfin Limited**

	Sd/-	Sd/-
	Rajiv Jain	Amit Jain
Date: 07.05.2024	Chairman cum Managing Director	Whole Time Director cum CFO
Place: Jaipur	DIN: 00416121	DIN: 00416133

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ANNEXURE "A": DECLARATION BY INDEPENDENT DIRECTORS

DECLARATION FROM INDEPENDENT DIRECTOR PURSUANT TO SUB SECTION (7) OF SECTION 149 OF THE COMPANIES ACT, 2013

To,
The Board of Directors
Digamber Capfin Limited
J-54-55, Anand Moti, Himmat Nagar, Gopalpura,
Tonk Road, Jaipur-302018, Rajasthan

**Subject: Declaration of Independence under sub-section (6) of section 149 of the
Companies Act, 2013**

Dear Sir,

I, Dr. Amita Gill (DIN: 09066022) Wife of Om Prakash Gill, resident of D-79, Pawan Path, Hanuman Nagar, Near Gurudwara, Vaishali Nagar, Jaipur- 302021 Rajasthan do hereby declare that I am not disqualified to act as an Independent Director of **Digamber Capfin Limited** and further declares that: -

- A. I am a person of integrity and possesses relevant expertise and experience in the opinion of the Board;
- B. (i) I am/was not a promoter of the company or its holding, subsidiary or associate company;

(ii) I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
- C. I have/had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten percent of my total income or such amount as may be prescribed with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- D. (i) None of my relatives is holding any security of or interest in the company, its holding, subsidiary or associate company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed, during the two immediately preceding financial years or during the current financial year;

(ii) None of my relatives is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed at any time during the two immediately preceding financial years or during the current financial year;

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(iii) None of my relatives has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company for such amount as may be prescribed at any time during the two immediately preceding financial years or during the current financial year; or

(iv) None of my relatives has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);

E. (i) Neither myself nor any of my relatives holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;

(ii) Neither myself nor any of my relatives is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year, of-

a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) I do not hold together with my relatives two per cent or more of the total voting power of the company; or

(iv) I am not a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

F. I have possessed appropriate skills, experience and knowledge in the fields of management, administration, research, corporate governance, technical operations or other disciplines related to the company's business;

G. I have complied the provisions of sub rule (1) and (2) of rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014

I hereby confirm that the information given above is true to the best of my knowledge and belief.

Place: Jaipur
Date: 12/04/2024

Sd/-
Dr. Amita Gill
Independent Director
DIN: 09066022

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To,
The Board of Directors
Digamber Capfin Limited
J-54-55, Anand Moti, Himmat Nagar, Gopalpura,
Tonk Road, Jaipur-302018, Rajasthan

Subject: Declaration of Independence under sub-section (6) of section 149 of the Companies Act, 2013

Dear Sir,

I, Lalit Kumar Jain (DIN: 07517615) , Son of Shri Hemant Kumar Jain, resident of 302, Pearl Ish Niwas, C-40 Tarun Marg, Tilak Nagar, Jawahar Nagar, Jaipur-302004, Rajasthan do hereby declare that I am not disqualified to act as an Independent Director of **Digamber Capfin Limited** and further declares that: -

- A. I am a person of integrity and possesses relevant expertise and experience in the opinion of the Board;
- B. (i) I am/was not a promoter of the company or its holding, subsidiary or associate company;
 (ii) I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
- C. I have/had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten percent of my total income or such amount as may be prescribed with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- D. (i) None of my relatives is holding any security of or interest in the company, its holding, subsidiary or associate company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed, during the two immediately preceding financial years or during the current financial year;
 (ii) None of my relatives is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed at any time during the two immediately preceding financial years or during the current financial year;
 (iii) None of my relatives has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company for such amount as may be prescribed at any time during the two immediately preceding financial years or during the current financial year; or

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(iv) None of my relatives has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);

E. (i) Neither myself nor any of my relatives holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;

(ii) Neither myself nor any of my relatives is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year, of-

a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) I do not hold together with my relatives two per cent or more of the total voting power of the company; or

(iv) I am not a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

F. I have possessed appropriate skills, experience and knowledge in the fields of finance, law, management, corporate governance, or other disciplines related to the company's business;

G. I have complied the provisions of sub rule (1) and (2) of rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014

I hereby confirm that the information given above is true to the best of my knowledge and belief.

Place: Jaipur
Date: 12/04/2024

Sd/-
Lalit Kumar Jain
Independent Director
DIN: 07517615

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To,
The Board of Directors
Digamber Capfin Limited
J 54-55, Anand Moti, Himmat Nagar, Gopalpura,
Tonk Road, Jaipur-302018, Rajasthan

Subject: Declaration of Independence under sub-section (6) of section 149 of the Companies Act, 2013

Dear Sir,

I, Chandramouli Coorg Subramanian (DIN: 10619001), son of Subramanian C R, resident of 303 Payne Stewart Dr, Round Rock, TX 78664, United States of America, do hereby declare that I am not disqualified to act as an Independent Director of DIGAMBER CAPFIN LIMITED and further declares that: -

- A. I am a person of integrity and possesses relevant expertise and experience in the opinion of the Board;
- B. (i) I am/was not a promoter of the company or its holding, subsidiary or associate company;
 (ii) I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
- C. I have/had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten percent of my total income or such amount as may be prescribed with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- D. (i) None of my relatives is holding any security of or interest in the company, its holding, subsidiary or associate company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed, during the two immediately preceding financial years or during the current financial year;
 (ii) None of my relatives is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed at any time during the two immediately preceding financial years or during the current financial year;
 (iii) None of my relatives has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company for such amount as may be prescribed at any time during the two immediately preceding financial years or during the current financial year; or

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- (iv) None of my relatives has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);
- E. (i) Neither myself nor any of my relatives holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
- (ii) Neither myself nor any of my relatives is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year, of-
- a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
- (iii) I do not hold together with my relatives two per cent or more of the total voting power of the company; or
- (iv) I am not a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
- F. I possess the appropriate skills, experience and knowledge in Data, Information technology, fintech and Product Strategy as related to the company's business;
- G. I have complied the provisions of sub rule (1) and (2) of rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014
- I hereby confirm that the information given above is true to the best of my knowledge and belief.

Place: Texas, USA
Date: 06/05/2024

Sd/-
Chandramouli Coorg Subramanian
Independent Director (Additional Director)
DIN: 10619001

DIGAMBER CAPFIN LIMITED

To,
The Board of Directors
Digamber Capfin Limited
J 54-55, Anand Moti, Himmat Nagar, Gopalpura,
Tonk Road, Jaipur-302018, Rajasthan

Subject: Declaration of Independence under sub-section (6) of section 149 of the Companies Act, 2013

Dear Sir,

I, Debleena Majumdar (DIN: 07663430), ~~son/daughter~~/wife of Sudipto Kumar Roy, resident of Flat No. 503, Sanster Elan Homes, Sarjapur Road, Bengaluru-560035, do hereby declare that I am not disqualified to act as an Independent Director of DIGAMBER CAPFIN LIMITED and further declares that: -

- A. I am a person of integrity and possesses relevant expertise and experience in the opinion of the Board;
- B. (i) I am/was not a promoter of the company or its holding, subsidiary or associate company;
- (ii) I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
- C. I have/had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten percent of my total income or such amount as may be prescribed with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- D. (i) None of my relatives is holding any security of or interest in the company, its holding, subsidiary or associate company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed, during the two immediately preceding financial years or during the current financial year;
- (ii) None of my relatives is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed at any time during the two immediately preceding financial years or during the current financial year;
- (iii) None of my relatives has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company for such amount as may be prescribed at any time during the two immediately preceding financial years or during the current financial year; or

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(iv) None of my relatives has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);

E. (i) Neither myself nor any of my relatives holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;

(ii) Neither myself nor any of my relatives is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year, of-

a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) I do not hold together with my relatives two per cent or more of the total voting power of the company; or

(iv) I am not a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

F. I possess the appropriate skills, experience and knowledge in data, Media, CSR, Finance and Strategy as related to the company's business;

G. I have complied the provisions of sub rule (1) and (2) of rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014

I hereby confirm that the information given above is true to the best of my knowledge and belief.

Date: 24/04/2024
Place: Bangalore

Sd/-
Debleena Majumdar
Independent Director
(Additional Director)
DIN: 07663430

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ANNEXURE "B": DECLARATION BY CHAIRMAN CUM MANAGING DIRECTOR**DECLARATION BY CHAIRMAN CUM MANAGING DIRECTOR ON COMPLIANCE OF CODE OF
ETHICS AND BUSINESS CONDUCT**

I, Rajiv Jain, Chairman cum Managing Director of Digamber Capfin Limited hereby confirm that all Board Members and employees have affirmed compliance with the code of ethics and business conduct for Board of Directors and all the employees, as approved by the Board, for the financial year ended on March 31, 2024

For Digamber Capfin Limited

Sd/-

Rajiv Jain

Chairman cum Managing Director

DIN: 00416121

Place: Jaipur

Date: 07.05.2024

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ANNEXURE “C”: CORPORATE GOVERNANCE REPORT

Good Governance means “having the right structures and processes to ensure you are achieving desired results and achieving them the right ways.”

COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

Digamber Capfin Limited (“the Company”) is a Public Limited company incorporated under the provisions of The Companies Act, 1956 on April 17, 1995. Digamber Capfin Ltd (DCL) started its operations in 1995. The Company received the final NBFC License on 9th September, 1999. Initially, the Company ventured into Asset Financing. Later on, the Company started exploring the area of Micro Finance and accordingly received the NBFC-MFI License in the year 2013. At present, the Company falls under the category of Middle Layer Non-Banking Financial Company (NBFC)-Microfinance Institution (MFI) (hereinafter referred to as ‘NBFC-ML’) bearing registration No. B-10.00099 dated September 06, 2013 registered with Reserve Bank of India. The Company has presence in 9 States and Union Territory (including 1 Union Territory) with 239 branches as on March 31, 2024.

The Company has derived its corporate governance practices through the following four layers:

- a) Governance by Shareholders
- b) Governance by Board of Directors
- c) Governance by Committees of Board
- d) Governance through management process

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. This commitment and dedications of the Company to run the businesses in a legal, ethical and transparent manner, comes from the very top and permeate throughout the organization. The Company pertains to system of blending of law, regulations and voluntary practices, which enables the Company to attract financial and human capital, perform efficiently and thereby perpetuate it into generating long-term economic value for its shareholders, while respecting interests of other stakeholders and the society as a whole. The company believes in strong Corporate Governance. The Company has successfully met all the enforced requirements and compliances and constantly endeavors to follow the practices of good corporate governance by conducting the business operation for the benefit of its stakeholders.

In adherences to this, the various material aspects of **Corporate Governance** and the **Company’s Approach** are stated in the table below:

Material Aspect	Company Approach
Structure of Board of Directors	The Company has a systematic Governance structure covering composition and role of the Board, Chairman and Directors, Director's term, retirement age and roles and responsibilities of the committees of the Board. It also covers the aspects related to nomination,

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	appointment, induction of Directors, Director's remuneration and Board effectiveness review. The Board is diversified and consists of experienced professionals from varied disciplines which encompasses diversity of perspective, experience, education, background, ethnicity and personal attributes. Varied mix of strategic perspectives, geographical focus with knowledge and understanding of key geographies.
Values, Ethics and commitment	Adheres to the highest principled conduct and has earned its reputation for trust and integrity in the course of building a highly successful business. The Company shall stand by its promises and adherence towards highest standard of business practices.
Business Continuity and Succession planning	Business Continuity and Succession planning is an integral part of the operations of the Company. The Company have in place a Business Continuity Plan for all its departments from whom services have been availed and Succession planning at all levels in the company so that dependency on one person can be reduced and business can be carried out efficiently.
Compliances	Compliances with all applicable laws, rules and regulations within prescribed time and spirit. As per the requirements of various applicable authorities and law, the Company has put efforts to establish a robust compliance and internal control system in the company. The Company oversees the primary aspect of vigilance. The Company, as a whole, makes successful attempts, on daily basis, to ensure implementation of good governance practices through its policies and codes of conduct which is mandated and regularly reviewed by the Board or the committees of the Board.
Sound management structure	The Management structure is in place for achieving the strategic goals of the company and also periodically assess the advancement made towards achieving the set objectives of the company. The Company has a strategic team having requisite knowledge and skills in accounting and finance, business judgement, general management practices and processes, industry knowledge, human resources, labor laws, sales and marketing, information technology, compliance, cyber security and operations and risk management. A well-defined accountability mechanism is framed within the organization as a whole to strengthen the overall governance of the company.
Disclosure and Transparency	The company has a simple and transparent corporate structure driven solely by business needs. The Company ensures transparency and thrives to maintain a high level of mandated disclosure for its stakeholders.
Stakeholders	The Company recognizes the rights of its internal as well as the external stakeholders and ensures that their rights are protected and equal treatment is provided to all stakeholders. The Company ensures that the stakeholders have access to relevant information on timely basis and are free to communicate their concerns to the Board. The Company purports that the needs and outcomes of not just the shareholders but also all stakeholders – including employees, customers, supply chain partners, and members of the communities in which it operates, should be considered in all strategic and operational decisions. The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities, transparency in decision making process, fair & ethical dealings with all the stakeholders.

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The Company has followed all the mandatory requirements of Corporate Governance including but not limited to complying with the requirements of the Companies Act, 2013 ('the Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') to the extent applicable, Non-Banking Financial Companies- Corporate Governance (Reserve Bank) Directions, 2015, Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 dated 14th March, 2022 (amended from time to time), RBI Scale Based Regulation (SBR) dated October 22, 2021 and Revised Regulatory Framework for NBFCs issued by the Reserve Bank of India on October 19, 2023 (as amended from time to time) and other provisions applicable on the Company.

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall stakeholder's value, over sustained period of time. The Company is committed towards focusing its energies and resources in creating and positively leveraging the shareholders' wealth and at the same time, safeguarding the interests of all stakeholders. This is our path to sustainable and profitable existence and growth.

STRUCTURE OF CORPORATE GOVERNANCE

1. COMPOSITION OF BOARD OF DIRECTORS ("THE BOARD")

The Company has a bouquet of high-powered and experienced leaders who comprise the Board of the Company. The Board is the focal point and custodian of corporate governance of the Company. The Board of the Company comprises of persons of immense expertise and skills and rich experience across a wide spectrum of functional areas such as Banking and Finance, Strategy, Information Technology, Rural Development, Risk Management, Corporate Governance & ESG, etc. The Board provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Board also ensures that the policies and practices of the Company encourages Board diversity and balance of skills at the same time, to ensure the effective address of complex corporate issues and decision making.

As per the delegation given by the Board to the Nomination and Remuneration Committee ("NRC") of the Company, the NRC screens and selects the suitable candidates, based on the defined criteria and makes recommendations for new appointments to the Board accordingly. The Board appoints all the directors of the Company subject to shareholders' approval as may be applicable i.e. Apart from the Appointment of Additional Director and Nominee Director, all the directors are appointed by the Board, subject to approval of the shareholders of the Company.

Also, the Company has in place a Policy on Fit and Proper Criteria of Directors which defines the fit & proper criteria of Directors as per the prescribed guidelines by RBI.

The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

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The Board of DCL ensures that no Director of the company is:

- a) In the list of willful defaulters as published by the Credit Information Bureau (India) Limited pursuant to the directions of the Reserve Bank of India from time to time; and
- b) Disqualified to discharge his duties as a director with respect of any Applicable Law.
- c) Disqualified to fulfill the Fit & Proper Criteria as defined by the Reserve Bank of India

In the event if any Director appears on the list of willful defaulters or does not full fill the Fit & Proper Criteria, the Board (including the committees and shareholder approval as may be applicable) shall take necessary corrective action, including, if necessary, replacement of such Director, within 30 (thirty) Days of receipt of such notice.

The maximum tenure of the Independent Directors is in compliance with the applicable provisions of Companies Act, 2013 ("the Act"). The Independent Directors have registered their names with the Independent Directors Data Bank maintained by the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

The Independent Directors do not have any such pecuniary relationship or transactions with the Company, Promoters and Management, which may affect independence or judgment of the Directors in any manner and the same are disclosed in the Board's Report and Financial statements for FY 2023-2024.

None of the Directors on the Board:

- ✓ holds directorships in more than ten public companies;
- ✓ serves as Director or as Independent Director (ID) in more than seven listed entities; and
- ✓ who are the Executive Director(s) serves as IDs in more than three listed entities.

(a) Composition & category of the Board of Directors

As per the provisions of the Companies Act, 2013 and under the powers confirmed under Article of Association of the Company, the Board of the Company will have at all times a minimum of 3 (three) Directors and the maximum number of Directors shall not be exceeding at any time beyond such limit as prescribed in the Companies Act, 2013.

During the year under review, the Board of the Company had a prime combination of Directors with exceptional knowledge, skills and experience in various fields relating to the business activities of the Company.

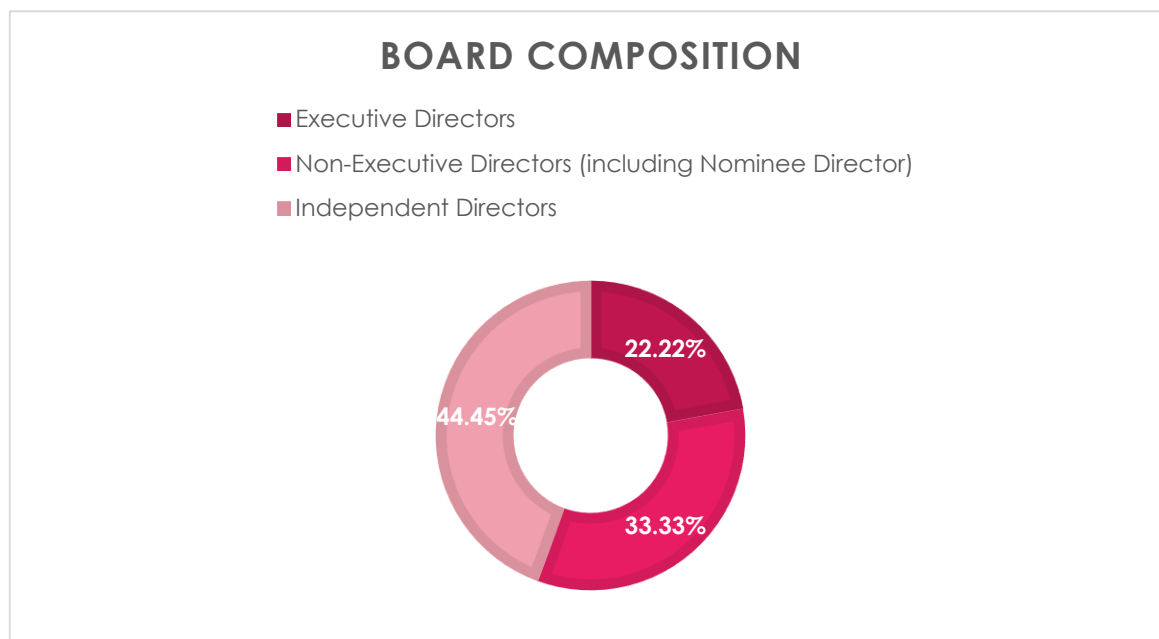
As on the date of signing of this report, the Board comprised of Nine (09) Directors shown as under:

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Category	No. of Directors	% to the total number of Directors
Executive Director	02	22.22%
Non-Executive Directors (including Nominee Director)	03	33.33%
Independent Directors	04	44.45%

Board of Directors



Mr. Rajiv Jain is the Chairman and Managing Director of the Company.

The composition of the Board of Directors of the Company is in conformity with the provisions of the Companies Act, 2013 and also in terms of applicable Guidelines as issued by the Reserve Bank of India in this regard.

Description of the Directors comprising the Board as on 07.05.2024 are listed below:

S. No.	Name of the Director	DIN	Category (Promoter /Executive/ Non-Executive Director)	Position on the Board as on 31 st March 2024 and after the 31 st March, 2024 till the date of signing of this report
1.	Mr. Rajiv Jain	00416121	Promoter & Executive Director	Chairman & Managing Director
2.	Mr. Amit Jain	00416133	Promoter & Executive Director	Whole Time Director & CFO
3.	Mr. Lalit Kumar Jain	07517615	Non-Executive & Director	Independent Director
4.	Dr. Amita Gill	09066022	Non-Executive Director	Independent Director
5.	Mr. Nayan Ambali	03312980	Non-Executive Director	Non-Executive Director
6.	Mr. Jatin Chhabra	08271333	Non-Executive Director	Non- Executive Director
7.	Mr. Shashank Vyas	09789867	Non-Executive Director	Nominee Director representing SIDBI

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S. No.	Name of the Director	DIN	Category (Promoter /Executive/ Non-Executive Director)	Position on the Board as on 31 st March 2024 and after the 31 st March, 2024 till the date of signing of this report
8.	Ms. Debleena Majumdar	07663430	Non-Executive Director	Independent Director (Additional Director)
9.	Mr. Chandramouli Coorg Subramanian	10619001	Non-Executive Director	Independent Director (Additional Director)

(b) Change of composition of Board of Directors:

The Board periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company. There is no change in the Board of Directors during the Financial Year 2023-2024, however the following changes took place in the Board composition after 31st March, 2024 till the date of signing of this report:

S. No.	Name of Director	DIN	Capacity	Effective Date of Appointment	Nature of Change
1.	Ms. Debleena Majumdar	07663430	Independent Director (Additional Director)	07/05/2024	Appointment
2.	Mr. Chandramouli Coorg Subramanian	10619001	Independent Director (Additional Director)	07/05/2024	Appointment

In the Board Meeting held on 7th May, 2024, based on the recommendation of the Nomination and Remuneration Committee, the Board appointed Ms. Debleena Majumdar (DIN: 07663430) and Mr. Chandramouli Coorg Subramanian (DIN: 10619001) as Independent Directors (Additional Directors) of the Company w.e.f. 7th May, 2024 and they shall hold the office till the ensuing 29th Annual General Meeting. Further, on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, it is proposed to regularize their appointment as an Independent Directors of the company for a term of five consecutive years commencing from May 07, 2024 to May 06, 2029 respectively subject to the approval of the Shareholders by way of Ordinary Resolution at the ensuing 29th Annual General Meeting.

(c) Number of meetings of the board of directors held during the Financial year 2023-2024

The Board Meetings are convened by giving notice as well as information in the form of detailed agenda notes in advance to the Directors in a timely manner, to enable them to deliberate on each agenda item and make an informed decision in accordance to it. While conducting the meeting, the Board has duly complied with the Secretarial Standards-I & II issued by the Institute of Company Secretaries of India (ICSI), Applicable provisions of the Companies Act, 2013, Regulations of SEBI to the extent applicable and RBI guidelines. The Board meets at least once in every quarter to review the quarterly results and other agenda matters and further additional meetings are held to address specific needs and business requirements of the Company. In case of business exigencies, the Board approvals are taken either by passing resolutions through circulation or convening meetings at shorter notice, as permitted by the law.

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(d) Attendance of each director at the meeting of the board of directors and the last Annual General Meeting of the Company for FY 2023-24

S. N o.	Name of Director	Director Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		Whether attended Annual General Meeting (AGM) held on 26/09/2023	No. of other Directorships and membership in committees of Public Companies	No. of other Directorships in private limited companies, LLP, foreign companies, high value debt listed entities and companies under Section 8 of the Companies Act, 2013.	Remuneration			No. of shares of the company held by them as on 31.03.2024
					Held	Attended				Salary and other compensation (Rs. In lakh)	Sitting Fees (Rs. In lakh)	Commission (Rs. In lakh)	
1.	Mr. Rajiv Jain	17/04/1995	Promoter & Executive Director	00416121	6	6	✓	NIL	NIL	240.00	-	11.00*	2559277
2.	Mr. Amit Jain	17/04/1995	Promoter & Executive Director	00416133	6	6	✓	NIL	NIL	240.00	-	11.00*	2366666
3.	Mr. Lalit Kumar Jain	30/09/2016	Non-Executive Director & Independent Director	07517615	6	6	✓	NIL	3	-	3.02	-	-
4.	Mr. Nayan Ambali	27/05/2022	Non-Executive Director	03312980	6	2	✗	NIL	2	-	0.73	-	-
5.	Mr. Jatin Chhabra	21/01/2019	Non-Executive Director	08271333	6	5	✓	NIL	NIL	-	1.76	-	103300
6.	Dr. Amita Gill	12/02/2021	Non-Executive Director & Independent Director (Woman Director)	09066022	6	2	✓	NIL	NIL	-	0.71	-	-
7.	Mr. Shashank Vyas	14/11/2022	Nominee Director-SIDBI, Non-Executive & Non-Independent Director	09789867	6	1	✗	NIL	NIL	-	0.15	-	-

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- Notes:**

- (e) Number of meetings of the board of directors held during the Financial year 2023-2024**

Sr. No	Date of Meeting	Name of Board of Directors						
		Mr. Rajiv Jain (Chairman & Managing Director) DIN: 00416121	Mr. Amit Jain (Whole-time Director & CFO) DIN: 00416133	Mr. Lalit Kumar Jain (Independent Director) DIN: 07517615	Dr. Amita Gill (Independent Director) DIN:09066022	Mr. Nayan Ambali (Non-Executive Director) DIN:03312980	Mr. Jatin Chhabra (Non-Executive Director) DIN:08271333	Mr. Shashank Vyas (Nominee Director) DIN: 09789867
1	29/05/2023					L	L	L
2	13/06/2023					L		L
3	29/08/2023				L	L		L
4	18/11/2023				L			
5	14/12/2023				L			L
6	09/02/2024				L	L		L
Held during the tenure		6	6	6	6	6	6	6
Meetings attended		6	6	6	2	2	5	1
- Physically Present L- Leave of Absence - Attended through Video Conferencing N.A.- Not Applicable								

Mr. Rajiv Jain, Chairman cum Managing Director (DIN: 00416121) and Mr. Amit Jain, Whole-time Director cum CFO (DIN: 00416133) are Brothers. Apart from the above, no other Directors are related with each other.

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(g) Number of shares and Convertible instruments held by Non- Executive Directors as on March 31, 2024

Mr. Jatin Chhabra (DIN:08271333) Non- Executive Director of the Company holds 1,03,300 equity shares (1.04% of total paid-up share capital) of the Company as on March 31, 2024. Apart of him, no other Non-Executive Directors hold shares in the company. Further, None of the Non-Executive Directors hold convertible instruments of the company.

(h) Familiarization for Independent Directors

The Independent Directors are familiarized about nature of the industry in which the Company operates, business model of the Company, legal updates, etc. In this regard, the Company follows a structured familiarization programme for the Independent Directors. The details of the familiarization programme of the Independent Directors are available on the website of the Company at <https://www.digamberfinance.com/corporate.php>

(i) Skills/expertise/competence of the Board of Directors

The Board possess requisite qualification, competence, experience and provides strategic guidance and independent view to the Company's management while actively participating in the meeting and discharging their fiduciary responsibilities and thereby ensuring that the management adheres to high standards of ethics and transparency. The below matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual directors, which are key to corporate governance and Board effectiveness:

AREA OF EXPERTISE	SPECIFICATION
Banking and Finance	Knowledge of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a financial officer, accounting officer, auditor and other person performing similar functions
Information Technology	It involves leadership support, organizational structure and processes to ensure that the company have IT System in its place sustains which enable to extend support in business strategies and objectives of the company. Possess significant knowledge about IT Governance, Information technology, Information Security, Cyber Security, IT Enabled Management Information System, Business Continuity Planning (BCP) and Disaster Recovery, IT Services Outsourcing and Science & Technology resulting in knowledge of how to anticipate in assessing and managing risks and implementing policies, procedures and strategies accordingly.
Risk Management	Ability to understand and assess the key risks to the organization, legal compliances and ensure that

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	appropriate policies and procedures are in place to effectively manage the risk.
Rural Development	Guidance over the CSR initiatives for enhancing the quality of life and financial well-being of individuals, specifically living in populated and remote areas.
Corporate Governance and Environmental, social and Governance (ESG)	Experience in implementing good corporate governance practices, reviewing compliance and governance practices for a sustainable growth of the company and protecting stakeholder's interest. To align ESG approach with strategic goals to enhance environmental and social prosperity. To drive the governance practices in such a manner that growth of environment and society drives parallel to the growth and sustainability of the Company through various strategies.

Name of Directors	Area of Expertise
Mr. Rajiv Jain	Banking & Finance, Information Technology, Risk Management and Corporate Governance & ESG
Mr. Amit Jain	Banking & Finance, Information Technology, Legal, Risk Management and Corporate Governance & ESG
Mr. Lalit Kumar Jain	Banking & Finance and Risk Management
Mr. Nayan Ambali	Finance and Information Technology
Mr. Jatin Chhabra	Finance and Rural Development
Dr. Amita Gill	Finance and Technology
Mr. Shashank Vyas	Banking & Finance
Ms. Debleena Majumdar	Strategy, Finance and ESG
Mr. Chandramouli Coorg Subramanian	Information Technology and Product Strategy

In the table above, the specific areas of focus or expertise of individual Board of Directors as on March 31, 2024 and till the date of signing of this report have been highlighted. However, the above is only an indicative list and the Board of Directors are possessing other expertise and skills as well.

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

(k) Confirmation regarding Independence of Independent Directors

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act 2013 read with the rules framed thereunder. Based on the disclosures received from all the Independent Directors, the Board concluded that the Independent Directors, fulfils the conditions of independence specified in the Companies Act, 2013 and are independent of the Management of the Company. Declaration received from Independent Directors is annexed as **Annexure "A"**.

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Further, the Independent Directors have declared that they are not appointed as an Independent Director on the Board of more than three NBFCs (NBFC-ML or NBFC-UL) pursuant to guidelines of RBI Scale Based Regulation (SBR) dated October 22, 2021 and Revised Regulatory Framework for NBFCs issued by the Reserve Bank of India on October 19, 2023 (as amended from time to time)

(l) Detailed reasons for the resignation of an Independent Director

During the financial year 2023-24, no Independent Director of the Company has resigned.

(m) Independent Directors Meeting

In accordance with the requirement of Schedule IV of the Companies Act, 2013 during the financial year 2023-24, one separate Meeting of the Independent Directors was held on February 08, 2024 to, and all the Independent Directors entitled to attend the meeting were present in the meeting:

- Evaluate the performance of non-independent directors and the Board as a whole;
- Review the performance of the Chairman of the Company, taking into account the views of executive and non-executive directors;
- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

(n) Performance Evaluation criteria for Independent Directors

The performance evaluation of Independent Directors was carried out as per the policies of the Company. The framework used to evaluate the performance of the Independent Directors is based on the expectation that they are performing their duties in a manner which should create and continue to build sustainable value for the shareholders, and in accordance with the duties and obligations imposed upon them. The Directors expressed their satisfaction on the parameters of evaluation, the implementation of the evaluation exercise and the outcome of the evaluation process.

(o) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information:

The company have in place Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time adopted by Board of Directors of the Company, available on the website

<https://digamberfinance.com/images/uploadimage/Code%20of%20Practices%20and%20Procedures%20for%20Fair%20Disclosure%20of%20Unpublished%20Price%20Sensitive%20Information-new23.pdf> .

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2. **REMUNERATION OF DIRECTORS**

The Nomination, Remuneration and Compensation Policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Company endeavors to attract, retain, develop and motivate the high-caliber executives and to incentivize them to develop and implement the Company's strategy, thereby enhancing the business value and maintaining a high performance workforce. The policy ensures that the level and composition of remuneration of the Directors is optimum.

(a) Remuneration of the Non-Executive Directors & Independent Directors:

None of the Non-Executive Directors of the Company are drawing/ taking any salary, benefit, bonuses, stock options & pension from the Company as on the date of signing of report. The Company pays only sitting fee for attending the Board or Committee meetings and there is no fixed component and performance linked incentives involved therein, also the Company has not signed any service contracts, notice period or severance fees contract with any of the Non-Executive Directors and independent directors as on the date of signing of this report.

However, considering the profile of Ms. Debleena Majumdar (DIN: 07663430) and her experience across Strategy and Finance, the Board is of the view that she will contribute positively in the proceedings of Board and Committee meetings. Therefore, on the recommendation of Nomination & Remuneration Committee, the Board of Directors in the meeting held on 7th May, 2024, has recommended to remunerate Ms. Debleena Majumdar (DIN: 07663430) as the Independent Director of the Company at Rs. 25,000 per month for the period of one year i.e. from 07.05.2024 to 06.05.2025 in addition to sitting fees or any commission payable to the Director(s) for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings subject to the approval of members in the 29th Annual General Meeting.

There are no other pecuniary relationships or transactions by Non-Executive Directors, Independent Directors or Nominee Director with the Company except as stated in Note No. 40 of the Financial Statements and Annexure G (Form AOC-2). However, it may not affect independence or judgment of the Directors in any manner.

(b) Remuneration of the Executive Directors:

There are two Executive Directors in the company. The Company is paying remuneration to both the Directors subject to the compliance of provisions of Section 196, 197 and 203 of the Companies Act, 2013 read with Schedule V of the said act and rules prescribed for this purpose and same is revised subject to the approval of shareholders in its meeting and as per recommendation of Nomination & Remuneration committee and Board of Directors in compliance with the provisions of the Companies Act, 2013 along with its rules and as per the guidelines provided by Reserve bank of India for this purpose.

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Further the remuneration paid to the Executive Directors has a blend of fixed component and variable components forming the part of remuneration of Executive Directors. The ceiling limits for the remuneration to be paid to the Executive Directors along with other terms and conditions and payment tenure is fixed subject to the approval of shareholders in compliance with provisions of the Companies Act, 2013 along with its rules and as per the guidelines provided by Reserve bank of India for this purpose.

The Company has not signed any service contracts, notice period or severance fees contract with any of the Non-Executive Directors and independent directors as on the date of signing of this report.

None of the Executive Directors of the Company are taking any sitting fee for attending the Board or Committee meetings.

Terms of Appointment & Remuneration:

- 1. Mr. Rajiv Jain (DIN: 00416121), was appointed as Chairman and Managing Director of the company for a period of 5 years w.e.f. 14th April, 2021 to 13th April, 2026.**

In the Extra-Ordinary General Meeting (EoGM) held on Saturday, 25th June, 2022, the members of company approved the revised remuneration of Mr. Rajiv Jain (DIN: 00416121), Chairman cum Managing Director of the company at Rs. 30,00,000/- (Rupees Thirty lakh only) per month i.e. Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per annum including perquisites & other allowances as per company norms, with effect from 25.06.2022 to 24.06.2025.

Since the remuneration of Mr. Rajiv Jain (DIN: 00416121), Chairman cum Managing Director of the company is fixed till 24.06.2025, it was recommended by the Nomination and Remuneration Committee and Board of Directors to keep his remuneration at the present level with effect from 29.06.2024 to 13.04.2026 i.e. till his present tenure as Chairman and Managing Director i.e. upto Rs 30,00,000/- (Rupees Thirty lakh only) per month i.e. Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per annum including perquisites & other allowances as per company norms and commission not exceeding 2 (two) percent of net profit in an accounting year of the Company subject to availability of profit, with effect from 29.06.2024 to 13.04.2026, subject to approval of shareholders in the 29th Annual General Meeting of the Company in compliance with the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act with amendments made thereafter and guidelines issued by Reserve Bank of India for this purpose.

- 2. Mr. Amit Jain (DIN: 00416133) was appointed as Whole-time Director cum CFO of the Company for a period of 5 years w.e.f. 14th April, 2021 to 13th April, 2026.**

In the Extra-Ordinary General Meeting (EoGM) held on Saturday, 25th June, 2022, the members of company approved the revised remuneration of Mr. Amit Jain (DIN: 00416133), Whole time Director cum CFO of the company at Rs. 30,00,000/- (Rupees Thirty lakh only) per

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month i.e. Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per annum including perquisites & other allowances as per company norms, with effect from 25.06.2022 to 24.06.2025.

Since the remuneration of Mr. Amit Jain (DIN: 00416133), Whole time Director cum CFO of the company is fixed till 24.06.2025, it was recommended by the Nomination and Remuneration Committee and Board of Directors to keep his remuneration at the present level with effect from 29.06.2024 to 13.04.2026 i.e. till his present tenure as Whole time Director cum CFO i.e. upto Rs 30,00,000/- (Rupees Thirty lakh only) per month i.e. Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakh Only) per annum including perquisites & other allowances as per company norms and commission not exceeding 2 (two) percent of net profit in an accounting year of the Company subject to availability of profit, with effect from 29.06.2024 to 13.04.2026, subject to approval of shareholders in the 29th Annual General Meeting of the Company in compliance with the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act with amendments made thereafter and guidelines issued by Reserve Bank of India for this purpose.

(c) Stock options granted:

During the Financial Year 2023-24, the Company has not granted Stock Options under Employees Stock Option Plan to any of its directors.

(d) Details of the remuneration paid to the Directors/Key Managerial Personnel for the Financial Year ended on March 31, 2024 is as follows:

During the year Directors did not receive any other benefits from the Company apart from the benefits as mentioned below-

(Amount in Rs. in Lakhs)

S. No	Name	Designation	Gross Salary	Commission	Pensions	Sitting Fee	Stock Option/ Sweat Equity/ Bonus	Other Perquisite	Total Amount
Executive Directors									
1.	Mr. Rajiv Jain DIN: 00416121	Chairman cum Managing Director	240.00	11.00*	-	-	-	-	251.00
2.	Mr. Amit Jain DIN: 00416133	Whole Time Director & CFO	240.00	11.00*	-	-	-	-	251.00
Non – Executive Directors									
3.	Mr. Nayan Ambali DIN: 03312980	Non-Executive Director	-	-	-	0.73	-	-	0.73

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S. No	Name	Designation	Gross Salary	Commission	Pensions	Sitting Fee	Stock Option/ Sweat Equity/ Bonus	Other Perquisite	Total Amount
4.	Mr. Jatin Chhabra DIN: 08271333	Non-Executive Director	-	-	-	1.76	-	-	1.76
5.	Mr. Shashank Vyas DIN: 09789867	Nominee Director - SIDBI	-	-	-	0.15	-	-	0.15
Non – Executive and Independent Directors									
6.	Mr. Lalit Kumar Jain DIN: 07517615	Independent Director	-	-	-	3.02	-	-	3.02
7.	Dr. Amita Gill DIN: 09066022	Independent Director	-	-	-	0.71	-	-	0.71

- * Letters were received from Mr. Rajiv Jain, Chairman cum Managing Director (DIN: 00416121) and Mr. Amit Jain, Whole-time Director cum CFO (DIN: 00416133), wherein they have forgone their commission for the financial year 2023-24. These letters were noted by the Nomination and Remuneration Committee in its meeting held on 06th May, 2024 and Board of Directors in its meeting held on 07th May, 2024 respectively.
- * The Commission paid to Mr. Rajiv Jain, Chairman cum Managing Director (DIN: 00416121) and Mr. Amit Jain, Whole-time Director cum CFO (DIN: 00416133) in financial year 2023-24 was related to the commission with respect to financial year 2022-23.

The Non-Executive Directors (NEDs) and Independent Directors (IDs) were paid sitting fees for attending the Board and Committee meetings attended during the period under review.

The Board of Directors in their meeting held on August 29, 2023 revised the amount of sitting fees for attending the Board and Committee meetings.

Apart from the sitting fee there are no other payments made to NEDs and IDs as on date of signing of this report.

Details for remuneration of Key Managerial Personnel other than MD/WTD for FY 2023-24

(Amount in Rs in Lakhs)

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/ Sweat Equity/ Bonus	Total
1	Ms. Neha Agarwal	Company Secretary	3.00	-	235 Equity Shares granted under Digamber Capfin Limited Employee Stock Option Scheme-2022	3.00

Further, Ms. Neha Agarwal, Company Secretary resigned from the Company with effect from closing hours of April 30, 2024. The resignation was noted and accepted by the Nomination and Remuneration Committee in its meeting held on 06th May, 2024 and the Board in its meeting held on 07th May, 2024 respectively. Therefore, as on date of signing of this report, she ceases to be the Key Managerial Personnel of the Company.

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The Company has a separate policy in accordance with the provisions of the Companies Act, 2013 and other applicable laws and regulations named "Nomination, Remuneration & Compensation Policy" (Formerly known as Nomination, and Remuneration Policy) recommended by Nomination & Remuneration Committee and approved by the Board in the meeting held on August 29, 2023 which is framed as per the rules and regulations of Companies Act, 2013 including amendments thereof and RBI Scale Based Regulation (SBR) dated October 22, 2021 and Revised Regulatory Framework for NBFCs issued by the Reserve Bank of India on October 19, 2023 (as amended from time to time). This policy covers the remuneration and compensation structure of the Executive Director, Non- Executive Director, KMP's, Senior Management and other employees.

The '**NOMINATION, REMUNERATION AND COMPENSATION POLICY**' of the company is mentioned in **Annexure "D"**

Further this policy is available on website of company at <https://digamberfinance.com/images/uploadimage/Nomination%20Remuneration%20&%20Compensation%20Policy-new23.pdf>

(e) Code of Business Conduct and Ethics:

The Board has laid down a Code of Ethics and Business Conduct (the "Code") for the Board of Directors and employees of the Company. All the Board of Directors and employees of the Company have affirmed compliance with Code of Ethics and Business Conduct for the financial year 2023-2024. A declaration signed by the Managing Director to this effect, is attached to this report as **Annexure B**.

The Board has also adopted a separate code of conduct with respect to duties of Independent Directors as per the provisions of the Act, available on the website of the Company at <https://digamberfinance.com/images/uploadimage/Code-of-Conduct-for-IndependentDirector-new23.pdf>

3. COMPOSITION OF COMMITTEES FORMED BY BOARD OF DIRECTORS (BOARD)

The Board has constituted various committees to delegate particular matters that require greater and more focused attention in the affairs of the Company. All decisions pertaining to the constitution of committees, appointment of members and fixing of terms of reference for committee members is taken by the Board. There are certain roles and responsibilities delegated to the committees by the Board referred in the name and style of "Terms of Reference".

The decisions and recommendations of the Committees are placed before the Board for information or for approval, as required.

Further, during the Financial year 2023-24, no instances have been observed where the Board has not accepted the recommendations of any of its Committee(s).

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The committee structure is divided into two parts Statutory and Non-Statutory Committees as described below:



STATUTORY COMMITTEES

a) AUDIT COMMITTEE

The Audit committee assists the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The Audit Committee provides direction to the audit function and monitors the quality of internal and statutory audit. The Audit committee take cares of all matters specified in Section 177 of the Companies Act, 2013 and rules made thereunder and as per the guidelines and directions prescribed by RBI from time to time.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1.	Mr. Lalit Kumar Jain - (Independent Director) DIN: 07517615	Chairman of the Committee
2.	Mr. Nayan Ambali- (Non-Executive Director) DIN: 03312980	Member
3.	Dr. Amita Gill - (Independent Director) DIN: 09066022	Member

2. Change in Composition:

There was no change in the composition of the Committee during the Financial Year 2023-2024 and as on the date of signing of this report.

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3. Terms of Reference:

The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the Quarterly, Half Yearly and Annual Financial Statements and related party transactions and reports its findings to the Board. The Committee also recommends the appointment of Auditors of the Company. The Committee also oversees the vigil mechanism of the company and ensuring its effective implementation & functioning. The Committee monitors all other activities as mentioned in the Terms of Reference as approved by the Board of Directors of Company.

4. Meetings and Attendance during the Financial year 2023-2024:

S. No.	Date of Meeting	Name of Members/ Directors		
		Mr. Lalit Kumar Jain (Chairman)	Mr. Nayan Ambali (Member)	Dr. Amita Gill (Member)
1	29/05/2023		L	
2	06/06/2023		L	
3	28/08/2023		L	
4	17/11/2023		L	
5	08/02/2024		L	
Held during the tenure		5	5	5
Meetings attended		5	0	5
 - Physically Present L- Leave of Absence  - Attended through Video Conferencing N.A.- Not Applicable				

b) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee covers all matters specified in Section 178 of the Companies Act, 2013 and rules made thereunder and as per the guidelines and directions prescribed by RBI from time to time. The committee oversees formation of criteria for determining qualifications, positive attributes and independence of a director to ensure 'Fit and Proper' status of proposed/existing Directors & Senior Management. The Committee ensures evaluations of Director's performance and recommends to the Board appointment/removal based on his/her performance and other matters related to remuneration for Directors, Key Managerial Personnel and Senior Management etc.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1.	Mr. Lalit Kumar Jain- (Independent Director) DIN: 07517615	Chairman of the Committee
2.	Dr. Amita Gill- (Independent Director) DIN: 09066022	Member
3.	Mr. Jatin Chhabra- (Non-Executive Director) DIN: 08271333	Member

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1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director/ Member	Designation
1.	Mr. Rajiv Jain- (Managing Director) DIN: 00416121	Chairman of the Committee
2.	Mr. Amit Jain- (Whole Time Director) DIN: 00416133	Member
3.	Mr. Lalit Kumar Jain- (Independent Director) DIN: 07517615	Member
4.	Mr. Dharmendra Kumar Jangid -(Vice-President)	Member
5.	Mr. Naveen Kumar Mallik (Chief Business officer)	Member

2. Change in Composition:

Mr. Virendra Kumar Bhargaw has resigned from the post of Vice President of the Company w.e.f. closing hours of August 16, 2023, thereby ceasing as the member of the Committee.

Ms. Neha Agarwal ceased to be the member and Ms. Preeti Verma was appointed as the member of the Committee in place of Ms. Neha Agarwal in the Board Meeting held on August 29, 2023.

Further Mr. Naveen Kumar Mallik (Chief Business officer) was appointed as the member of the committee and Ms. Preeti Chopra- (Assistant Head-Credit), Mr. Shashank Y. Kumar- (Assistant Finance Head), Mr. Naman Mehta- (Assistant Accounts Head) ceased to be the members of the committee w.e.f. 7th May, 2024

3. Terms of Reference:

The Committee is responsible for reviewing, updating and approving asset liability management policies and procedures. The Committee reviews major capital-based ratios along with ALM on quarterly basis. The Committee is responsible for determining the appropriate mix of available funding sources utilized to ensure company liquidity is managed prudently and appropriately. The Committee overviews the concerns regarding asset liability mismatches, Liquidity Risk Management and liquidity positions of all branches of the company. The Committee monitors all other activities as mentioned in the Terms of Reference as approved by the Board of Directors of Company.

Meetings and Attendance during the Financial year 2023-24:

S. No.	Date of Meeting	Name of Members/ Directors								
		Mr. Rajiv Jain (Chairman)	Mr. Amit Jain (Member)	Mr. Lalit Kumar Jain (Member)	Mr. Virendra Kumar Bhargaw (Member)	Ms. Preeti Verma (Member)	Mr. Dharmendra Kumar Jangid (Member)	Ms. Neha Agarwal (Member)	Mr. Shashank Y. Kumar (Member)	Mr. Naman Mehta (Member)
1.	06/06/2023	👤	L	👤	L	NA	L	L	👤	👤
2.	17/11/2023	👤	👤	👤	NA	👤	👤	NA	👤	👤

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4. Meetings and Attendance during the Financial year 2023-24:

S. N o.	Date of Meeting	Name of Members				
		Mr. Virendra Kumar Bhargaw (Chairman)	Mr. Dharmendra Kumar Jangid (Member)	Mr. Jugal Kishor Jangid (Member)	Mr. Bablu Thakur (Member)	Mr. Srikant Bohara (Member)
1.	06/04/2023	👤	👤	👤	NA	NA
2.	24/04/2023	👤	👤	👤	NA	NA
3.	29/04/2023	👤	👤	👤	NA	NA
4.	05/05/2023	👤	👤	👤	NA	NA
5.	19/05/2023	👤	👤	👤	NA	NA
6.	25/05/2023	👤	👤	👤	NA	NA
7.	20/06/2023	NA	👤	👤	👤	NA
8.	30/06/2023	NA	👤	👤	L	NA
9.	06/07/2023	NA	👤	👤	👤	NA
10.	08/08/2023	NA	👤	👤	👤	NA
11.	04/09/2023	NA	👤	L	👤	NA
12.	29/09/2023	NA	👤	👤	👤	NA
13.	01/11/2023	NA	👤	👤	👤	NA
14.	09/01/2024	NA	👤	👤	L	NA
15.	29/03/2024	NA	👤	👤	NA	👤
Held during the tenure		6	15	15	8	1
Meetings attended		6	15	14	6	1

👤 - Physically Present

🗿 - Attended through Video Conferencing

L- Leave of Absence

NA- Not Applicable

f) IT STEERING COMMITTEE

The Company is engaged in micro finance activity since 2009, having huge client base. It is continuously striving to achieve its set targets. The company crossed threshold of Assets Size of Rs. 1000 crore and categorized as Middle Layer NBFC-MFI and in pursuant to Reserve Bank of India ("RBI") Master Direction RBI/2023-24/107 DoS.CO.CSITEG/SEC.7/31.01.015/2023-24 of November 07, 2023 for Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices, the Company constituted IT Steering Committee to oversee and monitor IT Governance, Risk, Controls, Assurance Practices and Business Continuity/ Disaster Recovery Management.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director/ Member	Designation
1.	Mr. Rajiv Jain- (Managing Director) DIN: 00416121	Chairman of the Committee
2.	Mr. Amit Jain- (Whole-Time Director) DIN: 00416133	Member
3.	Mr. Dharmendra Kumar Jangid- (Vice President)	Member

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2. Change in Composition:

Mr. Virendra Kumar Bhargaw has resigned from the post of Vice President of the Company w.e.f. closing hours of August 16, 2023, thereby ceasing as the member of the Committee.

3. Terms of Reference:

The IT steering Committee is framed to assist the IT Strategy Committee in strategic IT planning, and oversees the IT performance to ensure that IT Activities are aligned with business needs. It ensures implementation of a robust IT architecture meeting statutory and regulatory compliance and provides Updates to IT Strategy Committee periodically on the activities of IT Steering Committee. The Committee Oversee that the processes are put in place for business continuity and disaster recovery and ensure any other responsibility as may be entrusted to it by Board of the company from time to time. The Committee monitors all other activities as mentioned in the Terms of Reference approved by Board of Directors of Company.

4. Meetings and Attendance during the Financial year 2023-24:

S. No.	Date of Meeting	Name of Members/ Directors			
		Mr. Rajiv Jain (Chairman)	Mr. Amit Jain (Member)	Mr. Virendra Kumar Bhargaw (Member)	Mr. Dharmendra Kumar Jangid (Member)
1.	26/12/2023			NA	
Held during the tenure		1	1	0	1
Meetings attended		1	1	0	1
 - Physically Present  - Attended through Video Conferencing					
L - Leave of Absence N.A. - Not Applicable					

g) IT STRATEGY COMMITTEE

Pursuant to Reserve Bank of India Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023 and guidelines for Information Technology Framework for the NBFC sector ("Guidelines"), the company constituted IT Strategy Committee to oversee Information Technology (IT) IT Governance, Risk, Controls, Assurance Practices, Business Continuity, Disaster Recovery Management and Information Systems Audit.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director/Member	Designation
1.	Mr. Lalit Kumar Jain (Independent Director) DIN: 07517615	Chairman of the Committee
2.	Mr. Nayan Ambali (Non-Executive Director) DIN: 03312980	Member

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for matters connected therewith. Sexual harassment results in violation of the fundamental rights of a woman to equality under Articles 14 and 15 of the Constitution of India and her right to life and to live with dignity under Article 21 of the Constitution and right to practice any profession or to carry on any occupation, trade or business which includes a right to a safe environment free from sexual harassment.

Further in the Meeting held on August 29, 2023 the Board has renamed the existing Internal Complaints Committee and rename the committee to '**INTERNAL COMMITTEE**' of the Company.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Member	Designation
1.	Ms. Riddhi Sharma (Senior Manager –Compliance)	Presiding Officer
2.	Ms. Renu Sharma (Assistant Manager-Compliance)	Internal Member
3.	Mr. Shashank Y. Kumar (Assistant Head-Finance)	Internal Member
4.	Mr. Satyendra Chauhan (Assistant Head-HR)	Internal Member
5.	Ms. Charu Gupta	External Member

2. Change in Composition:

Mr. Virendra Kumar Bhargaw has resigned from the post of Vice President of the Company w.e.f. closing hours of August 16, 2023, thereby ceasing as the member of the Committee.

Ms. Kamini Sharma and Mr. Srikant Bohara ceased to be the members of the Committee w.e.f. August 29, 2023. Further, Ms. Renu Sharma, Mr. Shashank Y. Kumar, Ms. Bharti Sukhyani and Mr. Satyendra Chauhan were appointed as the members of the Committee w.e.f. August 29, 2023.

Ms. Bharti Sukhyani ceased to be the Presiding Officer of the Committee w.e.f. February 9, 2024 and in her place Ms. Riddhi Sharma was appointed as the Presiding Officer of the Committee w.e.f. February 9, 2024.

3. Terms of Reference:

The Committee is responsible for implementing the policy relating to prevention of sexual harassment at workplace and investigating every formal written complaint of sexual harassment. The Committee is also responsible for taking appropriate remedial measures to respond to any substantiated allegations of sexual harassment. The Committee monitors all other activities as mentioned in the Terms of Reference as approved by the Board of Directors of Company.

4. Meetings and Attendance during the financial year 2023-24:

No meeting was held during the Financial year 2023-2024.

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i) **NEW PRODUCT COMMITTEE**

The New Product Committee has been constituted as per the Reserve Bank's guidelines on 'Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs' issued vide Circular Ref.DOR.CRE. REC.No.60/03.10.001/2021-22 dated October 22, 2021 and its Circular Ref.No.DoS.CO.PPG./SEC.01/11.01.005/2022-23 dated April 11, 2022 for Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs to Conduct intensive monitoring of all the new products and ensure that the indicative parameters of compliance risk are adequately monitored.

The committee was formed by the Board in the Meeting held on 29th August, 2023.

1. **Composition, Name of Members and Chairperson:**

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director/ Member	Designation
1.	Mr. Rajiv Jain (Chairman & Managing Director) DIN: 00416121	Chairman of the Committee
2.	Mr. Amit Jain (Whole-time Director & CFO) DIN: 00416133	Member
3.	Mr. Dharmendra Kumar Jangid (Vice President)	Member
4.	Mr. Dilip Kumar Morwal (Chief Compliance Officer "CCO")	Member

2. **Change in Composition:**

There was no change in the composition of the Committee during the Financial Year 2023-2024 and as on the date of signing of this Report.

3. **Terms of Reference:**

The Committee thorough analysis and risk mitigation for the compliance risks in all new products and processes by way of necessary checks and balances before launching, making decisions in respect of product proposals, conduct intensive monitoring of all the new products and develop a streamlined, focused and controlled procedure for initial assessment, development, testing and deployment of bank products. The Committee monitors all other activities as mentioned in the Terms of Reference as approved by the Board of Directors of Company.

4. **Meetings and Attendance during the Financial year 2023-24:**

No meeting was held during the Financial year 2023-2024.

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j) **EXECUTIVE COMMITTEE**

The Executive Committee of the Board of Directors has been constituted as per Clause 94 of Article of Association of the Company and pursuant to the provisions of Section 179 (3) of the Companies Act, 2013 and rules provided for this purpose to assist the Board for the matters specified in clauses (d) to (f) of sub-section (3) of Section 179 of Companies Act, 2013 and other matters for smooth working of day-to-day affairs of the Company. The Committee monitors all other activities as mentioned in the Terms of Reference as approved by the Board of Directors of Company.

1. **Composition, Name of Members and Chairperson:**

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1.	Mr. Rajiv Jain (Managing Director) DIN: 00416121	Chairman of the Committee
2.	Mr. Amit Jain (Whole time Director) DIN: 00416133	Member
3.	Mr. Jatin Chhabra (Non-Executive Director) DIN: 08271333	Member

2. **Change in Composition:**

There was no change in the composition of the Committee during the Financial Year 2023-2024 and as on the date of signing of this Report.

3. **Terms of Reference:**

The terms of reference broadly include borrowing power under the authority provided by Board/ shareholders; invest funds of the company subject to guidelines provided by Reserve Bank of India for this purpose, account opening both in terms of borrowings & for operational functioning of the company, any authorization for regular business affairs, approval/ review of Operational policies of the company necessary for conducting operations of the company. The Committee monitors all other activities as mentioned in the Terms of Reference as approved by the Board of Directors of Company.

4. **Meetings and Attendance during the Financial year 2023-24:**

Sr. No.	Date of Meeting	Name of Members/ Directors		
		Mr. Rajiv Jain (Chairman)	Mr. Amit Jain (Member)	Mr. Jatin Chhabra (Member)
1.	11.04.2023			L
2.	24.04.2023			L
3.	03.05.2023			L
4.	14.06.2023			L
5.	01.07.2023			L
6.	26.07.2023			L
7.	07.08.2023			L

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8.	14.08.2023			
9.	25.08.2023			L
10.	19.09.2023			L
11.	27.09.2023			L
12.	13.10.2023			L
13.	23.10.2023			L
14.	23.11.2023			L
15.	29.11.2023			
16.	26.12.2023			L
17.	28.12.2023			
18.	11.01.2024			
19.	17.02.2024			L
20.	19.03.2024			L
21.	28.03.2024			
Held during the tenure		21	21	21
Meetings attended		21	21	5
 - Physically Present  - Attended through Video Conferencing L- Leave of Absence N.A.- Not Applicable 				

NON-STATUTORY COMMITTEES

k) CREDIT COMMITTEE (MICRO-FINANCE)

The Company has a dedicated team for approving or disapproving request of clients for credit depending upon the credit-worthiness of the clients. The Board of Directors provides guidelines and procedure to approve loan to members as per the RBI guidelines and as may be required from time to time. The Committee is responsible for approving the member's requests for credit. This Committee also ensures regular compliance of loan policies and procedures. The Committee monitors all other activities as mentioned in the Terms of Reference as approved by the Board of Directors of Company.

1. Composition, Name of Members and Chairperson:

As on the date of signing of this report, the Committee comprises of the following:

S. No.	Name of the Member	Designation
1.	Mr. Dharmendra Kumar Jangid- (Vice President)	Chairman of the Committee
2.	Mrs. Preeti Chopra- (Assistant Head-Credit)	Member
3.	Mr. Subhash Kumawat -(Manager-Credit)	Member
4.	Mr. Manoj Kumar Jat (Manager-Credit)	Member

2. Change in Composition:

Mr. Virendra Kumar Bhargaw has resigned from the post of Vice President of the Company w.e.f. closing hours of August 16, 2023, thereby ceasing as the member of the Committee.

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Mr. Dharmendra Kumar Jangid became the Chairman of the committee and Mr. Manoj Kumar Jat was appointed as the member of the Committee w.e.f August 29, 2023

I) STAFF APPRAISAL COMMITTEE

Along with the growth of the operations of the company, the requirement for human resource also increases. Recruitment of staff for both corporate office and branches along with their appraisal, forms an integral part of day-to-day operations of the Company. The Company's human resource numbers have increased significantly. Now, the Company has become a family of 2550+ employees. Accordingly, the Company has constituted a separate committee called a Staff Appraisal Committee for governing all matters related to personnel other than Directors and Senior Management. The Committee is responsible for reviewing the recruitment and selection process of all staff except Directors, key managerial personal and senior management of the Company. The Committee monitors all other activities as mentioned in the Terms of Reference as approved by the Board of Directors of Company.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director/Member	Designation
1.	Mr. Rajiv Jain- (Managing Director) DIN: 00416121	Chairman of the Committee
2.	Mr. Amit Jain- (Whole Time Director) DIN: 00416133	Member
3.	Mr. Dharmendra Kumar Jangid- (Vice-President)	Member

2. Change in Composition:

Mr. Virendra Kumar Bhargaw has resigned from the post of Vice President of the Company w.e.f. closing hours of August 16, 2023, thereby ceasing as the member of the Committee.

m) INCENTIVE DISTRIBUTION COMMITTEE

The Company is continuously striving to achieve its set targets. The employees of the company play a huge role in this regard and as a reward for their performance the Board of Directors has decided to distribute a part of net profit as incentive amongst the employees. For this, the Board of Directors constituted the Incentive Distribution Committee. The Committee monitors all other activities as mentioned in the Terms of Reference as approved by the Board of Directors of Company.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

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S. No.	Name of the Director	Designation
1.	Mr. Rajiv Jain (Managing Director) DIN: 00416121	Chairman of the Committee
2.	Mr. Amit Jain (Whole – Time Director) DIN: 00416133	Member
3.	Mr. Dharmendra Kumar Jangid- (Vice President)	Member

2. Change in Composition:

Mr. Virendra Kumar Bhargaw has resigned from the post of Vice President of the Company w.e.f. closing hours of August 16, 2023, thereby ceasing as the member of the Committee.

n) INVESTIGATION COMMITTEE

The Company is always thankful for the trust the shareholders have in the Company and thrives to strengthen the same in the future too and is also attentive towards the grievances of the Shareholders. In this regard, the Company has formed Investigation Committee to entertain the complaints of the Shareholders of the company and monitoring all other activities as mentioned in the Terms of Reference as approved by the Board of Directors of Company.

However, the committee was dissolved by Board of Directors on 29.08.2023.

o) PROJECT ADVISORY COMMITTEE (PAC)

The Company is primarily engaged in providing micro-finance to low-income households in India. These individuals are predominantly located in rural areas which have no or very limited access to loans from other financial institutions. The Company extends loans to them mainly for use in small businesses or for other income generating activities. For this purpose of on-lending, the company has availed financial assistance from various banks and Financial Institutions. One such Lender is SIDBI from which company is availing financial assistance under PRAYAAS SCHEME. As per the guidelines of SIDBI's PRAYAAS SCHEME the company have to constitute committee in the name and style of "Project Advisory Committee" to review the operations and progress of arrangement availed under the scheme. One of the member from SIDBI is part of this committee to guide the committee for implementation of PRAYAAS SCHEME. The objective of the committee is to review the operations and progress of arrangement availed under the SIDBI PRAYAAS SCHEME.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director/Member	Designation
1.	Mr. Dharmendra Kumar Jangid (Vice-President)	Chairman of the Committee
2.	Mrs. Preeti Verma (Assistant Head-Credit)	Member
3.	Authorised Person/Nominee of SIDBI	Member

DIGAMBER CAPFIN LIMITED

2. Change in Composition:

Mr. Virendra Kumar Bhargaw has resigned from the post of Vice President of the Company w.e.f. closing hours of August 16, 2023, thereby ceasing as the member of the Committee.

p) ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) COMMITTEE

The Company is committed towards carrying out its operations in line with the ESG framework. To frame a transparent monitoring mechanism for implementation of ESG projects or programs or activities undertaken by the Company, the Board of Directors constituted the Environmental, Social & Governance (ESG) Committee. The Committee monitors all other activities as mentioned in the Terms of Reference as approved by the Board of Directors of Company.

The committee was formed by the Board in the meeting held on 29th August, 2023.

Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director / Member	Designation
1.	Mr. Amit Jain (Wholetime Director cum CFO) DIN: 00416133	Chairman of the Committee
2.	Ms. Shweta Jain (Head- CSR Activities)	Member
3.	Ms. Shilpa Ajmera (Head- ESG Activities)	Member
4.	Mr. Dilip Kumar Morwal (Chief Compliance Officer)	Member

2. Change in Composition:

There was no change in the composition of the Committee during the Financial Year 2023-2024 and as on the date of signing of this report.

q) RISK MANAGEMENT COMMITTEE

In the normal course of business, the company is exposed to face different types risk like reputational risk, credit risk, interest rate risk, liquidity risk, operational risk and various others. The management of the company have to base their business decisions on a dynamic and integrated risk management system and process, driven by corporate strategy. Therefore, the Board of Directors constituted Risk Management Committee for effective risk management systems that address the issues relating above risks and to take steps to monitor and mitigate them. The Committee monitors all other activities as mentioned in the Terms of Reference as approved by the Board of Directors of Company

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

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S. No.	Name of the Director/ Member	Designation
1.	Mr. Rajiv Jain- (Managing Director) DIN: 00416121	Chairman of the Committee
2.	Mr. Amit Jain- (Whole Time Director) DIN: 00416133	Member
3.	Mr. Lalit Kumar Jain (Independent Director) DIN: 07517615	Member
4.	Mr. Dharmendra Kumar Jangid- (Vice- President)	Member
5.	Mr. Naveen Kumar Mallik (Chief Business Officer)	Member

2. Change in Composition:

Mr. Virendra Kumar Bhargaw has resigned from the post of Vice President of the Company w.e.f. closing hours of August 16, 2023, thereby ceasing as the member of the Committee.

Mr. Lalit Kumar Jain, Independent Director of the Company became member of this Committee w.e.f. August 29, 2023.

Mr. Naveen Kumar Mallik (Chief Business Officer) became the member of the committee w.e.f. 7th May, 2024.

r) STAKEHOLDER RELATIONSHIP COMMITTEE

This Committee has been constituted as a good corporate governance practice for taking care of the grievances of all the stakeholders such as shareholders, debenture holders, banks etc. The Committee monitors all other activities as mentioned in the Terms of Reference as approved by the Board of Directors of Company.

The committee was formed by the Board in the meeting held on 29th August, 2023.

1. Composition, Name of Members and Chairperson:

As on the date of this report, the Committee comprises of the following:

S. No.	Name of the Director	Designation
1.	Mr. Rajiv Jain (Chairman & Managing Director) DIN: 00416121	Chairman of the Committee
2.	Mr. Amit Jain (Whole time Director & CFO) DIN: 00416133	Member
3.	Mr. Jatin Chhabra (Non- Executive Director) DIN: 08271333	Member
4.	Mr. Lalit Kumar Jain (Independent Director) DIN: 07517615	Member

2. Change in Composition:

There was no change in the composition of the Committee during the Financial Year 2023-2024 and as on the date of signing of this report.

DIGAMBER CAPFIN LIMITED

DETAILED COMPOSITION OF ALL THE COMMITTEES OF THE BOARD OF THE COMPANY AS ON 31ST MARCH, 2024

Committee		Sl. No.	Name of Director/ Management Personnel	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
						Held	Attended	
1	Executive Committee	1.	Mr. Rajiv Jain	27/04/2017	Chairperson	21	21	2559277
		2.	Mr. Amit Jain	27/04/2017	Member	21	21	2366666
		3.	Mr. Jatin Chhabra	21/01/2019	Member	21	5	103300
2	Audit Committee	1.	Mr. Lalit Kumar Jain	03/10/2016	Chairperson of Committee	5	5	0
		2.	Dr. Amita Gill	05/07/2022	Member	5	5	0
		3.	Mr. Nayan Ambali	05/07/2022	Member	5	0	0
3	Nomination and Remuneration Committee	1.	Mr. Lalit Kumar Jain	03/10/2016	Chairperson of Committee	3	3	0
		2.	Mr. Rajiv Jain	03/10/2016	Member	3	3	2559277
		3.	Mr. Jatin Chhabra	21/01/2019	Member	3	3	103300
		4.	Dr. Amita Gill	05/07/2022	Member	3	1	0
4	Corporate Social Responsibility Committee	1.	Mr. Rajiv Jain	02/07/2018	Chairperson of Committee	2	2	2559277
		2.	Mr. Amit Jain	02/07/2018	Member	2	2	2366666
		3.	Mr. Jatin Chhabra	18/07/2019	Member	2	1	103300
		4.	Mr. Lalit Kumar Jain	02/07/2018	Member	2	2	0
5	Credit Committee	1.	Mr. Dharmendra Kumar jangid	03/10/2016	Chairperson of Committee	3	3	25754
		2.	Mr. Virendra Kumar Bhargaw	03/10/2016	He was Chairman for 04.04.2023	1	1	0
		3.	Ms. Preeti Chopra	03/10/2016	Member	3	3	619
		4.	Mr. Subhash Kumawat	03/10/2016	Member	3	3	301
		5.	Mr. Manoj Kumar Jat	29/08/2023	Member	2	2	299
		❖ Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023. ❖ Mr. Monoj Kumar Jat appointed as the member of the Committee w.e.f.29/08/2023. ❖ Mr. Dharmendra Kumar Jangid became the Chairman of the committee w.e.f 29/08/2023						
6	Asset-Liability Management Committee	1.	Mr. Rajiv Jain	15/03/2019	Chairperson of Committee	4	4	2559277
		2.	Mr. Amit Jain	15/03/2019	Member	4	3	2366666
		3.	Mr. Lalit Kumar Jain	14/02/2022	Member	4	4	0
		4.	Mr. Dharmendra Kumar jangid	15/03/2019	Member	4	1	25754
		5.	Mr. Virendra Kumar Bhargaw	15/03/2019	Member	1	0	0
		6.	Ms. Preeti Chopra	29/08/2023	Member	3	3	619
		7.	Mr. Shashank Y. Kumar	29/06/2021	Member	4	4	332
		8.	Mr. Naman Mehta	29/06/2021	Member	4	4	442
		9.	Ms. Neha Agarwal	15/03/2019	Member	1	0	235
		❖ Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023. ❖ Ms. Neha Agarwal ceased to be member of committee w.e.f. 29/08/2023. ❖ Ms. Preeti Chopra appointed as the member of the Committee w.e.f. 29/08/2023. ❖ Further Mr. Naveen Kumar Malik (Chief Business officer) was appointed as the member of the committee and Ms. Preeti Chopra- (Assistant Head-Credit), Mr. Shashank Y. Kumar- (Assistant Finance Head), Mr. Naman Mehta- (Assistant Accounts Head) ceased to be the members of the committee w.e.f 7th May, 2024						

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 Email id: info@digamberfinance.com

7	Incentive Distribution Committee	1.	Mr. Rajiv Jain	25/01/2020	Chairperson of Committee	0	0	2559277
		2.	Mr. Amit Jain	25/01/2020	Member	0	0	2366666
		3.	Mr. Dharmendra Kumar jangid	25/01/2020	Member	0	0	25754
		❖ Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023.						
8	Internal Committee	1.	Ms. Riddhi Sharma	09/02/2024	Presiding Officer	0	0	225
		2.	Ms. Renu Sharma	29/08/2023	Member	0	0	0
		3.	Mr. Shashank Y. Kumar	29/08/2023	Member	0	0	332
		4.	Mr. Satyendra Chauhan	29/08/2023	Member	0	0	0
		5.	Ms. Charu Gupta	24/08/2021	Member	0	0	0
		❖ Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023. ❖ Ms. Kamini Sharma and Mr. Srikant Bohara ceased to be member of committee w.e.f. 29/08/2023. ❖ Ms. Bharti Sukhyani appointed as the member of committee w.e.f. 29/08/2023 ❖ Ms. Renu Sharma, Mr. Shashank Y. Kumar and Mr. Satyendra Chauhan were appointed as the member of the Committee w.e.f. 29/08/2023. ❖ Ms. Bharti Sukhyani ceased to be Presiding officer of committee w.e.f. 09/02/2024 and in her place Ms. Riddhi Sharma was appointed as the Presiding officer of the Committee w.e.f 09/02/2024						
		During the Financial Year 2023-24, Board has renamed the committee from Internal Complaints committee to Internal Committee on August 29, 2023						
9	Investigation Committee	1.	Ms. Neha Agarwal	08/09/2020	Member	0	0	235
		2.	Mr. Om Prakash Dhuwariya	08/09/2020	Member	0	0	0
		3.	Mr. Virendra Kumar Bhargaw	08/09/2020	Member	0	0	0
		❖ Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023 ❖ The Committee was dissolved by the Board of Directors w.e.f. 29 th August, 2023						
10	IT Steering Committee	1.	Mr. Rajiv Jain	05/01/2021	Chairperson of Committee	1	1	2559277
		2.	Mr. Amit Jain	05/01/2021	Member	1	1	2366666
		3.	Mr. Dharmendra Kumar jangid	05/01/2021	Member	1	1	25754
		❖ Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023.						
11	IT Strategy Committee	1.	Mr. Lalit Kumar Jain	05/07/2022	Chairperson of Committee	4	4	0
		2.	Mr. Nayan Ambali	05/01/2021	Member	4	4	0
		3.	Mr. Rajiv Jain	05/01/2021	Member	4	4	2559277
		4.	Mr. Amit Jain	05/01/2021	Member	4	4	2366666
		5.	Mr. Dharmendra Kumar Jangid	05/01/2021	Member	4	4	25754
		6.	Mr. Virendra Kumar Bhargaw	05/01/2021	Member	1	1	0
		❖ Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023.						
12.	Risk Management Committee	1.	Mr. Rajiv Jain	28/04/2016	Chairperson of Committee	5	5	2559277
		2.	Mr. Amit Jain	28/04/2016	Member	5	5	2366666
		3.	Mr. Dharmendra Kumar Jangid	28/04/2016	Member	5	4	25754
		4.	Mr. Virendra Kumar Bhargaw	28/04/2016	Member	3	2	0
		5.	Mr. Lalit Kumar Jain	29/08/2023	Member	2	1	0
		❖ Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023.						

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		❖ Mr. Lalit Kumar Jain became the members of the committee w.e.f 29.08.2023 ❖ Mr. Naveen Kumar Malik (Chief Business Officer) became the member of the committee w.e.f. 7th May, 2024						
13	Staff Appraisal Committee	1.	Mr. Rajiv Jain	18/07/2019	Chairperson of Committee	11	11	2559277
		2.	Mr. Amit Jain	18/07/2019	Member	11	11	2366666
		3.	Mr. Dharmendra Kumar Jangid	18/07/2019	Member	11	11	25754
		4.	Mr. Virendra Kumar Bhargaw	18/07/2019	Member	4	3	0
		❖ Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023.						
14	Ombudsman Committee	1.	Mr. Dharmendra Kumar jangid	03/10/2016	Chairperson of Committee	15	15	25754
		2.	Mr. Virendra Kumar Bhargaw	03/10/2016	Member	6	6	0
		3.	Mr. Jugal Kishor Jangid	03/10/2016	Member	15	13	361
		4.	Mr. Bablu Thakur	13/06/2023	Member	8	6	0
		5.	Mr. Srikant Bohara	09/02/2024	Member	1	1	482
		❖ Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 13/06/2023. ❖ Mr. Dharmendra Kumar Jangid was elected as Chairman of the committee w.e.f. 13/06/2023 ❖ Mr. Bablu Thakur became the member of the committee on 13.06.2023 and ceased to be member of committee w.e.f. 09/02/2024 ❖ Mr. Srikant Bohara appointed as the member of the Committee w.e.f 09/02/2024.						
15	Project Advisory Committee	1.	Mr. Dharmendra Kumar Jangid	12/02/2021	Member	0	0	25754
		2.	Ms. Preeti Chopra	12/02/2021	Member	0	0	619
		3.	(Authorised person/ Nominee SIDBI)	24/08/2021	Member	0	0	0
		❖ Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023.						
16.	New Product Committee	1.	Mr. Rajiv Jain	29/08/2023	Chairperson of Committee	0	0	2559277
		2.	Mr. Amit Jain	29/08/2023	Member	0	0	2366666
		3.	Mr. Dharmendra Kumar Jangid	29/08/2023	Member	0	0	25754
		4.	Mr. Dilip Kumar Morwal	29/08/2023	Member	0	0	0
17.	Stakeholder Relationship Committee	1.	Mr. Rajiv Jain	29/08/2023	Chairperson of Committee	4	4	2559277
		2.	Mr. Amit Jain	29/08/2023	Member	4	4	2366666
		3.	Mr. Jatin Chhabra	29/08/2023	Member	4	2	103300
		4.	Mr. Lalit Kumar Jain	29/08/2023	Member	4	4	0
18.	Environmental, Social and Governance Committee (ESG)	1.	Mr. Amit Jain	29/08/2023	Chairperson of Committee	2	2	2366666
		2.	Ms. Shweta Jain	29/08/2023	Member	2	2	1077849
		3.	Ms. Shilpa Ajmera	29/08/2023	Member	2	2	914044
		4.	Mr. Dilip Kumar Morwal	29/08/2023	Member	2	2	0

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6. GENERAL BODY MEETINGS

Financial Year and Type of Meeting	Location of the Meeting	Day, Date & Time	Special Resolutions
2023-24 01/2023-24 Extra-Ordinary General Meeting	Through video conferencing & deemed venue at registered office of the Company	Tuesday, January 16, 2024 at 11:45 A.M.	1. To approve the amendment in the object clause of Memorandum of Association (MoA) of the company.
2023-24 28 th Annual General Meeting	Through Physical Mode	Tuesday, September 26, 2023 at 11:30 A.M.	1. To re-designate Ms. Shweta Jain as the Chief Advisor Business and Head-CSR Activities of the company 2. To re-designate Ms. Shilpa Ajmera as the Head-ESG Activities of the company
2022-23 27 th Annual General Meeting	Through video conferencing & deemed venue at registered office of the Company	Friday, September 30, 2022, at 11:30 A.M.	1. To Authorize the Board to borrow monies over and above the paid up share capital and free reserves and securities premium of the company. 2. To Authorize the Board to create charge/mortgage properties of the company for securing Loan and other Financial Assistance.
2021-22 26 th Annual General Meeting	Through video conferencing & deemed venue at registered office of the Company.	Wednesday, September 29, 2021 at 11:45 A.M.	1. Re-appointment of Mr. Lalit Kumar Jain (DIN: 07517615) as an Independent Director of the company for the second term for the period of five years.

7. SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT

During the Financial year 2023-24 and as on date of signing of this report, no resolution was passed through postal ballot process by the company.

8. Details of the meeting convened in pursuance of the order passed by the National Company Law Tribunal (NCLT):

During the Financial year 2023-24, no meeting was convened in pursuance of any order passed by the National Company Law Tribunal (NCLT). Hence, reporting under this clause is not applicable.

9. MEANS OF COMMUNICATION

The Board recognizes the importance of communication with its stakeholders. To ensure that all the important information are provided to its stakeholders, the Company has a website (<https://www.digamberfinance.com/>) which contains required information for the stakeholders. Further mentioned herewith are the means of communication:

(a) Address for correspondence

The Company's registered office situated at J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018.

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Email id: info@digamberfinance.com

E-mail ID: compliance@digamberfinance.com

Phone No. 0141-2700233, 2700234

(b) Website

The Company's website <https://www.digamberfinance.com/> contains a separate section 'Investors' for use of investors.

(c) Corporate Identification Number (CIN):

Corporate Identification Number (CIN) of the Company is U67120RJ1995PLC009862.

(d) Quarterly Results

The Company has filed the Quarterly, Half-yearly and Annual Financial Result from time to time with BSE Limited pursuant to the Regulation 52 of SEBI (LODR) Regulation, 2015 till the period, the Non-convertible Debentures of company was listed on the BSE and the same has been uploaded on the website of the company i.e. <https://www.digamberfinance.com/disclosure.php>.

(e) Newspapers wherein result were published

The quarterly financial results of the Company were published in Financial Express in compliance with Listing Regulations till the period, the Non-Convertible Debentures of company was listed on the BSE.

10. GENERAL SHAREHOLDER INFORMATION

(a) Ensuing Annual General Meeting (AGM)

29th AGM of the company for the Financial year 2023-2024 is scheduled to be held on 29th June, 2024 at 11.30 A.M. through physical mode at the registered office of the Company and Other Audio Visual Means (OAVM).

(b) Financial Year

The Company follows the Financial Year starting from 01st April to 31st March every year.

(c) Dividend Payment Date

The Board of Directors has not recommended any dividend for the year under consideration on Equity Shares of the Company.

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(d) Stock Exchanges name and annual listing fee payment

1. The equity Shares of the company are not listed on any stock exchange in India or abroad.
2. The Debentures which were Listed on BSE Ltd with ISIN INE02QN07011 and stock code 959856 were matured and redeemed on 21st April 2023 at par.
3. The Annual listing fees has been paid to the BSE Limited for the Financial year 2022-2023 and 2023-2024.
4. The Unlisted Non-Convertible Debentures (NCDs) issued and allotted by the Company through Private Placement and outstanding amount as on March 31, 2024 are as follows:

Sr. No.	Details of Trustee	ISIN	No. of Debentures	Principal outstanding Amount (In Rs. in Lakhs.)
1.	Vardhaman Trusteeship Private Limited The Capital, 412A, Bandra Kurla Complex, Bandra, East, Mumbai-400051	INE02QN07045	1400	1400.00

The company has paid timely interest payment for the Unlisted Non-Convertible Debentures (NCDs), disclosure respect to it is provided in the Board Report.

(e) Market Price Data

The equity shares of the company are not listed in any stock exchange in India or abroad. Therefore, this disclosure is not applicable on the Company.

(f) Performance in comparison to broad-based indices

The equity shares of the company are not listed in any stock exchange in India or abroad. Hence, this disclosure is not applicable on the Company.

(g) Information related to suspension of the securities from trading during the Financial Year 2023-24

The equity shares of the company are not listed in any stock exchange in India or abroad. Therefore, this disclosure is not applicable on the Company.

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(h) Registrar and Share Transfer Agent**CDSL Ventures Limited**

Address: Marathon Futurex, A Wing, 25th Floor, Mafatlal Mills Compound, N.M. Joshi Marg, Lower Parel (E), Mumbai-400013

SEBI Registration No. INR000004200

Authorised Person: Mr. Milind Saraf (Senior Manager-RTA Operations)

Contact Details: milinds@cdslindia.com Mobile +91- 8097447112

(i) Share Transfer System

After completion of prescribed process, the dematerialized shares are transferred directly to the beneficiaries by the depositories. Dealing and transactions in equity shares of the Company is permitted only in dematerialized form. The Ministry of Corporate Affairs (MCA) has mandated that securities of unlisted public companies can be transferred only in dematerialized form. Accordingly, the Company & its Registrar and Transfer Agent have stopped accepting any fresh lodgment for transfer of shares in physical form.

The Members holding the shares of the Company in physical form are advised to convert their shareholding in de-mat form. Further, All the Non-Convertible Debentures of the Company are in dematerialized form, hence there was no transfer of debentures in physical form.

(j) Shareholding Pattern/Distribution of shareholding of Equity shares (including ESOP) as on March 31, 2024:

Sr. No	Category	Equity	
		No. of Shares	%
1.	Promoters		
	(i) Individual/HUF	7600739	76.83
	(ii) Non-resident Indian (NRI)	0	0
2.	Non Promoters Public Shareholding		
	(i) Government	0	0
	(ii) Insurance Companies	0	0
	(iii) Banks	0	0
	(iv) Financial Institution	0	0
	(v) Foreign institutional investors	0	0
	(vi) Mutual Fund	0	0
	(vii) Venture Capital	0	0
	(viii) Body Corporate (Not mentioned above)	1043800	10.55
	(ix) Individuals	1248707	12.62
Total		98,93,246	100

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(k) Distribution of shareholding of Equity shares

Category/No. of Shares	No. of Shareholders	% of total no. of shareholders	Total shares	% of total no. of shares
1-100,000	71	86.58%	968928	9.79%
100001-200000	3	3.66%	351249	3.55%
200001-300000	0	0.00%	0	0.00%
300001-400000	2	2.44%	682903	6.90%
400001-500000	2	2.44%	972330	9.83%
500001-600000	0	0.00%	0	0.00%
600001-700000	0	0.00%	0	0.00%
700001-800000	0	0.00%	0	0.00%
800001-900000	0	0.00%	0	0.00%
900001-1000000	1	1.22%	914044	9.24%
1000001-2000000	1	1.22%	1077849	10.90%
2000001-3000000	2	2.44%	4925943	49.79%

(l) Top 5 Equity Shareholders of the Company as on March 31, 2024

SR. NO.	NAME OF SHAREHOLDER	TOTAL HOLDINGS	% TO PAID UP CAPITAL
1.	Mr. Rajiv Jain	2559277	25.87
2.	Mr. Amit Jain	2366666	23.92
3.	Ms. Shweta Jain	1077849	10.89
4.	Ms. Shilpa Ajmera	914044	9.24
5.	M/s Unibloom Mancon Private Limited	491530	4.97

(m) Details of Equity Shares in dematerialised and physical form as on March 31, 2024:

The Company's shares are compulsorily traded in dematerialised form and are available for trading through both the Depositories in India viz. NSDL and CDSL. The details of number of equity shares of the Company which are in dematerialised and physical form are given below:

Particulars of Shares	Shares		Shareholders	
	Number	% Total	Number	% Total
Dematerialised form				
NSDL	293722	2.97	20	23.53
CDSL	8975255	90.72	52	61.18
Sub total	9268977	93.69	72	84.71
Physical	624269	6.31	13	15.29
Total	9893246	100.00	85	100.00

*Mr. Rajiv Jain, Mr. Amit Jain and Mr. Jatin Chhabra has shares in both NSDL and CDSL. Therefore, they are counted twice while calculating the percentage and number of shareholders.

(n) Dematerialization of Equity shares/Non-Convertible Debentures and liquidity

During the Financial year 2023-2024:

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1. No Demat request was received from the shareholder of the company. The detailed information for dematerialization of Equity shares are provided in the Board Report forming a part of this Annual Report.
2. The company has issued and allotted 16316 shares to its employees under "DCL ESOP 2022" on 16th October, 2023 at a price of Rs. 10/- at par with face value of the equity shares of the company in the dematerialized form.
3. The Company has raised funds by issue & allotment of Secured, rated, unlisted, Transferable, Redeemable, 1400 Non-Convertible Debentures denominated in Indian Rupees ("INR") to A.K. Securitization and Credit Opportunities Fund II in the dematerialized form.

(o) Outstanding GDRs/ADRs/Warrants or any Convertible instruments

The Company does not have any outstanding Global Depository Receipt or American Depository Receipt or any other convertible instruments.

(p) Plant Locations

The Company is a Non-Banking Finance Company-Micro Finance Institution (NBFC-MFI), hence this provision is not applicable on the Company.

(q) Credit Rating

The disclosures with regard to the Credit ratings is duly disclosed in the Board Report's point no. 13 and is also disclosed in Note No. 62 of the Financial Statements.

(r) Asset Liability Management (ALM) Policy:

The Company has a Board approved Asset Liability Management (ALM) Policy as per guidelines and directions issued by RBI which is reviewed and amended by the Board from time to time.

(s) Accounting Treatment:

The Company has adopted accounting policies which are in line with the Accounting Standards. Further the Financials statements are prepared in adherence to the Accounting policies, Accounting Standards and applicable provisions of Companies Act, 2013 and Master Directions of Reserve Bank of India.

(t) Description of voting rights:

All Equity shares issued by the Company carry equal voting rights.

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11. OTHER DISCLOSURES

(a) Related Party Transactions

The related party transactions that were entered during the Financial Year were in the ordinary course of business and on an arm's length basis. There were no materially significant transactions made by the Company with the related parties either individually or taken together with the previous transactions which may have a potential conflict with the interest of the Company at large.

All the related party transactions are placed before the Audit Committee and subsequently before the Board of Directors and/or Shareholders, as may be applicable for approval.

Further, as per the requirements of Ind-AS the transactions with related parties are disclosed in the Note No. 40 of the Financial Statements.

(b) Changes in Senior Management Personnel/Key Managerial Personnel (KMP)

1. Mr. Virendra Kumar Bhargaw, Vice President of the Company has resigned from the Company w.e.f. closing hours of August 16, 2023.
2. In Compliance of RBI's Directions on Compliance Function and Role of Chief Compliance Officer (CCO)-NBFCs dated April 11, 2022, the Company has appointed Mr. Dilip Kumar Morwal as the Chief Compliance Officer (CCO) of the Company w.e.f. June 21, 2023 who qualifies the Fit & Proper Criteria as laid down by the Reserve Bank of India.
3. Mr. Naveen Kumar Mallik is appointed as Chief Business Officer with effect from Monday April 15th, 2024.
4. Ms. Neha Agarwal, Company Secretary resigned from the Company with effect from closing hours of April 30, 2024. The resignation was noted and accepted by the Nomination and Remuneration Committee of the Board of Director in their meeting held on 06th May, 2024 and by Board of Directors in their meeting held on 07th May, 2024 respectively.

(c) Details of non-compliance by the company, penalties, strictures imposed on the company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

The Company has complied with the applicable requirements of the Companies Act, 2013 ('the Act') and its rules and amendments thereof, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') to the extent applicable and guidelines and directions issued by the Reserve Bank of India (as amended from time to time) and other applicable provisions to the Company.

No fines, penalties or strictures were imposed on the company by stock exchange(s) or the board or any statutory authority or regulatory authority on any matter related to capital markets during the financial year 2023-2024.

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Further, during the last three years, there has been no penalties or stricture imposed on the company by stock exchange(s) or the board or any statutory authority except fines imposed on company as mentioned below: -

- On September 28, 2022 the BSE Limited imposed a fine of Rs. 11,800 (Rupees Eleven Thousand Eight Hundred Only) for the delay in submission of the notice of Record Date as per Regulation 60(2) of the SEBI (LODR) Regulations, 2015. Further company has paid the said fine amount of Rs. 11,800 (Rupees Eleven Thousand Eight Hundred Only) to Stock Exchange on 21th October, 2022.
- On October 31st, 2022 the BSE Limited ("Stock Exchange") imposed a fine of Rs. 5900 (Rupees Five Thousand Nine Hundred Only) for the delay in furnishing intimation about meeting of shareholders or holders of non-convertible securities as per Regulation 50(2) of the SEBI (LODR) Regulations, 2015 and fine of Rs. 11,800 (Rupees Eleven Thousand Eight Hundred Only) for non-submission of Annual Report within the period prescribed as per Regulation 53(2) of the SEBI (LODR) Regulations, 2015. The Company applied for waiver of penalty imposed Regulation 53(2) of the SEBI (LODR) Regulations, 2015, but no further communication was received in this regard. Further, the Company has paid the fine amount of only Rs. 5,900 (Rupees Five Thousand Nine Hundred Only) to Stock Exchange on 22nd November, 2022.

It is hereby submitted that both the incidences took place due to inadvertence. The Company has taken suitable steps to avoid happening of such events in future.

(d) Details of establishment of vigil mechanism/whistle blower policy

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and the Rules made there under, the Company has established a Whistle Blower policy / Vigil Mechanism for the directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct.

The Company has also adopted a Code of Conduct named "Code of Ethics and Business Conduct" for Board of Directors and & employees of the company, which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company.

The vigil mechanism shall provide for adequate safeguards against victimization of directors and employees to avail such mechanism and also make provisions for direct access to the Chairperson of Audit Committee in appropriate or exceptional cases.

Further vigil mechanism/whistle blower policy is available on website of company at [https://digamberfinance.com/images/uploadimage/Vigil%20Mechanism Whistle%20blower %20Policy-new23.pdf](https://digamberfinance.com/images/uploadimage/Vigil%20Mechanism%20Whistle%20blower%20Policy-new23.pdf) in compliance of section 177 (10) of the Companies Act, 2013.

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Further the Board of Directors affirm that no personnel have been denied access to the Audit Committee and no complaints were made during the Financial year 2023-2024 under vigil mechanism/whistle blower policy of the company.

(e) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company is complying with all the mandatory requirements of Companies Act, 2013 and its rules and amendments thereof and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time till the period, the Non-Convertible Debentures of the company was listed on the BSE.

Further, the Company has complied with the mandatory provisions of Corporate Governance complying with the applicable requirements of the Companies Act, 2013 ('the Act'), and its rules and amendments thereof, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') to the extent applicable, Non-Banking Financial Companies-Corporate Governance (Reserve Bank) Directions, 2015, Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 dated 14th March, 2022 (amended from time to time) Master Direction - Non-Banking Financial Company – Systemically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 , RBI Scale Based Regulation (SBR) dated October 22, 2021 and Revised Regulatory Framework for NBFCs issued by the Reserve Bank of India on October 19, 2023 (as amended from time to time) and other guidelines and directions issued by the Reserve Bank of India (as amended from time to time) and other applicable provisions to the Company.

However, the Company has not adopted any of the non-mandatory requirements stipulated under the said regulations except in compliance to the process of Good Corporate Governance.

(f) Material Subsidiaries/ Associates/Joint Ventures

During the Financial year 2023-24, the Company does not have any material subsidiary, associates and Joint Ventures.

(g) Web link where policy on dealing with related party transactions uploaded

The web link for policy on dealing with related party transactions is given below: -

<https://digamberfinance.com/images/uploadimage/Related%20Party%20Transaction%20Policy-new23.pdf>

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(h) Disclosure of commodity price risks and commodity hedging activities

The Company has hedged 100% of its foreign exchange risk for the payment of interest and principal amount for the External Commercial Borrowing (ECB) raised during the period under review

(i) Details of utilization of funds raised through preferential allotment or qualified institutions placement

During the Financial year 2023-24, the company has not raised funds through preferential allotment or qualified institutional placement.

(j) We hereby confirm that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. However, since the equity shares of the company are not listed with any Stock Exchange hence requirement of obtaining the certificate from Practicing Company Secretary on the matter is not applicable on the company.

(k) Recommendations of the Committees

During the Financial year 2023-24, the Board has accepted all the recommendation received from various Committees.

(l) Total Fee Paid to the Statutory Auditor

The details of total fees paid to M/s Kalani & Company, Chartered Accountants (FRN: 000722C) Statutory Auditors of the Company during the Financial Year 2023-24 is given below:

Particulars	Amount (Rs. In Lakh)
Audit Fees (including Limited Review and Tax Audit)	14.72
Non- audit service (including Company Law Matters and Certification fees)	3.06
Total	17.78

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

The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The company has complied with the provisions of policy adopted as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the Financial Year 2023-24, no complaint were received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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The following is a summary of Sexual Harassment complaints received and disposed of during the financial year 2023-24:

No. of complaints pending at the beginning of the year	No. of complaints received during the year	No. of complaints resolved during the year	No. of complaints pending at the end of the year
NIL	NIL	NIL	NIL

(n) Disclosure by the company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested

This clause is not applicable to the company as no Loans and advances was given to the any firms/companies in which directors are interested.

(o) (i) Disclosure by the company with the requirements of Corporate Governance Report of sub-para (2) to (10) of Schedule V of the SEBI (LODR) Regulations, 2015.

The Company has complied with the requirements of Corporate Governance Report of sub-para (2) to (10) of Schedule V of the SEBI (LODR) Regulations, 2015.

(ii) Disclosure by the company with the requirements of Corporate Governance Report of regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI (LODR) Regulations, 2015

However, the disclosures on compliance with corporate governance requirements specified in regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable on the company as the company does not fall under the definition of High value debt company.

(p) Status of Compliance of Discretionary Requirements as per Part E of Schedule II of SEBI (LODR) Regulations, 2015

The Company has, during the Financial Year 2023-24, made compliance with all the requirement under various laws as applicable to the company. The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the Listing Regulations, is as under:

➤ **The Board:**

The Company has an Executive Chairman and hence, the need for implementing this requirement does not arise.

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➤ **Shareholder Rights:**

Till the period, the Non-Convertible Debentures of company was listed on BSE, the quarterly, half-yearly and annual financial results of the Company were published in newspapers. Annual financial performance of the Company was sent to all the Members whose e-mail IDs are registered with the Company / Depositories. The results are also made available on the Company's website <https://www.digamberfinance.com/disclosure.php> .

➤ **Modified opinion in Audit Report:**

During the Financial Year 2023-24, there was no modified audit opinion provided by the Auditors in the Audit Report of the Company's Annual financial statements. The Company continues to adopt best practices to ensure a regime of unmodified audit opinions in its financial statements.

➤ **Separate posts of Chairperson and CEO:**

The Company has appointed Mr. Rajiv Jain (DIN: 00416121) as Chairman cum Managing Director and No Chief Executive Officer being appointed by the Company.

➤ **Reporting of Internal Auditor:**

The Internal Auditor of the Company as invitee attends the Meetings for reporting their findings of the internal audit to the Audit Committee Members. The Internal Audit Reports are also placed before the members of Audit Committee.

(q) Disclosure with respect to maintenance of functional website as per regulation 62 of SEBI (LODR) Regulations, 2015

The company has maintained functional website which can be accessed by the said web-link <https://www.digamberfinance.com/>

(r) Declaration signed by Mr. Rajiv Jain (DIN: 00416121), Chairman cum Managing Director regarding compliance with the Code of Ethics and Business Conduct is enclosed herewith as **Annexure "B"**

(s) Disclosures with respect to Demat suspense account/ unclaimed suspense account

The company do not have any Equity shares in Demat suspense account/ unclaimed suspense account.

(t) Any query on Annual Report

The members can write an email on compliance@digamberfinance.com _or send their query on mentioned address: J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018, addressed to the Chairman of the Company.

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(u) Prevention of Insider Trading Code

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the UPSI of the Company are governed by this code. The Code also covers the policy and procedures for inquiry in case of leak of Unpublished Price Sensitive Information (UPSI) or suspected leak of UPSI. The Code is available on the website of the Company <https://digamberfinance.com/images/uploadimage/Code%20of%20Practices%20and%20Procedures%20for%20Fair%20Disclosure%20of%20Unpublished%20Price%20Sensitive%20Information-new23.pdf>.

(v) Others:**During the period under review for financial year 2023-24:**

1. The Company has duly informed all the price sensitive information disclosures as required under Regulation 51 of the SEBI (LODR) Regulations, 2015 via BSE portal till the period the Non-Convertible Debentures of the Company was listed on the BSE.
2. No such Agreement has been entered by the Company respected to the provisions of clause 5A of Part A of Schedule III of SEBI (LODR) Regulations, 2015.
3. No investor complaints were received as per Regulation 13 of the SEBI (LODR) Regulations, 2015.
4. No complaints were lodged on the SCORES platform.
5. No major observations were received in the Statutory Audit Report and Secretarial Audit Report.
6. All the applicable Accounting Standards which were mandatorily required have been followed without exception in preparation of the financial statements.
7. No show-cause notice was issued by any regulatory authority.
8. No legal proceedings are pending against the Company.
9. The Company has not raised any money through public issue, rights issue etc. in the last financial year.
10. All pecuniary relationships or transactions, if any, of the Non-Executive Directors with the Company has been duly disclosed in the Annual Report.
11. There were no material financial & commercial transactions by Senior Management where they have any personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.
12. The Company has complied with the applicable Secretarial Standards issued by Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Companies Act 2013.
13. None of the Directors on the Board of the Company has 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 or any such statutory authority.
14. The Company has paid the requisite Custodial Fees to the Depositories viz. CDSL & NSDL, for the financial years 2023-24

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15. The Company has in place an Information Technology Framework that ensure proper utilization of IT resources.
16. The Company has not made any contributions to / spending for political campaigns, political organizations, lobbyists or lobbying organizations, trade associations and other tax-exempt groups.
17. The KYC (DIR-3 KYC) of all the Directors have been filed with the MCA Portal for the F.Y 2023-2024.
18. As on the date of signing of the report, Mr. Rajiv Jain , DIN: 00416121 (Chairman cum Managing Director) and Mr. Amit Jain, DIN: 00416133 (Whole Time Director cum CFO) are the Key Managerial Personnel of the Company.
19. In the board Meeting held on 29th August, 2023 and respect to the approval of members at the 28th Annual General meeting, the designation of Ms. Shweta Jain is changed from Finance Head to Chief Advisor Business and Head- CSR Activities of the Company, at a remuneration of Rs. 5,00,000/- (Rupees Five Lakh Only) per month i.e., Rs. 60,00,000/- (Rupees Sixty Lakh only) per annum, subject to increase in 5% in the remuneration every year.
20. In the board Meeting held on 29th August, 2023 and respect to the approval of members at the 28th Annual General meeting, the designation of Ms. Shilpa Ajmera is changed from IT Head to Head- ESG Activities of the Company, at a remuneration of Rs. 5,00,000/- (Rupees Five Lakh Only) per month i.e., Rs. 60,00,000/- (Rupees Sixty Lakh only) per annum, subject to increase in 5% in the remuneration every year.
21. We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The policies are reviewed periodically by the Board and updated as needed. Key policies that have been approved by Board of Directors of the company are available on the web link <https://www.digamberfinance.com/code.php>

12. CLIENT GRIEVANCE REDRESSAL MECHANISM

The Company is dedicated for providing the highest quality of services to its clients. To accomplish this, DCL have started a dedicated client Grievance Cell to timely and efficiently address their grievances. The Company has developed the mechanism to solve the client grievances on the priority basis. The Company gives Toll Free No. “**18001806365**” for its customers for faster resolution.

A summary of all such complaints is summarized and presented before Ombudsman Committee so that they can appraise and guide the management on best practice. Further this mechanism is available on website of company at <https://digamberfinance.com/images/uploadimage/Client%20Grievance%20Redressal%20Mechanism-new23.pdf>

13. ADOPTION OF FAIR PRACTICE CODEs

With the approval of board, the Company has adopted guidelines as provided by Reserve bank of India regarding **FAIR PRACTICE CODE for NBFCs** which provides operating guidelines for effective dissemination and implementation of responsible business practices and to

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constantly review the functioning of working staff of the company for day-to-day business activities. Based on the guidelines provided by the RBI, the company has framed a policy on Fair Practice Code, which is duly approved by the Board of Directors of the Company.

Further this Policy is available on website of company at [https://digamberfinance.com/images/uploadimage/Fair-Practice-Code-\(FPC\)-new-24.pdf](https://digamberfinance.com/images/uploadimage/Fair-Practice-Code-(FPC)-new-24.pdf)

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR DIGAMBER CAPFIN LTD**

	Sd/-	Sd/-
	Rajiv Jain	Amit Jain
Place: Jaipur	Chairman cum Managing Director	Whole time Director cum CFO
Date: 07.05.2024	DIN: 00416121	DIN: 00416133

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ANNEXURE “D”: NOMINATION, REMUNERATION AND COMPENSATION POLICY

1. PREFACE

In accordance to the provisions of Section 178 of the Companies Act, 2013 (“Act”), Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (“Master Directions”) and Scale Based Regulation (SBR) read with ‘Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs’ issued by the Reserve Bank of India (“RBI Guidelines”) as applicable and as amended from time to time

2. OBJECTIVE OF POLICY

As a philosophy, the Company believes that employees are important to an organization's success as they are the ones who are directly responsible for carrying out an organization's mission. The Company recognizes that while appropriate remuneration and compensation should be paid to attract and retain the right quality of talent, yet compensation should not become the single most over-riding criteria of relationship between the employee and the company. Accordingly, the company shall strive at all times to create an atmosphere of trust, empowerment and performance-based reward which will draw and retain right talent in the organization.

In accordance with the provisions of the Companies Act, 2013 and rules, Circulars, Directions, guidelines issued by RBI thereunder and other applicable laws and regulations, it is required to have a Board approved policy for the Nomination and Remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees of Company. The compensation structure forms the part of this policy.

The Key Objectives of this policy would be as follows:

- Ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate captioned employees of the quality required to run the Company successfully.
- Ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Ensure compliance with applicable laws, rules and regulations as well as 'Fit and Proper criteria' of directors before their appointment and on a continuing basis.
- To formulate criteria for evaluation of performance of the members of the Board including Independent Directors and provide necessary report to the Board for further evaluation of the Board.
- To provide Key Managerial Personnel, SMP and other employees reward linked directly to their effort, performance, dedication and achievement relating to the Company's

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operations.

- To retain, motivate and promote talent and to ensure long-term sustainability of talented managerial persons and create competitive advantage.
- To determine whether to extend or continue the term of appointment of the Independent Director(s), on the basis of the report of performance evaluation of Independent Directors.
- To ensure that compensation packages are aligned effectively with prudent risk taking so that compensation is adjusted for all types of risks.
- To ensure the inclusion of fixed and variable pay structures and Malus/Clawback provisions.
- The NRC may work in close coordination with Risk Management Committee (RMC) of the company to achieve effective alignment between compensation and risks.

3. APPLICABILITY

The Provisions of this framework shall be applicable Digamber Capfin Ltd (the Company) started operations as an NBFC in 1995 with the mission of providing a range of financial services. The Company engaged in lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The Company had obtained its license from Reserve Bank of India (RBI) to operate as NBFC-MFI on 6th September, 2013 vide registration No. RBI B-10.00099. As per Scale Based Regulation (SBR), A Revised Regulatory Framework for NBFCs dated October 22, 2021 and applicable provisions to the Company, the Company falls under the category of Middle Layer (hereinafter referred to as 'NBFC-ML').

4. DEFINITION

- a) **'Board'** means Board of Directors of the Company.
- b) **'Directors'** means the Directors of the Company
- c) **'Committee'** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the provisions of Applicable Law.
- d) **'Company'** means Digamber Capfin Limited
- e) **'Independent Director'** means a Director referred to in Section 149(6) of Act and rules made there under and applicable regulations/provisions and RBI guidelines and SEBI LODR Regulations as applicable to the extent.

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- f) **'Key Managerial Personnel (KMP)'** shall mean the officers of the Company as defined in Section 2(51) of the Companies Act: -
- ❖ the Chief Executive Officer (CEO) or the managing director or the manager;
 - ❖ the Company Secretary;
 - ❖ the Whole-Time Director;
 - ❖ the Chief Financial Officer (CFO); and
 - ❖ such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board;
- g) **'Senior Management Personnel (SMP)'** means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.
- h) **'Malus'** means an arrangement where the Company prevents the vesting of all or part of the amount of a deferred remuneration. Malus arrangement does not reverse vesting after it has already occurred.
- i) **'Clawback'** means a contractual agreement between the Employees and the Company in which the employee agrees to return previously paid or vested remuneration to the Company under certain circumstances

5. CONSTITUTION OF NOMINATION & REMUNERATION COMMITTEE:

Subject to approval by the board, the Nomination & Remuneration Committee ("Committee") is responsible for formulating and making the necessary amendments to the Nomination & Remuneration Policy for the Directors, Key Managerial Persons (KMP), Senior Managerial Personnel (SMP) and other employees of the Company from time to time.

The Committee shall carry out such functions and responsibilities as may be approved by the Board in the Terms of Reference of the Nomination and Remuneration Committee.

6. APPOINTMENT CRITERIA AND QUALIFICATIONS

A) DIRECTORS:

- The Company will undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board of directors of the Company, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria.
- The Company will obtain the necessary information, declarations and undertakings from the proposed / existing director for the purpose of such due diligence in the format as prescribed in the RBI guidelines and as per Companies Act 2013

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- The Committee shall ensure that such person should possess adequate qualification, expertise and experience for the position for which he / she is being considered for appointment.
- The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.
- The Company will undertake the process of due diligence at the time of appointment of the director by scrutinizing the declarations received and at the time of renewal of appointment of any director.
- The Company shall not appoint or continue the employment of Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years
- The re-appointment / extension of term of the Director shall be on the basis of their performance evaluation report.

B) INDEPENDENT DIRECTORS

- The director's independence for the independent director will be determined by the Board on an annual basis upon the declarations made by such director as per the provisions of the Act read with Rules thereon and RBI Guidelines. Each director has an affirmative obligation to inform the Board of any change in circumstances that may put his/her independence at issue.
- The Independent Director who intends to get appointed as an independent director in a company, shall before such appointment, apply online to the institute for inclusion of his name in the data bank for a period of one year or five years or for his life-time, and from time to time applies for its renewal till he continues to hold the office of an independent director in any company.
- The independent director shall not be on the Board of more than three NBFCs (NBFC-ML or NBFC-UL) at the same time. Further, the Board of the Company shall ensure that there is no conflict arising out of their Independent Directors being on the Board of another NBFC at the same time.

C) KMP AND SENIOR MANAGEMENT

- Except for directorship in a subsidiary, KMPs shall not hold any office (including directorships) in any other NBFC-ML or NBFC-UL.
- Identify and ascertain the integrity, qualification, expertise and experience of the

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person for appointment as KMP's/SMP's and recommend the same to the Board/Committee his / her appointment along with the remuneration, in whatever form as may be payable.

- Ensure that such person should possess adequate qualification, expertise and experience for the position for which he / she is being considered for appointment.
- The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.

7. TERM / TENURE

A) CHAIRMAN/MANAGING DIRECTOR/WHOLE-TIME DIRECTOR:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole-time Director for a term not exceeding five years at a time or as may be prescribed under the Act. No re-appointment shall be made earlier than one year before the expiry of term.

B) INDEPENDENT DIRECTOR:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a special resolution by the Company, recommendation of committee based on the report of performance evaluation of Independent Director and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of two consecutive terms of three years of ceasing to become an Independent Director. An Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

8. EVALUATION

The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance pursuant to the provisions of Companies Act and RBI guidelines and any other regulations as applicable to the company.

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The Committee shall carry out evaluation of performance of the Board, Committee and Individuals of it at regular interval (yearly).

Evaluation of all the SMPs and KMPs (other than Board members) shall be carried out in accordance with the Key Performance Indicators defined and agreed to in this regard, in the manner as deemed fit by the Board/ Committee.

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Personnel, Director, KMP or Senior Management subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

9. REMOVAL

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

10. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act or the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

11. REMUNERATION & COMPENSATION STRUCTURE:

A) REMUNERATION TO NON-EXECUTIVE /INDEPENDENT DIRECTOR:

The remuneration/ compensation/ commission etc. will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company

➤ Remuneration/ Commission

The remuneration to Non –Executive Directors to be paid shall be in accordance with the percentage/ limits/ conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013 ("the Act") Master Directions and RBI guidelines, and the rules made there under for the time being in force.

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➤ **Sitting Fees**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such amount as may be recommended by Nomination and Remuneration Committee and approved by the Board from time to time subject to the limits as prescribed under the Companies Act, 2013.

In case the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, it shall be subject to the approval of shareholders by special resolution.

➤ **Commission**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

➤ **Stock Options**

An Independent Director shall not be entitled to any stock option of the Company.

➤ **Other Benefits**

Non-Executive Directors including Independent Directors are reimbursed travel (excluding foreign travel) and other out of pocket expenses incurred by them for participation in the Boards/Shareholders and committee meetings of the Company, if any.

Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration, and following conditions shall be satisfied:

- i. The Services are rendered by such Director in his capacity as the professional; and
- ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

➤ **Familiarization program for independent directors**

The Company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the company, etc., through various programs.

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B) REMUNERATION TO EXECUTIVE DIRECTORS

➤ The remuneration/ compensation/ commission

The remuneration/ compensation/ commission etc. to the Chairman/ Managing Director/other Whole-time Director/ CEO will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company

The Chairman/ Managing Director/other Whole-time Director/ CEO shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Act, the rules made there under, Master Directions and RBI guidelines for the time being in force.

➤ Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Chairman/Managing Director/Whole-time Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

➤ Provisions for excess remuneration

Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders and in accordance with the provisions of Section 197 and Schedule V of the Act, Master Directions and RBI guidelines, and the rules made there under for the time being in force.

If any Chairman/Managing Director/Whole-time Directors draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

➤ Stock Options

The Managing Director and Whole Time Director may also be offered options under the Company's Employee Stock Option Schemes as may be in force from time to time (if any occurred in future) subject to provisions by various statutory authorizes as applicable to the company with their modifications, if any, including but not limited to regulations prescribed by the Companies act, 2013 with its rules, and guidelines provided by Reserve Bank of India for this purpose. Only such employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Committee will be granted ESOPs.

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C) COMPENSATION STRUCTURE

Remuneration to KMP, Senior Management and other Employees:

The compensation of KMP, Senior Management and other Employees needs to be reasonable, recognizing all relevant factors including adherence to statutory requirements and industry practices. The compensation packages shall comprise of fixed and variable pay components aligned effectively with prudent risk taking to ensure that compensation is adjusted for all types of risks, the compensation outcomes are symmetric with risk outcomes, compensation pay-outs are sensitive to the time horizon of the risks, and the mix of cash, equity and other forms of compensation are consistent with risk alignment.

A formal annual performance evaluation process is applicable to all employees, including Key Executives. Increase in the remuneration of employees is affected based on an annual review taking into account performance of the employee and the performance of the Company also.

The compensation of KMP, Senior Management and other Employees is made in accordance with the HR Policy adopted by the Company

The compensation structure shall broadly comprise of the following components:

Fixed Pay

The Committee will ensure that the fixed portion of compensation is reasonable, taking into account all the relevant factors including the industry practice. The Fixed Pay of the Company would typically consist of elements like basic salary, contributions, other allowances and retirals. Other allowances include house rent allowance, conveyance allowance, car maintenance and fuel expenses, domiciliary medical allowance, leave travel allowance, supplementary allowance, meal allowance, etc (for applicable employees) or any other allowance(s) introduced from time to time as may be defined in the Human Resources policy and as may be approved by the Board.

All perquisites that are reimbursable may also be included in the fixed pay so long as there are monetary ceilings on these reimbursements as may be defined in the Human Resources policy and as may be approved by the Board. The quantum of fixed pay based on the above considerations will be decided by the management and reviewed by the Nomination and Remuneration Committee and the Board.

Further, the company provides following Defined Contribution and Defined Benefit Plans:

- a. Provident Fund – Statutory, Defined Contribution Plan
- b. Gratuity – Statutory, Defined Benefit Plan
- c. Any other additional benefit as approved by the Committee of the Board.

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Variable Pay

The variable pay budget is determined based on the Company's capacity to pay. The extent of variable pay for individual employees is linked to individual performance for sales frontline employees and to individual and Company's performance for non-sales frontline employees and employees in the management cadre. Hence, variable pay serves as an effective instrument for managing employee costs in line with business cycles whilst simultaneously reinforcing a meritocratic performance culture.

Variable pay for sales and non-sales frontline employees and employees in the management cadre are given in the form of PLR (Performance Linked Reward). The performance rating assigned is based on assessment of performance delivered by the employees as per standards as approved by committee/ Board. The variable pay differs from individual to individual in cap of 5% to 30%

Further, the variable pay for sales frontline employees is also given in the form of sales incentives. Sales incentive payouts are based on individual performance targets as may be defined from time to time and affordability considerations.

The Company may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board/Company. The amount payable shall be based on performance against pre- determined financial and non-financial metrics. Such metrics and their relation to remuneration packages shall be clearly defined at the beginning of the performance measurement period to ensure that the employees perceive the incentive mechanism.

Here front line Employee means Employees in Business Operations for designation Regional Manager & above role and Employees in Strategy operations for designation Manager and Above Role

Long-term pay:

At higher levels of responsibility, the proportion of variable pay shall be higher. The variable pay shall be truly and effectively variable and may be reduced to zero based on performance at an individual, business-unit and company-wide level.

The Company's long-term pay schemes are designed to encourage institution building among employees. Long-term pay may be administered either through the Company's employee stock option scheme or long-term reward scheme of the Company.

Stock options may also be granted to new employees at the time of their joining on a case-to-case basis with a view to attract high potential talent based on factors such as potential and skills. The final decision on the same will be of the committee or the Board of the Company.

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Therefore, set by reference to local market practice in India and are in alignment with the Company's strategy which would be individually determined based on criticality of the function, capabilities of the individual concerned and overall compensation of such persons in similar peer organizations.

12. COMPENSATION OF CONTROL & ASSURANCE FUNCTION PERSONNEL:

The KMPs and senior management engaged in financial control, risk management, compliance and internal audit shall be compensated in a manner that commensurate with their key role in the company and the role they play in the business of the Company. Accordingly, such personnel shall have higher proportion of fixed compensation. However, a reasonable proportion of compensation shall be in the form of variable pay, so that exercising the options of malus and/or clawback, when warranted, is not rendered infructuous.

Where any insurance is taken by the Company or its Holding Company on behalf of the Company's Managerial Person, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

13. GUARANTEED BONUS:

Guaranteed bonus may be paid to KMPs and senior management. Also in the context of new hiring /joining/sign-on bonus can be considered under Annual CTC. Such bonus will neither be considered part of fixed pay nor of variable pay. The final decision on the same will be of the committee.

14. ALIGNMENT OF REMUNERATION:

The Committee strives to ensure that the remunerations of the Directors, Senior Executives, Middle and lower-level employees of the company are reasonably aligned and the difference between the highest and lowest paid employees in the company are kept at reasonable multiples. Such reasonable multiples would be determined from time to time based on industry trends and developments around the world on fair compensation practices.

15. POST-RETIREMENT BENEFITS:

All the employees are entitled for retirement benefits such as provident fund and gratuity as per applicable law.

16. MALUS CLAUSE/ CLAWBACK:

Malus & Clawback provisions shall be applicable which would enable the Committee to reduce or cancel unvested awards and recover previously paid compensation.

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The component of compensation which can either be ESOPs or cash rewards will be subject to malus/clawback arrangements in the event of:

- Subdued or negative financial performance of the Company, as determined by the Committee
- Material restatement of the Company's financials or any other materially inaccurate performance metrics.
- Material losses for the Company due to reckless / negligent or willful risk taking or other inappropriate action or behaviour by the relevant employee; and
- Misconduct or fraud committed by the relevant employee.
- Reputational harm
- Such other conditions or events, of similar nature as above, as determined by NRC for triggering review by NRC for the purpose of application of the Malus or the Clawback arrangement
- Exercise his/her responsibilities in a mala fide manner.
- Unfairly obstruct the functioning of the Company which may affect the material decision.
- Non-disclosure in case of conflict of interest
- Breach of Contract / violation of non-disclosure agreement
- Misconduct in Non adherence to Systems and procedures including internal guidelines / policies

17. FIT AND PROPER CRITERIA

The Nomination and Remuneration Committee shall undertake a process of Due Diligence based on the criteria of qualifications, technical expertise, track record, integrity etc. The basic objective of ascertaining the fit and proper criteria shall be to put in place an internal supervisory process on a continuing basis and to determine the suitability of the person for appointment / continuing to hold appointment as a Director of the Board of the Company. The Candidate at the time of appointment and at the time of the renewal of Directorship shall fill in such form as approved by the Nomination and Remuneration Committee to enable the Committee undertake such exercise of ensuring the 'Fit and Proper Criteria'. Further, the Company has adopted the separate policy on Fit and Proper criteria as prescribed under RBI Guidelines which is to be adhered at the time of appointment and/or reappointment.

The Committee shall undertake such Due Diligence exercise at the time of appointment of the Directorships of the incumbent.

18. REVIEW:

The Board of Directors on yearly basis shall review this policy and can amend this Policy as and when deemed fit from time to time.

19. CONTENT ON THE WEBSITE:

Appropriate disclosure regarding this Policy shall be made on the Company website at <https://www.digamberfinance.com/code.php>

DIGAMBER CAPFIN LIMITED

J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018
 CIN: U67120RJ1995PLC009862 Website: www.digamberfinance.com Contact No.: +911412700233-234
 Email id: info@digamberfinance.com

The information published in the website should be updated whenever there is a change in the policy.

20. AMENDMENT:

In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities not being consistent with the provisions laid down in this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions herein and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

21. POLICY REPEALABLE:

This policy constitutes the entire document in relation to its subject matter. In the event that any term, condition or provision of this policy being held to be a violation of any applicable law, statute or regulation, the same shall be repeal able from the rest of this policy and shall be of no force and effect, and this Criteria shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Policy.

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ANNEXURE "E": PARTICULARS OF EMPLOYEES**[PURSUANT TO RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]**

1. The remuneration of each Director/ KMP of the Company for the FY 2023-24 is specified below:

Sr. No	Name of Director/ KMP	Designation	Total Remuneration for the FY 2023-24 (in Lakhs) Per Annum*	% Increase or Decrease in Remuneration Paid in FY 2023-24 as compared to FY 2022-23	Ratio of Remuneration of each Directors to the Median Remuneration of the Employee
1	Mr. Rajiv Jain (DIN: 00416121)	Chairman cum Managing Director	251.00	(-26.18%)	195.16
2	Mr. Amit Jain (DIN: 00416133)	Whole Time Director cum CFO	251.00	(-26.18%)	195.16
3	Mrs. Neha Agarwal	Company Secretary and Compliance officer	3.00	0%	2.33

2. Ratio of remuneration of each Managerial Personnel Directors/KMP to the median remuneration of the Employee (Total employees based on existing and new) is calculated on basis of Cost to Company
3. There has been increase of 17.39% in the median remuneration of other Employee for FY 2023-2024 as compared to FY 2022-2023
4. There were 2555 Active Employees (including 1655 Confirmed Employees and 900 Employees on probation) on the rolls of the Company as on 31st March, 2024
5. It is hereby affirmed that the remuneration paid is as per the Nomination Remuneration & Compensation Policy adopted /amended by the Company. The Policy is placed on the website of the Company at <https://digamberfinance.com/images/uploadimage/Nomination%20Remuneration%20&%20Compensation%20Policy-new23.pdf>
6. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
1. Average percentage increase in remuneration of employees excluding Managerial Personnel: 19.03%

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2. Average percentage decrease in remuneration of Managerial Personnel: 26.18%

7. Increase in the Managerial Remuneration and justification thereof: There was no revision of remuneration paid to Mr. Rajiv Jain, Chairman cum Managing Director (DIN: 00416121) and Mr. Amit Jain, Whole-time Director cum CFO (DIN: 00416133) of the company during financial year 2023-2024.
9. (1) Top 10 employees (other than Chairman cum Managing Director and WTD cum CFO) in items of remuneration drawn in the financial year 2023-2024 in terms of Rule 5(2)(i) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

S. No	Name/Designation of employee	Remuneration/Salary received for FY 2023-24 (CTC)	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	Age of such employee (Years)	Last employment held by such employee before joining the company	Percentage of equity shares held by the employee in the company as on 31.03.2024	Whether any such employee is a relative of any director or manager of the company and if so name of such director or manager
1.	Mrs. Shilpa Ajmera- ESG Head	4200000	Permanent	MCA	1-Apr-09	44	Subodh College	9.24%	Yes. She is wife of Mr. Rajiv Jain- Chairman and MD (DIN: 00416121)
2.	Mrs. Shweta Jain- Chief Adviser Business and Head-CSR Activities	4200000	Permanent	M.com	1-Apr-09	42	Manglam Group	10.89%	Yes. She is wife of Mr. Amit Jain- WTD cum CFO (DIN: 00416133)
3.	Mr. Rabindra Kumar Mishra- Business Head -East Division	2980452	Permanent	B.A., 19 Yrs	1-Jun-23	46	IIFL Samasta	-	No
4	Mr. Dharmendra Jangid- Vice President	3326901	Permanent	M.Com, 14 Yrs	10-Dec-12	32	Cyber Computer College	0.2603%	No
5	Mr. Pawan Kumar- Business Head -West Division	3298956	Permanent	M.B.A., 13 Yrs	13-Feb-16	44	Adarsh Credit Co - operative Society Ltd.	0.0151%	No

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6	Mr. Omprakash Sharma- Zonal Head	1569687	Permanent	M.A., 18 Yrs	21-Sep-23	46	Light Microfinance	-	No
7	Mr. Dilip Kumar Morwal- Chief Compliance Officer	2261652	Permanent	B.com, AC S, LLB, MFFC, CFC, CBA, CSE, FAE and CM&A 24 Yrs	21-Jun-23	47	Transcrops International limited	-	No
8	Mr. Amit Kumar; Circle Head	2424733	Permanent	B.A., 14 Yrs	7-Mar-16	36	Adarsh Credit Co-operative Society Ltd.	0.0102%	No
9	Mr. Satyendra Chauhan; Assistant Head	1775678	Permanent	M.A., 22 Yrs	2-May-23	47	Arthimpact Digital Loans	-	No
10	Mr. Surendra Jat; Senior Circle Manager	1897312	Permanent	B.A., 11 Yrs	14-May-18	31	Midland Microfin	-	No

*The remuneration/salary provided are in proportion to their tenure in the company for the financial year 2023-2024

9 (2). There was no employee during the year drawing remuneration in terms of Rule 5(2)(ii) and 5(2)(iii) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 except Chairman cum Managing Director and WTD cum CFO, details of which is given in annexure to this report.

10. No employees of the company posted and working in a country outside India, not being directors or their relatives and drawing more than sixty lakh rupees per financial year or five lakh rupees per month.

**For & on behalf of the Board of Directors of
Digamber Capfin Limited**

**Sd/-
Rajiv Jain
Chairman cum Managing Director
DIN: 00416121**

**Sd/-
Amit Jain
Whole Time Director cum CFO
DIN: 00416133**

Date: 07.05.2024

Place: Jaipur

DIGAMBER CAPFIN LIMITED

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ANNEXURE “F”: RELATED PARTY TRANSACTION POLICY

INTRODUCTION

The Companies Act, 2013 (“the Act”) read with the Companies (Meeting of Board and its Power) Rules, 2014 (“Rules”) introduced specific provisions relating to Related Party Transaction and defined the term related parties, related party transaction, relatives, key management personnel. The Act and the rules have also laid down the financial limits and the approval process of such transaction.

Accordingly, the Board of director (the “Board”) of Digamber Capfin Limited (“The Company”) has adopted a policy to regulate transaction between the Company and Related Parties.

A company, in the course of conduct of its business, enters into various transactions with different parties, including its related parties. Companies also carry on their activities through subsidiary and associate companies. Accordingly, related party relationships are a normal feature of business. Due to this relationship, related parties may enter into transactions that unrelated parties may not. For this the board of directors (“Board”) of Digamber Capfin Limited (“The Company”) has adopted the said Related Party Transactions Policy.

SCOPE AND PURPOSE

This Policy is formulated in line with the provisions of the Companies Act, 2013 and Directions issued by Reserve Bank of India. It is intended to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its related parties.

DEFINITIONS

1. “Act” means the Companies Act, 2013 or any previous enactment thereof and shall include all rules, regulations, made thereunder, amendments, modifications and re-enactments thereto.
2. “Arm’s Length Transaction” as per explanation to sub-section (1) of Section 188 of the Act term ‘arm’s length transaction’ as a transaction between two related parties that is conducted as if they were unrelated so that there is no conflict of interest.

In terms of Section 92F of the Income-tax Act, 1961, “arm’s length price” means a price which is applied or proposed to be applied in a transaction between persons other than associated enterprises, in uncontrolled conditions.

3. “Articles” or “AOA” means the Articles of Association of the Company as may be amended from time to time as prescribed under the Transaction Documents.
4. “Audit Committee” means “Audit Committee” constituted by the Board of Directors of the Company under section 177 of the Act and in compliance with Articles, from time to time.

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5. "Board of Directors" or "Board" means the Board of Directors of the Company, as constituted from time to time.
6. "Director" shall have the same meaning as prescribed to it under the act.
7. "Key Managerial Personnel (KMP)" means as per section 2(51) of the companies act 2013 in relation to a company, means—
 - (i) The Chief Executive Officer or the managing director or the manager;
 - (ii) The Company Secretary;
 - (iii) The whole-time director;
 - (iv) The Chief Financial Officer;
 - (v) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - (vi) Such other officer as may be prescribed
8. "Ordinary Course of Business" in relation to the Company means the ordinary course of business, as applicable, consistent with past practice and compliant with Applicable Laws in all material respects or to the extent required to taken in compliance with statutory obligations or contractual obligations existing as of the date hereof or entered in accordance with the terms of the Transaction Documents;
9. "Person(s)" shall mean an individual, corporation, partnership, limited liability partnership, association, trust or other entity or organisation, including a government or political subdivision or an agency or instrumentality thereof.
10. "Policy" means this policy in relation to Related Party Transactions of the Company.
11. "Related Party" means such party with reference to a company as defined in Section 2(76) of the Act.
12. "Related Party Transaction" means contracts or arrangements between a company and its related parties with respect to transactions covered in Section 188 of the Act. The expression 'contract or arrangement' has different connotations under the Act. While 'contract' envisages a written /formal binding document, 'arrangement' may be with or without a written document.

A "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

Words and expression used in this policy but not defined herein shall have the meaning prescribed to them in the Companies Act, 2013 and the Rules framed there under as amended from time to time.

DEALING WITH RELATED PARTY TRANSACTIONS

All Related Party Transactions (other than transactions between the Company and its wholly owned subsidiaries) which are in the ordinary course of business and on arm's length basis shall require approval of the Audit Committee of the Company in accordance with this Policy.

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Apart from this, All Other related party transactions shall be dealt with in accordance of the prevailing provisions of Companies Act, 2013 and rules made thereunder.

IDENTIFICATION OF RELATED PARTY TRANSACTIONS

All Related Party Transactions shall be placed before the Audit Committee of the Company for its approval.

All Directors, Members of the Management and Key Managerial Personnel (KMPs) are responsible for informing the Company of their interest (including interest at their Relatives) in other companies, firms or concerns at the beginning of every financial year and any change in such interest during the year, immediately on occurrence (As per enclosed Annexure) .

Further, Directors and KMPs should disclose to the Board whether they, directly, indirectly, or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company.

REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

All Related Party Transactions must be reported to the Company Secretary who shall place the same before the Audit Committee in accordance with this Policy.

The Audit Committee may grant omnibus approval to Related Party Transactions that are:

- a. repetitive in nature; and
- b. entered in the ordinary course of business and on arm's length basis.

Such omnibus approval may be granted to the transactions which, in addition to meeting the above criteria, also satisfy the following considerations:

- a) The transaction in question is necessary to be executed as it is in the business interest of the Company;
- b) The requisite information is presented to the Audit Committee's satisfaction to confirm that the transaction is entered in the ordinary course of business and on arm's length basis;
- c) Such omnibus approval shall specify –
 - i. the name/s of the Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
 - ii. the indicative value and the formula for variation in the value, if any and
 - iii. such other conditions as the audit committee may deem fit;
- d) Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of the financial year.

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- e) Any member of the Audit Committee, who has an interest in any Related Party Transaction, will recuse himself or herself and abstain from discussion or voting on the approval or ratification of such related party transaction;
- f) All Related Party Transactions that are not in the ordinary course of business or not on arm's length basis shall be referred to the Board of Directors for their approval. Any member of the Board who has an interest in such Related Party Transaction will recuse himself or herself and abstain from discussion or voting on the approval of such Related Party Transaction.
- g) Any such Related Party Transactions shall also be placed for prior approval of shareholders if it exceeds the thresholds as prescribed under the Companies Act, 2013 and the Rules framed there under and the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 if applicable.
- h) All entities falling under the definition of related parties shall not vote to approve the said resolution being placed before the shareholders.

RELATED PARTY TRANSACTIONS THAT SHALL NOT REQUIRE APPROVAL

Following Related Party Transactions shall not require any separate approval under this Policy:

- I. Any transaction pertaining to appointment and remuneration of Directors and KMPs that require approval of the Nomination and Remuneration Committee of the Company and the Board;
- II. Transactions that have been approved by the Board under the specific provisions of the Companies act, 2013 e.g., inter-corporate deposit, borrowings, investment etc. with or in wholly owned subsidiaries or other related parties;
- III. Payment of Dividend;
- IV. Transactions involving corporate restructuring, such as buy-back of shares, capital reduction, merger, demerger, hive-off etc. which are approved by the board and carried out in accordance with the specific provisions of the companies' act, 2013;
- V. Contribution towards Corporate Social Responsibility (CSR) within the overall limits approved by the Board that require approval of the CSR Committee.

RATIFICATION OF TRANSACTION WITH RELATED PARTY

Where a company enters into any related party transaction without prior approval of Audit Committee, the company may ratify such transaction within three months to avoid any penal consequences.

DISCLOSURE OF RELATED PERSON BY KMP/DIRECTORS OF THE COMPANY

Every KMP/Directors of the company shall provide the complete details of their relatives in terms of section 2(77) of the act and their concern or interest in any company/firm/LLP or any other entity in the format as annexed "ANNEXURE-1" at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the

DIGAMBER CAPFIN LIMITED

first Board meeting held after such change for the purpose of identification of related party transaction as per provisions of section 188 of the act.

AMENDMENTS TO THE POLICY

The Audit Committee of the Company shall review this Policy from time to time, and may recommend amendments to the same for approval of the Board.

In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities not being consistent with the provisions laid down in this policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions herein and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

POLICY REPEALABLE

- I. This Policy constitutes the entire document in relation to its subject matter. In the event that any term, condition or provision of this Policy being held to be a violation of any Applicable Law, statute or regulation, the same shall be Repealable from the rest of this Policy and shall be of no force and effect, and this Policy shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Policy.
- II. This Policy shall be placed on the website of the Company at <https://www.digamberfinance.com/code.php>

DIGAMBER CAPFIN LIMITED

J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018
 CIN: U67120RJ1995PLC009862 Website: www.digamberfinance.com Contact No.: +911412700233-234
 Email id: info@digamberfinance.com

ANNEXURE-1

DISCLOSURE OF DETAILS OF RELATIVES AS PER SECTION 2(77) OF THE COMPANIES ACT, 2013

Name of Person:

Designation:

The details of my relatives are as under:

Sr. No.	Name of Relative	Relationship	PAN Number /Other Identification No.	Entities in which the relative is a self-proprietor/ partner or Member/ Director of a Private Company	Entities in which the director together with his relative(s) holds more than 2% of the paid-up share capital of a public limited company of which the director is also a director
1.					
2.					
3.					

Date:

Place:

(Signature)

DIGAMBER CAPFIN LIMITED

ANNEXURE "G": 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 transactions under third proviso thereto

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

S. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship:	NA
b)	Nature of contracts/arrangements/transactions	NA
c)	Duration of the contracts/arrangements/transactions	NA
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions	NA
f)	Date(s) of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NA

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

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Amount in Rs. Lakhs)	Date(s) of approval by the board/ shareholders if any	Amount paid as advances, if any
a.	Mrs. Shilpa Ajmera (Spouse of Mr. Rajiv Jain, Chairman and Managing Director of the Company, DIN:00416121)	Remuneration	As per the Resolution	42.00	B.M.: 29.08.2023 AGM: 26.09.2023	NIL
b.	Mrs. Shweta Jain (Spouse of Mr. Amit Jain, Wholetime Director and CFO of the Company, DIN: 00416133)	Remuneration	As per the Resolution	42.00	B.M. : 29.08.2023 AGM: 26.09.2023	NIL
c.	Conflux Technologies Private Limited (Mr. Nayan Ambali, having DIN: 03312980, is the Non-	Web Rent Expenses (for Loan Management)	As per the Resolution passed in the Board Meeting	104.36	BM: 29.05.2023	NIL

DIGAMBER CAPFIN LIMITED

Executive Director of Digamber Capfin Limited, and is also having Directorship in Conflux Technologies Private Limited)	Software Services)				
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**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR DIGAMBER CAPFIN LTD**

Place: Jaipur Date: 07.05.2024	Sd/- Rajiv Jain Chairman cum Managing Director DIN: 00416121	Sd/- Amit Jain Wholetime Director and CFO DIN: 00416133
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DIGAMBER CAPFIN LIMITED

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ANNEXURE “H”: ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES****FOR THE FINANCIAL YEAR 2023-2024**

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. BRIEF OUTLINE ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) POLICY OF THE COMPANY

The Company has a Board approved Corporate Social Responsibility ('CSR') Policy, in accordance with the provisions of Section 135 of the Companies Act, 2013 ('the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR Rules') and Schedule VII of the Act along with rules framed there under, approved and amended by the Board of Directors of Company.

Further it is prescribed by board to undertake CSR activities in cohesion with those enunciated in the schedule VII of the Companies Act, 2013 for the benefits of the localities of nearby area of the company mainly or in any other part of India as may be deemed fit by the Board of Directors or Members of the CSR committee of the company.

Following Activities can be undertaken by Company towards CSR Expenditure as follows:

- (i) Eradicating hunger, poverty and malnutrition, “promoting health care including preventive health care” and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

DIGAMBER CAPFIN LIMITED

- (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (viii) Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women
- (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (x) Rural development projects;
- (xi) Slum area development.

Explanation. - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- (xii) disaster management, including relief, rehabilitation and reconstruction activities.;
- (xiii) Any other activity enumerated in the Schedule VII of the Act from time to time.

The objective of our CSR policy is to actively contribute to the social, environment and economic development of the society and promoting health care in which we operate.

DIGAMBER CAPFIN LIMITED

KEY HIGHLIGHTS OF THE CSR PROJECTS UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR 2023-2024 (AMOUNT OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR)

For the Financial year 2023-2024 the amount approved by the Board of the company was Rs. 92.55 Lakhs for contributing towards CSR Activity. The company has undertaken its CSR responsibilities and spent Rs. 93.00 Lakh towards CSR expenditure as stated below:

IMPLEMENTING AGENCY	CSR REGISTRATION NUMBER OF IMPLEMENTING AGENCY	UNDER SECTOR AS PER SCHEDULE VII TO THE ACT	AMOUNT CONTRIBUTED (Rs. In Lakhs)	PROJECT UNDERTAKEN
Niraman Samajik Sanstha Devhare. (SOCIETY) situated at Chintamani Niwas, Devhare, Tal. Mandangad, Ratnagiri, Maharashtra, 415208.	CSR00027719	Serial No. 4 of Schedule VII of the Companies Act, 2013 For ensuring environmental sustainability and conservation of natural resources)	40.00	For projects undertaken for rural development through solar panel installation at remote and rural areas at places Mandhan to Devhare Road of Village Devhare, Tal. Mandangad, Jilha. Ratnagiri, Maharashtra in the permitted places as approved by regulatory/ Government bodies through implementing agency Niraman Samajik Sanstha Devhare, a Trust
Karmaputra Charitable Trust 95, Purani Housing Society, S.T. Gitamandir Road, Kankariya, Ahmedabad, Gujarat - 380022	CSR00022403	Serial no. 2 of Schedule VII of section 135 of the Companies Act, 2013 For Promoting education.	48.00	Project for imparting education, training and related facilities as covered under the category of Promoting education through implementing agency Karmaputra Charitable Trust at Gujarat, Ahmedabad
DAKSHIVA WELFARE FOUNDATION A-38, Radhika Laxmi Narayan Puri Suraj Pole Gate, Jaipur, Rajasthan, India – 302003	CSR00026307	Serial no. 1 of Schedule VII of section 135 of the Companies Act, 2013 For Eradicating hunger, poverty and malnutrition	5.00	Project for Free distribution of food to poor people of the society, specially to the slum areas as covered under the category of Eradicating hunger, poverty through implementing agency Dakshiva Welfare Foundation, Jaipur Rajasthan
Total Amount spent for F.Y 2023-2024			Rs. 93.00 Lakhs	

DIGAMBER CAPFIN LIMITED

2. COMPOSITION OF CSR COMMITTEE:

The CSR Committee was constituted by Board of Directors of the company by way of circular resolution approved on July 02, 2018.

The composition and attendance of the Committee members at the CSR Committee meeting held during the Financial Year 2023-24 are as follows:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Rajiv Jain	Managing Director	2	2
2.	Mr. Amit Jain	Whole Time Director	2	2
3.	Mr. Lalit Kumar Jain	Independent Director	2	2
4.	Mr. Jatin Chhabra	Non-Executive Director	2	1

3. WEB-LINK(S) WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

Composition of CSR committee: <https://www.digamberfinance.com/csr.php>

CSR Policy: <https://www.digamberfinance.com/csr.php>

CSR initiatives taken by the Company: <https://www.digamberfinance.com/csr.php>

4. EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE

This clause is not applicable to the company as company's average CSR obligation is not exceeding Rs. 10 Crore (Ten Crore Rupees) or more in pursuance of sub section (5) of section 135 of the Act, in the three immediately preceding financial years.

5. CSR OBLIGATION FOR THE F.Y.2023-24

- | | |
|--|-------------------|
| a) Average net profit of the company as per sub-section (5) of section 135: | Rs. 4626.92 Lakhs |
| b) Two percent of average net profit of the company as per sub-section (5) of section 135: | Rs. 92.54 Lakhs |
| c) Surplus arising out of the CSR projects or programme's or activities of the previous financial years: | Nil |
| d) Amount required to be set off for the financial year, if any: | Nil |
| e) Total CSR obligation for the financial year [(b)+(c)-(d)]: | *Rs. 92.55 Lakhs |

* The board of directors has approved the CSR obligation for FY 2023-24 as Rs. 92.55 Lakhs for rounding off the amount.

6. DETAILS OF CSR AMOUNT SPENT DURING THE F.Y.2023-24

- a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):
- (i) Amount of CSR amount spent against ongoing projects for the financial year: NIL
 - (ii) Amount of CSR amount spent against other than ongoing projects for the financial year: Rs. 93.00 Lakhs

DIGAMBER CAPFIN LIMITED

- b) Amount spent in Administrative Overheads: NIL
 c) Amount spent on Impact Assessment, if applicable: NA
 d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 93.00 Lakhs
 e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. In Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
93.00	NIL	-	NIL	NIL	-

(f) Excess amount for set off, if any: Yes. The amount stands to be Rs. 0.45 Lakhs

Sl. No.	Particular	Amount (Rs. In Lakhs)
(i)	Two percent of average net profit of the company as per sub section (5) of section 135	92.54
(ii)	Total amount spent for the Financial Year	93.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]*	0.45
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.45

* The board of directors has approved the CSR obligation for FY 2023-24 as Rs. 92.55 Lakhs for rounding off the amount. So, the excess amount spent for the FY shall be calculated as Rs. 93,00,000 – 92,55,000 = Rs. 45000/-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: NIL

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year (s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs. Lakhs)	Balance Amount In Unspent CSR Account under sub-section (6) of Section 135 (in Rs. Lakhs)	Amount Spent in the Financial Year (in Rs. Lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs. Lakhs)	Deficiency, if any
					Amount (in Rs. Lakhs)	Date of Transfer	
1	2021-22						
2	2022-23						
3	2023-24						

DIGAMBER CAPFIN LIMITED

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

Yes No ☒

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

NA

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

Sl. No.	Short particulars of the property or asset (s) [including complete address and location of the property]	Pin code of the property or asset (s)	Date of creation	Amount of CSR Amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registr ation Numb er, if applic able	Na me	Regis tered addr ess
NA							

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

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR DIGAMBER CAPFIN LTD

Place: Jaipur
Date: 07.05.2024

Sd/-
Rajiv Jain
Chairman of CSR Committee
DIN: 00416121

Sd/-
Amit Jain
Whole time Director cum CFO
DIN: 00416133

DIGAMBER CAPFIN LIMITED

ANNEXURE "I": SECRETARIAL AUDIT REPORT**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2024****[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,
The Members,
M/s Digamber Capfin Limited
J 54-55, Anand Moti, Himmat Nagar,
Gopalpura, Tonk Road, Jaipur-302018, Rajasthan

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s DIGAMBER CAPFIN LIMITED (CIN: U67120RJ1995PLC009862)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **DIGAMBER CAPFIN LTD ("the Company")** for the financial year ended on **31st March, 2024**, 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 there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; [**not applicable**]

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- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: **[not applicable during audit period]**;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) **[not applicable during audit period]**;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[applicable during audit period]**;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[not applicable during audit period]**;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[not applicable during audit period]**

(vi) The following other laws as applicable to the Company:

- a) Master Direction -Non-Banking Financial Company -Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016; RBI Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs vide dated October 22, 2021 and from now onwards Revised Regulatory Framework for NBFC's issued by the Reserve Bank of India on October 19, 2023 (as amended from time to time) and other applicable provisions
- b) Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022
- c) Master Circular – “Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015”
- d) RBI Act, 1934 and modifications thereof;
- e) Income Tax Act, 1961

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;

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

- *In respect of Secretarial Standard (SS-I) issued by ICSI, the company has followed the same; however, there is scope to improve compliances in future.*

DIGAMBER CAPFIN LIMITED

I 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 including woman director and nominee director. Further no changes in the composition of the Board of Directors that took place during the period under review.
- The Company has maintained statutory registers as required under the Companies Act, 2013.
- Adequate notice is given to all directors to schedule the Board and committees Meetings, agenda and detailed notes on agenda were sent with proper time gap 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.
- Majority decision is carried through while the dissenting members' views are captured and recorded (wherever applicable) as part of the minutes.
- The Company has obtained all necessary approvals under the various provisions of the Act, where required and applicable.
- As informed by the management, there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- The Directors **have complied** with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.
- The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding. **(Not applicable)**.
- I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
- The company has complied with the listing agreement entered into with BSE Limited and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. Further during the month of June 2023 the status of company ceased from Debt Listed Company, therefore after that said provisions of said regulation as not applicable to the Company.

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

I further report during the audit period the company has undertaken specific actions regarding:

- To Designate Ms. Neha Agarwal, Company Secretary for furnishing information to the registrar with respect to Beneficial Interest in shares of the Company in Board Meeting held

DIGAMBER CAPFIN LIMITED

on 09.02.2024.

- To re-designate Ms. Shweta Jain as the Chief Advisor Business and Head-CSR Activities of the Company in Annual General Meeting held on 26.09.2023.
- To re-designate Ms. Shilpa Ajmera as the Head-ESG Activities of the Company in Annual General Meeting held on 26.09.2023.
- To approve the appointment of Mr. Dilip Kumar Morwal as the Chief Compliance Officer (CCO) of the Company w.e.f. 21.06.2023 as required under RBI Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs vide dated October 22, 2021 and RBI Circular regarding Compliance Function and Role of Chief Compliance Officer (CCO) dated April 11, 2022.

I further report that during the audit period, there were instances of:

- A) *the company has issue, offer and allotted the 1500 (One Thousand and Five Hundred only) Secured Rated Unlisted, Transferable, Redeemable, Non-Convertible Debentures aggregating upto INR 15,00,00,000 to M/s. A.K. Securitization and Credit Opportunities Fund II on private placement basis, however after allotment on dated 16.12.2023, offer and allotment has been withdraw by the company on dated 21.12.2023. Further in respect of this allotment and cancelation subsequently no such forms like Form MGT 14, FORM PAS 3 etc. have been filed with Registrar of Companies, by the Company till the date of our report.*
- B) After above as stated in (a) the company has offer and allot 1400 (One Thousand Four Hundred) secured, rated, Unlisted, redeemable, transferable, non-convertible debentures each having a face value of Rs.1,00,000 (Rupees One Lakh Only) of the aggregate nominal value of Rs. 14,00,00,000 (Rupees Fourteen Crores Only), on private placement basis on 10.01.2024 to M/s. A.K. Securitization and Credit Opportunities Fund II.
- C) Alteration in the Object Clause of Memorandum of Association of the Company in Extra-Ordinary General Meeting of members of the company held on 16.01.2024.
- D) As informed by the management, the company started by business of micro insurance business was started as an agent of SBI Life Insurance in the month of February 2024. Further informed and confirmed by management that, the company is not required to be taken any approval from IRDAI, to carry of said business activity.

Place: JAIPUR
Date: 07.05.2024
UDIN: F005118F000321665

For R. CHOUHAN & ASSOCIATES
(ICSI Unique Code: S2001RJ036300)
Sd/-
RAJENDRA CHOUHAN –PROPREITOR
COMPANY SECRETARY IN PRACTICE
PEER REVIEW NO.: 868/2020
FCS No. 5118
C P No.: 3726

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

DIGAMBER CAPFIN LIMITED

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“ANNEXURE-A”

To,
The Members,
M/s Digamber Capfin Limited
J 54-55, Anand Moti, Himmat Nagar,
Gopalpura, Tonk Road, Jaipur-302018, Rajasthan

My report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I 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. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: JAIPUR
Date: 07.05.2024
UDIN: F005118F000321665

For R. CHOUHAN & ASSOCIATES
(ICSI Unique Code: S2001RJ036300)
Sd/-
RAJENDRA CHOUHAN –PROPREITOR
COMPANY SECRETARY IN PRACTICE
PEER REVIEW NO.: 868/2020
FCS No. 5118
C P No.: 3726

DIGAMBER CAPFIN LIMITED

J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018
CIN: U67120RJ1995PLC009862 Website: www.digamberfinance.com Contact No.: +911412700233-234
Email id: info@digamberfinance.com

ANNEXURE "I-A": CLARIFICATION BY BOARD OF DIRECTORS

Please refer to the below-mentioned clarification by the Board of Directors regarding the comment of the Secretarial Auditor in point (A) & (B) regarding the Non-Convertible Debentures (NCDs):

Comment given by Secretarial Auditor	Clarifications by Board of Directors
Comment given by Secretarial Auditor related to issuance of Secured Rated Unlisted, Transferable, Redeemable, Non- Convertible Debentures	The comment was given under point (A) is related to filing of Form MGT-14 and Form PAS-3 for cancellation of allotment and offer for issuance of Secured, Rated Unlisted, Transferable, Redeemable, Non- Convertible Debentures, for which the Companies Act, 2013 and rules made there under do not provide any specific provisions which requires the filing of form MGT-14 and for form PAS-3. As mentioned in point (B) the Company issued and allotted the Secured Rated Unlisted, Transferable, Redeemable, Non- Convertible Debentures for which as required under the provisions of Companies Act, 2013 and rules made thereunder the company filed Form MGT-14 before sending the offer and PAS-3 after allotment well within the due date as prescribed under the Companies Act, 2013. Keeping in view of the same there is no non-compliance of any provisions of Companies Act, 2013 and rules made thereunder related to the issuance and allotment of Debentures done by the company during the financial year 2023-2024 and accordingly no further clarification is required to be given in the matter.

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ANNEXURE “J”: MANAGEMENT DISCUSSION & ANALYSIS REPORT

GLOBAL ECONOMY OVERVIEW

The global economic recovery from the COVID-19 pandemic, Russia's invasion of Ukraine, and the cost-of-living crisis is proving surprisingly resilient. Inflation is falling faster than expected from its 2022 peak, with a smaller-than-expected toll on employment and activity, reflecting favorable supply-side developments and tightening by central banks, which has kept inflation expectations anchored. At the same time, high interest rates aimed at fighting inflation and a withdrawal of fiscal support amid high debt are expected to weigh on growth in 2024.

Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary and then assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside, new commodity price spikes from geopolitical shocks—including continued attacks in the Red Sea—and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments. *(Source: World Economic Outlook Update, January 2024: Moderating Inflation and Steady Growth Open Path to Soft Landing).*

THE INDIAN ECONOMY OVERVIEW

India's economy outpaced other economies during the first half of FY24, propelled by robust demand and increased investment. As of January 2024, the annual retail price inflation in India eased to 5.10%, a modest drop from the previous month, staying within the tolerance band set by the Reserve Bank of India (RBI). The real investment rate during

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Q2 of FY23, prevailing at a high level of 34.6%, demonstrates the Government's continued commitment towards asset creation.

India's services exports demonstrated robust performance during April-January period of FY24 with an estimated value of services export amounting to US\$ 284.45 billion, registering a 6.35% growth compared to the same period of previous fiscal year. This growth is predominantly fuelled by the software and business services sector. With a projected 4.3% increase in global IT spending for 2023, India's services exports outlook remains favourable. The narrowing merchandise trade deficit and the upward trajectory of net services receipts are anticipated to contribute to an enhancement in India's current account deficit.

In the fiscal year 2024-25 (Interim Budget Estimate), there has been a 11.1% increase in the allocation for capital expenditure, rising from Rs. 10 lakh crore (US\$ 120.6 billion) in the previous year (2023-24) to Rs. 11.11 lakh crore (US\$ 134 billion). The strong growth of the Indian economy in the first half of FY24 has surpassed that of major economies, contributing to the reinforcement of macroeconomic stability.

The Interim Budget for FY25 emphasizes four pivotal areas: (i) Empowering the poor ("Garib Kalyan, Desh ka Kalyan"), elevating them from poverty, reaching marginalized groups, including street vendors, tribal communities, artisans, and transgender persons, to ensure inclusive growth and leave no one behind; (ii) Welfare of farmers ("Annadata") by providing direct financial aid, fostering inclusive growth and productivity through farmer-centric policies, income support, risk coverage, and technology promotion; (iii) Empowering the youth ("Amrit Peedhi, the Yuva") for nation's prosperity by focusing on quality education, holistic development, and fostering entrepreneurial aspirations; and (iv) Empowerment of women ("Momentum for Nari Shakti") through ease of living, increased participation in workforce and facilitating entrepreneurship.

As we move ahead in 2024, the global economic landscape is anticipated to introduce further complexities, necessitating sustained vigilance to uphold India's external resilience. It is important for India to address medium-term challenges, including securing technology and resources for energy transition and skill development for the 21st-century economy. Concurrently, maintaining fiscal consolidation at the general government level is crucial. The Indian economy shows promising signs with the RBI forecasting a 7% real GDP growth for FY25, supported by the prospects of robust rabi harvesting, manufacturing profitability, and resilient services. While risks such as geopolitical tensions and supply chain disruptions persist, lower input prices and moderated food inflation are expected to positively impact output growth and export prospects. With efforts to enhance export competitiveness and stable inflation rates, the outlook for India's economic growth remains favourable. (Source: <https://www.ibef.org/economy/monthly-economic-report>)

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OUTLOOK OF INDIAN ECONOMY

Going forward, the outlook for the Indian economy appears bright. RBI has forecasted India's Real GDP to grow at 7 per cent in FY25, with risks evenly balanced. Prospects of healthy rabi harvesting, sustained manufacturing profitability and underlying service resilience are expected to support economic activity in FY25. On the demand side, household consumption is expected to improve, while prospects for capital formation are bright owing to an upturn in the private capex cycle, improved business sentiments, healthy balance sheets of banks and corporates, and the government's continued thrust on capital expenditure. Improvement in the outlook for global trade and rising integration in the global supply chain will support net external demand. However, headwinds from geopolitical tensions, such as supply chain disruptions and higher logistics costs, volatility in international financial markets, and geo-economic fragmentation, pose downside risks. (Source: *Monthly_Economic_Review_January_2024*)

INDUSTRY OVERVIEW- NBFC

The NBFC sector has increased its footprint in financial intermediation, and this has been associated with a rise in connectedness with the traditional banking system. Substantial capital buffers, improving asset quality and robust earnings have increased the resilience of the NBFC sector: the CRAR at 27.6 per cent in September 2023 remains well above the regulatory minimum of 15 per cent; the GNPA ratio has declined from a high of 7.2 per cent in December 2021 to 4.6 per cent in September 2023; and NIM and ROA stood at 5.1 per cent and 2.9 per cent, respectively, in September 2023. Healthy balance sheets have enabled NBFCs to consistently expand credit, which grew from 8.9 per cent (y-o-y) in September 2021 to 20.8 per cent in September 2023 (y-o-y).

Between September 2021 and September 2023, retail lending by NBFCs grew at a CAGR of 25.2 per cent as against a growth of 15.7 per cent in their gross credit. As at end-September 2023, NBFC-ICCs' share was 90.1 per cent of total retail credit, with NBFC-MFIs accounting for the remaining 9.9 per cent. Consumer loans, on which risk weights were increased recently, formed 44.7 per cent of the incremental retail loan growth over the last one year. Moreover, share of unsecured loans in the NBFC sector rose from 24.6 per cent in March 2020 to 31.9 per cent in September 2023 and grew at a CAGR of 20.7 per cent.

HISTORY OF MFI

Like many other countries, modern micro-credit/microfinance industry in India started in 1990s inspired by the Grameen Model of Prof Mohammad Yunus in Bangladesh. Overtime, as this model evolved and became successful, it boosted the confidence of customers, MFIs and other stakeholders and started to scale-up.

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From 2005-6, many non-profit MFIs converted into for-profit NBFCs and many new for-profit NBFCs also entered the micro-credit business, attracting private capital, commercialization, professionalism, and scale. This fuelled growth, competition, scale with a sharp focus on specialization in delivering micro-credit efficiently and profitably. As a result, within 5 years, the micro-credit industry in India increased multi-fold to reach an outstanding of nearly Rs 20,000 Cr. However, this period also witnessed the challenges around customer-protection including over-leverage, inadequate disclosures, lack of customer awareness, high pricing as well as risks of geographic concentration, ghosts' loans, local-level interferences and lack of regulations and oversight.

Recognizing this, Reserve Bank of India (Central Bank of India), introduced a new category of NBFCs called NBFC-MFIs in Dec 2011 with specific regulations for the micro-credit sector, focusing on customer protection. On the back of these regulations, the industry had a hugely successful decade.

Today, the micro-credit sector is diverse and competitive with over 100 regulated players – Banks, SFBs, NBFC-MFIs and NBFCs. To ensure a level playing field, in March 2022, the RBI introduced the harmonised guidelines creating an entity agnostic but activity-based regulation. A clear regulatory framework, a sound underlying business model, performance trends overtime, and potentially large un- met demand has attracted private capital to sustain the growth.

As a result, micro-credit in India remains one of the largest micro-credit sectors globally, quite unmatched in terms of its outreach with low-ticket loans, scale, diversity of supply-side, spread, efficiency, performance, customer-protection standards, and contribution of the private sector.

INDUSTRY OUTLOOK-NBFC

NBFC MFI

Microfinance operations in India are spread across 730 districts of 36 States and Union Territories.

As of Dec 31, 2023, the combined microcredit portfolio of all microlenders is ₹3,93,165 Cr, registered a Y-o-Y growth of 21.34%. Among the microlenders, NBFC-MFIs continue to lead with ₹1,55,461 Cr, holding a market share of 39.54%, followed by Banks with ₹1,25,589 Cr, holding a market share of 31.94%.

Amount disbursed during Q3 (Oct'23 – Dec'23) by 201 microlenders together is at ₹96,754 Cr, a Y-o-Y growth of 18.70%. Among the microlenders, NBFC-MFIs are leading with ₹37,926 Cr, holding a market share of 39.20%, followed by Banks with ₹34,865 Cr, holding a market share of 36.03%.

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MFIs are currently serving 392 lakhs clients through 19,953 branch networks and an employee base of 1.69 lakhs. Out of the total staff, 61% are field officers (i.e. 1.03 lakhs) who provide doorstep credit to low-income clients served by the MFIs. There has been growth of 4.32% for total staff and 1.98% for field officers over the previous quarter (Q2). On a Y-o-Y comparison, both the total staff base and loan officer have increased by 13.42% and 15.73% respectively.

As of 31st December 2023, MFIs have total assets of ₹1,09,788 crores, there is a growth of 5.08% over Q2 FY23-24 and by 26.12% compared to third quarter of previous financial year FY 22-23.

COMPANY OVERVIEW

FINANCIAL INCLUSION VIA DIGAMBER CAPFIN LIMITED

Microfinance allows people to take on reasonable small business loans safely, and in a manner that is consistent with ethical lending practices.

Unlike typical financing situations, in which the lender is primarily concerned with the borrower having enough collateral to cover the loan, Digamber Finance Limited as a Micro-Finance Institution focuses on helping entrepreneurs succeed.

Despite the availability of these financial services, a major hindrance in microfinance institutes' paths is the lack of knowledge among the citizens about the basic fundamental concepts. The microfinance industry's lack of financial service is a challenge for both the customer and the institutions. This does not only eliminate people from joining the MFIs but also makes them financially excluded.

The Company is an institution, established **29 YEARS** ago and focusing only on microfinance business since 2009. Due to focus only on its core business i.e., microfinance, the Company has built its outreach in various rural & semi-rural areas. Keeping in the view above requirement, the Company has taken an initiative by way of designing products, specially based on requirement of lower income group. Details are as follows:

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Our product spectrum

Stronger connect with existing customers through introduction of new products, in terms of need and ever-changing trends

“JOINT LIABILITY GROUP LOAN”	
<u>FEATURES OF JLG</u> Maximum NBFC-MFIs in India follow the JLG Model of lending because there is lesser risk of default in this model. In JLG Model generally there are 3-15 women form a group. If in case any member of the group become defaulter in payment of installment, then the other members of the group need to pay the liability of that group member. All members are jointly required to execute loan document, making each one jointly and severally liable for repayment of all loans taken by all individuals belonging to the group. Members share liability and/or stand guarantor for each other. This ensures a greater effort on the part of members to ensure that everyone repays, thus ensuring resulting in better accountability and security for the MFI involved. Generally, all the members of the JLG are residing in the same village / compact area and not drawn from different / distant places and each group and center would have one leader resulting the leader fosters a sense of unity, oversees and maintains discipline, shares information and facilitates repayments. A regular meeting is hold for JLG members attended by all the members regularly to discuss issues of mutual interests. Further Members who have defaulted to any other formal financial Institution, in the past, are debarred from the Group Membership.	
“INDIVIDUAL MICRO LOAN”	
Beneficiary: ➤ Shopkeepers ➤ Small businesses ➤ Dairy work	The company lends to borrowers under ‘Individual micro loan (IML)’ products which are not covered under the JLG model. The loan is provided to both men and women with the ticket size of Rs. 60,000 to Rs. 1,00,000. We provide working capital loans to micro businesses for enabling of growth. By this we will be able to successfully solve the problem that was historically considered intractable in India.

1. PRODUCT WISE PERFORMANCE

The Company's flagship product, 'JLG Model' continues to hold a dominant share in the organization's portfolio, constituting 99.95% of the total AUM. The product is for the economically active women residing in low-income areas, generally involved in trade

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and service. Based on their repayment behavior higher ticket size loans are offered in the second and subsequent cycles.

The other products cater to the male segment also of the market who normally conducts their business on a daily basis in the form of shops. The product was widely accepted in the market and made for a brisk business day by day. Total portfolio size of such types of products is Rs. 0.56 Crore as on March 31, 2024. These products are offered with differentiation in product features designed based on need of customer.

Further, 80.99% share of total AUM falls within the ticket size of loans of more than Rs. 30,000 but up to Rs. 60,000.

2. FINANCIAL PERFORMANCE

The total revenue of the Company has increased approximately by 8.45% as compared to previous year.

ASSETS UNDER MANAGEMENT (AUM)

The AUM of the company has decreased by 1.06% In the financial year 2023-24 the Company's AUM is Rs. 113,043.58 Lakhs as compared to previous financial year 2022-23's AUM of Rs. 114,260.41 Lakhs.

DISBURSEMENT

The Company offers two types of loan to its customers namely, JLG and IML. During the financial year 2023-24 the company has disbursed loans of amount Rs. 90627.98 Lakhs as compared to Rs. 77847.14 Lakhs in the previous financial year 2022-23. The disbursement of the Company has increased by 16.42%

FUNDING SOURCE

The financial year 2023-24 saw the sustainable growth in the overall fund sources. As on 31st March, 2024, the Company has availed a bouquet of financial assistance from 13 banks and 8 financial institutions/ NBFC's in the form of Cash Credit, Term Loan and Non-Convertible Debentures. The Company has also availed External Commercial Borrowings from IIV Microfinanzfonds during the financial year 2023-24.

COLLECTIONS EFFICIENCY

From an operational perspective, the Company aims for expanding its reach and driving consistently with improved collection efficiency. Our collection efficiency has improved and for the period under review, it is on an average 96% in financial year 2023-2024.

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3. **HUMAN RESOURCES**

Human Resources Department in the Microfinance sector face a major challenge in acquiring resources with the right skills, aptitude and also on retention of the employee. The Company has set up a scalable recruitment and human resource management process, which enables to attract and retain high performing employees. The process ensures that the organization remains competitive in its human resources management policies and practices by actively seeking and developing best practices, methods and approaches. During the financial year 2023-24, the total manpower stood at 2555 within 239 branches established in 8 states and 1 Union Territory including head office. Out of this, 2555 staff constituting 1992 of total staff is loan officers.

4. **DIGITALIZATION**

Technology has become an operational necessity for all types of institutions. In order to fully leverage the potential of technology, there is a need to make investments to build financial and digital literacy of their clients, so that clients become confident of undertaking cashless transactions.

As the Company is conducting cashless disbursement from the last 8-9 years, in the same way now company has introduced cash less collection as well. To provide ease of payment of EMIs to its customers, the Company is using the payment gateway services provided by leading payment system service provider.

The Company has taken a number of digital initiatives across all the lines of Business. We provide the facility of our customers of the Paytm and SBI Yono Merchant app to enable them to make hassle free payment.

The Company is already partnered with Finflux Technology. In sync with the 'Digital India' initiative, Conflux Technologies is enabling the usage of cashless economy. Its flagship product FINFLUX works seamlessly to help the customers to automate loan origination in a completely paperless fashion.

The Company has also developed a mobile application "LOAN BOOK" which has been operational in all the branches.

The Company has received the AUA-KUA License from Unique Identification Authority of India (UIDAI) and after completion of the integration of the same, the company will start bio-matrix based E-KYC which will ease the process and also will eliminate the manual efforts for KYC process.

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5. IN HOUSE INTERNAL AUDIT DEPARTMENT

The Company has separate internal audit team with well-designed systems, policies and procedures to maintain financial & operational discipline. The Company's internal audit is initiated according to nature of the Company's business, size and complexity of operations. The Department has been established based on the guidelines received from the Reserve Bank of India for in house internal audit for better compliance at all levels.

This department is an independent function that ensures checks and evaluates operational risks, internal financial controls, and adherence to policies and procedures by conducting inspection of branches as well as head office. All operations are routinely tested & significant audit observations and follow-up actions are placed before the Audit Committee meeting.

6. FINANCIAL PERFORMANCE ALONG WITH OPERATIONAL PERFORMANCE

A. PROFITABILITY PERFORMANCE

COMPARISON OF FINANCIAL YEAR 2023-2024 WITH FINANCIAL YEAR 2022-2023

Particulars	2023-24		2022-23	
	Rs. in Lakhs	% to revenue	Rs. in Lakhs	% to revenue
Revenue from operation	26,803.98	96.24%	25,072.10	97.63%
Other Income	1,047.89	3.76%	609.45	2.37%
TOTAL REVENUE	27,851.87		25681.55	
Employee Benefit Expenses	7,224.68	25.94%	6,094.67	23.73%
Depreciation & Amortization expenses	156.27	0.56%	143.21	0.56%
Administrative expenses	2,567.02	9.22%	1,932.64	7.53%
Impairment on Financial Instruments	425.55	1.53%	-375.54	-1.46%
Write off	4,141.40	14.87%	4142.67	16.13%
Finance cost	10,161.75	36.48%	8,391.38	32.67%
Profit before tax	3,175.18	11.40%	5352.52	20.84%
Tax expense	753.99		1411.27	
Total Comprehensive Income	2,425.67	8.71%	3955.26	15.40%
Earnings per share:				
Basic	24.47		39.9	
Diluted	24.42		39.81	

B. BRIEF ANALYSIS OF SHAREHOLDERS WEALTH

Particulars	Units	2023-2024	2022-2023
Total revenue	Rs. in Lakhs	27,851.87	25681.55
Increment over PY	%	8.45%	18.74%
PAT	Rs. in Lakhs	2,425.67	3955.26
Increment over PY	%	-38.67%	-5.91%

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Particulars	Units	2023-2024	2022-2023
EPS (Basic)	Rs. In Actual	24.47	39.9
Increment over PY	%	-38.67%	-6.34%
EPS (Diluted)	Rs. In Actual	24.42	39.81
Increment over PY	%	-38.66%	-6.57%
Return of Equity	%	9.30	16.76
Increment over PY	%	(-) 7.47	(-) 4.62

C. OPERATIONAL PERFORMANCE

COMPARISON OF FINANCIAL YEAR 2023-2024 WITH FINANCIAL YEAR 2022-2023

Particulars	Unit	March 31, 2024	March 31, 2023	Change (%)
Number of Branches	No's	239	199	(+)20.10%
Number of States and Union Territory	No's	9	9	NIL
No. of Customers/ Borrowers	No's	418151	393347	(+)6.31%
No. of Employees	No's	2555	1908	(+)33.91%
Amount Disbursed	Rs. In Lakh	90627.98	77847	(+)16.42%
Gross Loan Portfolio (Ind As)	Rs. In Lakh	97,372.28	92,309.12	(+)5.49%
Assets Under Management (Ind As)	Rs. In Lakh	1,13,043.58	1,14,260.41	(-)1.06%

7. DETAIL OF KEY FINANCIAL RATIO AS ON MARCH-2024

S. No	Particulars	2023-24	2022-23	Change in %
1.	Interest Coverage Ratio	1.31	1.63	-19.63%
2.	Current Ratio	1.54	1.34	14.93%
3.	Debt Equity Ratio	3.54	3.41	3.81%
4.	Operating Margin	66.80%	69.93%	-4.48%
5.	Net Profit Margin	8.71%	15.40%	-43.44%
6.	Return On Equity/Return On Net Worth	9.30%	16.76%	-44.51
7.	Capital Adequacy Ratio	26.33%	25.80%	2.05%
8.	Debtors Turnover Ratio*	NA	NA	-
9.	Inventory Turnover Ratio*	NA	NA	-

*Note: Being an NBFC-MFI, the Debtors Turnover Ratio and Inventory Turnover Ratio are not applicable on the company.

The Return on Net worth has been decreased by the 44.51% in the financial year 2023-24.

8. SECURITIZATION/ ASSIGNMENT

The Company has availed Rs. 3304.00 Lakhs by way of Securitization transaction in the financial year 2023-24. Also, the Company has availed Rs. 9922.24 Lakhs by way of Direct assignment.

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9. NETWORK EXPANSION

The Company has been consistently developing its various offices based on their performance and financial viability by considering their business continuation and business potential. Henceforth during the financial year 2023-2024, the company has spread its presence and business operations by opening 43 more branches and 2 Zonal offices and has also closed 3 branches.

As on 31st March 2024, the Company has its geographical presence in States and Union Territory namely, Bihar, Haryana, Himachal Pradesh, Jammu, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh and Uttarakhand.

The Company has a strong foothold in Micro finance loans by providing financial solution to its customers in rural and semi-rural areas through JLG products.

Further with its comprehensive and unique solutions, the Company has converted substantial percentage of Trade Finance & Remittance transaction flow to Digital mode.

Branches are equipped with mix of technology and people to give our customers best-in-class finance services. We believe, this will have a significant impact in the coming years on business growth as well as networking with a larger potential customer base. As on March 31, 2024, we have funded more than 2 lacs customers belong to various rural & semi-rural areas.

10. DIVERSIFIED FUNDING

In order to reduce dependence on a single lender, the Company has adopted multiple banking arrangements. None of the lender has borrowing proportion more than 12% as on 31st March, 2024 (*on outstanding balance basis*).

The Company meets the requirements of PSL guidelines and regularly accesses bank financing that qualifies as PSL. With the quarterly compliance on PSL reporting for banks, the seasonality in funding is reduced and ensures credit flow to the MFI sector on a regular basis throughout the year.

During the period under review, the Company has raised Rs. 76306.05 Lakhs from various lenders in the form of loan/ DA/ PTC. This includes External Commercial Borrowings (ECB) facility of € 5,000,000 (Euro Five Millions Only) from IIV Mikrofinanzfonds and Non-Convertible debentures worth Rs. 1400 Lakhs from A.K. Securitisation and Credit Opportunities Fund II.

As on 31st March, 2024, the Company has 29 lenders with mixture of public sector banks, private banks, financial institutions & NBFCs.

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11. OPPORTUNITIES AND THREAT

OPPORTUNITIES

The microfinance industry has accelerated the relocation of capital to the bottom of the social pyramid through innovative services over the years. Indian microfinance market is highly evolved with strong regulation and system support in place supported by the availability of digital KYC, bank accounts for all populations, high mobile penetration, and well-functioning credit bureaus.

The new microfinance guidelines further pave the way to meet the growing aspirations of our clientele by offering non-microfinance loans to an extent of 25% of total assets. With the help of comprehensive credit bureau reports, lenders can gain better visibility on the existing loans of the entire household. The microfinance sector plays an integral role in creating a funnel for low-income borrowers to be eligible for higher ticket-size loans in the future through the creation of a credit footprint.

The 70% of the Indian population lives in the rural areas which gives immense opportunity to the MFI business to flourish.

Apart from traditional credit products, the players have ample opportunities to foray into non-credit financial products by leveraging the established last-mile connectivity to their extensive borrower network. Products such as insurance, saving/investment and payments can be offered through strategic partnerships with various partners.

The Company has introduced itself into the insurance sector which has opened avenue for commission income with the help of same resources and manpower. This shall create a parallel revenue lines for the Company.

Further, introduction of Loanbook app has digitalized the process of loan disbursement which has in turn reduced the paperwork and smoothen the entire process.

The digital disbursement by the Company has also led to quick disbursement of loan to the borrower.

THREAT

In the rising interest rate environment, microfinance institutions, especially medium and smaller NBFC-MFIs face pressure on the cost of borrowing front leading to an adverse impact on their Net Interest Margin due to competitive pressure. With the new harmonization guidelines in place, the industry is now better positioned from a risk-reward perspective and can adjust its interest rate accordingly. The rising effects of global warming are evident from widespread natural disasters witnessed across the country from droughts, and heatwaves to extreme floods. While the low-income borrowers are particularly vulnerable given their lack of infrastructure to withstand

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extreme natural disasters, they have also been a segment who have been able to come back faster, given their high entrepreneurship skills, multiple income sources and agility. The Company also avoids such risks as far as possible by geographic diversification through widespread district presence, careful choice of operating locations etc. NBFC-MFIs have the ability to create cutting-edge products going beyond cookie-cutter offerings to protect basic standards of living and smoothen income streams.

The business nature being unsecured lending always poses the risk of accurate mapping of income and debt sources. With new microfinance guidelines in place with a maximum obligation of 50% of the household income, anomalies have been taken care to democratize access to capital.

The microfinance industry is promoting collection through digitalization. The borrowers being unaware of the modes of repayment of cash leads to its dependency on cash collection through their field officers. This industry, therefore dependence upon the integrity of the field officers.

12. RATING & GRADING

COCA Assessment	M1C1 <i>"M1" signifies highest capacity of the organization to carry out its activities in a 'sustainable manner'. As per CARE grading rational company have sound management, good portfolio quality, standard operating processes, diversified operations and management information system.</i> <i>"C1" signifies excellent performance on COCA dimensions.</i>	
Bank loan Rating	Name of the Credit Rating Agency	CRISIL Ratings Limited
	Date on which the Credit Rating was obtained	Bank Loan Facilities: December 15, 2023 Non-Convertible Debentures: December 15, 2023
	Credit Rating	Bank Loan Facilities: <u>Long Term:</u> CRISIL BBB/ Stable <u>Short Term:</u> CRISIL A3+. Non-Convertible Debentures: CRISIL BBB/ Stable

13. CAPITAL ADEQUACY

The Capital Adequacy Ratio of the company was 26.33 % as of March 31, 2024 as against the minimum capital adequacy requirements of 15% by RBI.

DIGAMBER CAPFIN LIMITED

14. MEMBERSHIP OF SA-DHAN

A. OVERVIEW

The industry associations/ Self-regulatory organization (SRO) are expected to facilitate compliance by the Non-Banking Financial Companies that are engaged in microfinance with the regulations and code of conduct and function in the best interest of the customers of the NBFC-MFIs. The membership of NBFC-MFIs in the industry association/SRO will be seen by the trade, borrowers and lenders as a mark of confidence.

B. MEMBERSHIP OF THE COMPANY IN SADHAN

Although RBI has not mandated membership of SRO for NBFC MFIs but for more borrower protection and education, monitoring, the Company has taken membership of SA-DHAN w.e.f 15.12.2017 wide Membership No. 0350. Membership of SRO ensures better governance, monitoring and compliance with the regulatory framework put in the place by the Reserve Bank of India.



C. ADOPTION OF CODE OF CONDUCT PRESCRIBED BY SA-DHAN IN ASSOCIATION WITH MFIN

During the year it is observed that it is important to have well defined core values and adopt fair practices to ensure that services provided by the company are in manner that benefits clients, and is ethical and dignified. For having better quality of services, transparency in the working and to ensure that all practices related to lending and recovery of loans are fair, there is a need to adopt well defined code of conduct policy.

Further, Sa-Dhan is association of community development finance institution, working for more than one and half decades in supporting and strengthening the agenda of financial inclusion and recently recognized by the RBI as Self-Regulatory Organization (SRO) for the Microfinance Sector. Sa-Dhan has published its edition of code of conduct named "MFI Industry Code of Conduct – 2015" in association with MFIN especially for Micro finance industry. So, with the approval of Board of directors in its meeting dated Thursday, April 28, 2016 the Company has adopted code of conduct prescribed by the Sa-Dhan in association with MFIN named "MFI Industry Code of Conduct – 2015"

Also, the Board of Directors of the Company has adopted Sa-Dhan's Code of Conduct-October 2022 in the Board Meeting held on May 29, 2023.

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15. RISK MANAGEMENT

The Company has well defined Risk Management Policy which governs the risk identification, assessment and mitigation strategy of the Company. The Company being an NBFC MFI is subject to certain risk which requires assessment and mitigation at regular intervals. The risk Management Committee carries out risk assessment on periodical basis. The following risks are considered on the basis of nature of operations of the Company.

- i. Credit Risk
- ii. Operational Risk
- iii. Market Risk
- iv. Strategic Risk
- v. Other Risk

- i. **CREDIT RISK:** Credit Risk is the risk of loss due to the failure of the counter party to meet its credit obligations in accordance with the agree contract terms. There is always scope for the borrower to default from the commitments for one or the other reason resulting in crystallization of credit risk to the Company. These losses could take the form of outright default or alternatively, losses from changes in portfolio value arising from actual or perceived deterioration in credit quality that is short of default. The objective of credit risk management is to minimize the risk and maximize the company's risk adjusted rate of return by assuming and maintaining credit exposure within the acceptable parameters.
- ii. **OPERATIONAL RISK:** Operational Risk is inherent in all product, activities, processes and systems of the Company. It is a risk of loss arising from inadequate or failed internal processes, people and systems or from external events. Operational risk involves breakdown in internal controls and corporate governance leading to error, fraud, performance failure, compromise on the interest resulting in financial loss. Risk education for familiarizing the complex operations at all levels of staff can reduce operational risk. The Company strives to promote a shared understanding of operational risk within the organization, especially since operational risk is often intertwined with market or credit risk and it is difficult to isolate.
- iii. **MARKET RISK:** Market Risk may be defined as the possibility of loss to the Company caused by the changes in the market variables. Market risk is the risk to the Company earnings and capital due to changes in the market level of interest rates or prices of securities, foreign exchange and equities, as well as the volatilities, of those prices. Market Risk consists of:
 - a. **Liquidity Risk:** Liquidity risk arises where the Company is unable to meet its obligations as and when they arise
 - b. **Interest Rate Risk:** Interest rate risk management and reporting helps identify potential risks to earnings and capital resulting from adverse fluctuations in market interest rates

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- iv. **STRATEGIC RISK:** Risks that derive from the decisions that the Management takes about the products or services that the organization provides. It includes risks associated with developing and marketing those products or services, economic risks affecting service sales and costs, and risks arising from changes in the technological environment which impact on revenue.
- v. **OTHER RISK:** Apart from the above risks, there are also other risk that impact the Company's operations, i.e. Compliance risk, Legal risk, reputational risk, investment risk etc.

THE COMPANY'S APPROACH TO RISK MANAGEMENT-

The Company adopts the "3 LINES OF DEFENSE MODEL" for the Management of its Risks.

- The 1st Line of Defense will always be the Business and Support Units that will own the risks and manage the same, as per laid down risk management guidelines.
- The 2nd Line of Defense will always be the Compliance Department and the Legal Department that would support the 1st Line of Defense by the drawing up of suitable risk management guidelines from time to time to be able to manage the risks of the Company.
- The 3rd Line of Defense will always be the Audit Functions – primarily the Internal Audit functions that are supported by the External Audits, and other audits like Regulatory Audits, etc. The 3rd Line of Defense focuses on providing the assurance that the risk management principles/policies and processes are achieving the objective of managing the risks of the organization at all times

16. NEW BUSINESS OPPORTUNITIES

The revenue of the Company is completely dependent on one business. In order to have other lines of revenue, the Company has started a new business line. It has been appointed as Micro insurance agent of SBI Life Insurance Company Ltd. The Company is also planning to apply for Composite License for Corporate Agency for insurance business to IRDAI. After receiving of the license, the Company will start the insurance business which is expected to increase its revenue by way of new revenue line.

17. INTERNAL FINANCIAL CONTROLS

The Company has a sound Internal Control System, commensurate with the nature, size, scale & complexity of its business activities and various business operations which ensures that transactions are recorded, authorized and reported correctly. The Company has put in place policies and procedures for continuously monitoring and ensuring the orderly and efficient conduct of the business, including adherence to the Company's Policies, for safeguarding its assets, the prevention and detection of frauds

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and errors, the accuracy and completeness of the accounting records and prepare financial records in timely and reliable manner.

The brief process about Internal financial controls are well defined in the Board's Report.

18. CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectation may be 'forward looking' within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR DIGAMBER CAPFIN LTD**

Place: Jaipur
Date: 07.05.2024

Sd/-
Rajiv Jain
Chairman cum Managing Director
DIN: 00416121

Sd/-
Amit Jain
Whole time Director and CFO
DIN: 00416133

DIGAMBER CAPFIN LIMITED

J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018
CIN: U67120RJ1995PLC009862 Website: www.digamberfinance.com Contact No.: +911412700233-234
Email id: info@digamberfinance.com

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

To
The Members of
Digamber Capfin Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **Digamber Capfin Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and Statement of Cash Flow for the year then ended, and notes to the standalone Ind AS financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 2024, and profit (including 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 Companies Act, 2013 ("the act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 together with the ethical requirements that are relevant to our audit of the standalone 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These

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matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matters	Auditor's Response
1	Impairment of Loans -Expected Credit Loss (ECL) Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its Loans & Advances using the Expected Credit Losses ("ECL") approach. In the process, a significant degree of judgement has been applied by the management for calculation of Expected Credit Losses ("ECL")	Our audit procedures are as under: • Considered the Company's accounting policies for impairment of loans and receivables and assessed compliance with the policies in terms of Ind AS 109: Financial Instruments and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020 ("the RBI Guidelines"). • Evaluation of the appropriateness of the impairment principles based on the requirements of Ind AS 109. • Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • Testing of management review controls over measurement of impairment allowances and disclosures in financial statements. • Test of details over calculation of impairment allowance for assessing the completeness, accuracy and relevance of data. • We have checked the stage classification as at the balance sheet date as per definition of default of the company;

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Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information as identified above is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS 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 standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other information as identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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 standalone 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 Bank to cease to continue as a going concern.

DIGAMBER CAPFIN LIMITED

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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 auditor's 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.

Report on Other Legal & Regulatory Requirement

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-A** statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by the Non-Banking Finance Companies Auditors Report (Reserve Bank) Directions, 2016, we give in the **Annexure-B**, statement on the matters specified in the order, to the extent applicable.
3. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

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- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure-C**. Our report expresses an Unmodified Opinion on the adequacy and operating effectiveness of the company internal financial controls over financial reporting.
- g) With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 39 to the standalone 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.
 - iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company

DIGAMBER CAPFIN LIMITED

('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 it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has neither declared nor paid any dividends during the year under audit.
- vi. Based on our examination which includes test check, the Company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transaction 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.

For **KALANI & COMPANY**
Chartered Accountants
FRN- 000722C

Place of Signature: Jaipur
Dated: 07/05/2024
UDIN : 24412724BKAGVT1857

Sd/-
[Gaurav Rawat]
Partner
M.No.-412724

DIGAMBER CAPFIN LIMITED

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Annexure A to Independent Auditors Report

Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirement' section of our audit report to the Members of Digamber Capfin Limited on the standalone financial statements for the year ended 31st March, 2024 we report that,

- i. Based upon the audit procedures performed and the information & explanations given by the management, in respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a.
 - A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment,
 - B. The company is maintaining proper records showing full particulars of intangible assets,
 - b. The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets every year. Pursuant to the program, Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification,
 - c. The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company,
 - d. The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year, and
 - e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder
- ii. In respect of inventory:
 - a. The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
 - b. The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets. Based upon the audit procedures performed and the information & explanations given by the management, the quarterly returns or statements filed by the company with such banks or financial institutions are not agreement with the books of account of the Company the same is disclosed by the company in Note 51.
- iii. In respect of any guarantee or security or loans or advances
 - a. The Company is engaged in principal business of lending loans, hence reporting under clause (iii)(a) in not applicable.
 - b. Based upon the audit procedures performed and the information & explanations given by the management; investments made, guarantees provided, security

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given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.

- c. In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated through various loan agreements entered with customers. Generally repayments or receipts are regular except irregularity in some cases. Details of loans which are irregular as at 31.03.2024 are as under:-

Irregularity	Number Of Accounts	Amount Involved	
		Irregular Dues	Total Dues
Stage -1	428890	81,78,622.99	9,16,20,28,513.33
Stage -2	11772	3,69,18,789.20	20,12,30,596.74
Stage -3	44703	19,60,29,581.07	37,39,69,027.70
Total	485365	24,11,26,993.26	9,73,72,28,137.77

- d. The total amount overdue for more than ninety days is Rs.3739.69 lakhs, and based upon the information & explanations given by the management, reasonable steps have been taken by the company for recovery of the principal and interest.
- e. The Company is engaged in principal business of lending loans, hence reporting under clause(iii)(e) is not applicable.
- f. Based upon the audit procedures performed and the information & explanations given by the management, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.
- iv. The Company is engaged in principal business of lending loans, hence reporting under clause(iv) is not applicable
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of undisputed statutory dues,
- a. Based upon the audit procedures performed and the information & explanations given by the management, the Company has been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom,

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- duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they become payable.
- b. There are no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes.
- viii. Based upon the audit procedures performed and the information & explanations given by the management, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. In respect of default in repayment of borrowings,
- Based upon the audit procedures performed and the information & explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - Based upon the information & explanations given by the management, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - Based upon the audit procedures performed and the information & explanations given by the management, term loans were applied for the purpose for which the loans were obtained.
 - Based upon the audit procedures performed and the information & explanations given by the management, the Company has not utilized any fund raised on short-term basis for long term purposes during the year or in the immediate recent past.
 - According to the information & explanations given by the management, the Company do not have any subsidiaries, associates, joint Ventures and hence reporting under clause 3(ix)(e) of the Order is not applicable.
 - The Company do not have any subsidiaries, associates, joint Ventures and hence reporting under clause 3(ix)(f) of the Order is not applicable.
- x. In respect of issue of securities (including Debt securities),
- The company has not raised moneys by way of initial public offer. The Company has made private placement of secured non-convertible unlisted debentures to A.K. Securitization and Credit Opportunities Fund II and the requirements of Section 42 of Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which funds were raised."
 - The company has made private placement of shares to employees of the company being offered securities under a scheme of employee stock option during the year and the 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. In respect of fraud,
- No fraud by the company has been noticed or reported during the year however fraud on company amounting to Rs. 3.17 Lakhs on account of staff fraud has been noticed or reported during the year. There have also been cases of possible

DIGAMBER CAPFIN LIMITED

cash embezzlement amount to Rs. 45.83 Lakhs (net of recoveries), which may involve staff/borrowers noticed and reported during the year."

- b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
 - c. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
 - xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
 - xiv. In respect of Internal audit system,
 - a. The company has an internal audit system commensurate with the size and nature of its business
 - b. Reports of Internal Auditors are duly received and considered by us during the year under review.
 - xv. 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, hence reporting under clause 3(xv) of the Order is not applicable.
 - xvi. In respect of RBI regulation,
 - a. The company is required to be registered with RBI. The company is a registered as non-deposit taking Systematically Important Non-Banking Financial Company under Section 45-IA of the Reserve Bank of India Act 1934 vide certificate number B-10.00099,
 - b. The company is a registered NBFC, with a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934, hence reporting under the clause 3(xvi)(b) of the Order is not applicable
 - c. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c)(d) of the Order is not applicable.
 - xvii. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year, hence reporting under clause(xvii) is not applicable.
 - xviii. There is no resignation of statutory auditor during the year under review, hence reporting under clause (xviii) of this order is not applicable.
 - xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any

DIGAMBER CAPFIN LIMITED

material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, 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. In respect of Corporate Social Responsibility there is no unspent amount accordingly clause(xx) is not applicable.
- xxi. The company is not required to prepare consolidated financial statements, hence reporting under clause (xxi) is not applicable.

For **KALANI & COMPANY**

Chartered Accountants

FRN- 000722C

Sd/-

[Gaurav Rawat]

Partner

M.No.-412724

Place of Signature: Jaipur

Dated: 07/05/2024

UDIN : 24412724BKAGVT1857

DIGAMBER CAPFIN LIMITED

J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018

CIN: U67120RJ1995PLC009862 Website: www.digamberfinance.com Contact No.: +911412700233-234

Email id: info@digamberfinance.com

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**For the Year Ended on 31st March 2024****(Referred to in Para 2 'Report on other Legal and Regulatory Requirements' in our report of even date)**

- i. That the company is entitled to continue to hold such COR in terms of its assets/income pattern as on March 31, 2024.
- ii. That Company meets the requirement of a net owned fund as laid down in Master Direction - Non- Banking Financial Company, Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and amendments thereafter, where applicable.
- iii. The Board of Directors of the Company has passed a resolution for non -acceptance of any public deposits.
- iv. The company has not accepted any deposits from public during the financial year 2023-24.
- v. The Company has complied with the prudential norms relating to the income recognition, accounting standards, assets classifications and provision for bad and doubtful debts as applicable to it in terms of Non- Banking Financial Company – Systemically Important Non -Deposit taking Company (Reserve Bank) Directions, 2016 subject to applicable and amendments thereafter.
- vi. The capital adequacy ratio as disclosed in the return submitted to the Bank (form DNBS03) in terms of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 has been correctly determined and such ratio is in compliance with the minimum CRAR prescribed therein
- vii. The company has furnished to the bank the annual/quarterly statement of capital funds, risk assets/exposure and risk asset ratio (Form DNBS03) within the stipulated period.
- viii. The Company is correctly classified under Non-Banking Financial Company as NBFC-Micro Finance Institutions (MFIs) as defined in the Non-Banking Financial Company – Systemically Important Non -Deposit taking Company (Reserve Bank) Directions, 2016 with reference to the business carried on by it during the financial year i.e. 2023-24.

For **KALANI & COMPANY**

Chartered Accountants

FRN- 000722C

Sd/-

[Gaurav Rawat]

Partner

M.No.-412724

Place of Signature: Jaipur

Dated: 07/05/2024 UDIN : 24412724BKAGVT1857

DIGAMBER CAPFIN LIMITED**J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018****CIN: U67120RJ1995PLC009862 Website: www.digamberfinance.com Contact No.: +911412700233-234****Email id: info@digamberfinance.com**

Annexure C of the Independent Auditor's Report

(Referred to in Paragraph 3(f) under 'Report on other Legal & Regulatory Requirements'
Section of our Report for the year ended 31 March 2024)

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

We have audited the internal financial controls with reference to financial statements of **Digamber Capfin Limited** ("the Company"), as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting,

DIGAMBER CAPFIN LIMITED

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 system with reference to financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

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 Ind AS financial statements includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the

DIGAMBER CAPFIN LIMITED

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **KALANI & COMPANY**

Chartered Accountants

FRN- 000722C

Sd/-

[Gaurav Rawat]

Partner

M.No.-412724

Place of Signature: Jaipur

Dated: 07/05/2024

UDIN: 24412724BKAGVT1857

DIGAMBER CAPFIN LIMITED

J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018

CIN: U67120RJ1995PLC009862 Website: www.digamberfinance.com Contact No.: +911412700233-234

Email id: info@digamberfinance.com

FINANCIAL STATEMENTS FY 2023-24

S. No.	Name of Document
1.	Standalone Balance sheet as on 31.03.2024
2.	Statement of Standalone Profit & Loss Account for the period ended 31.03.2024
3.	Standalone Statement of Cash Flow for the period ended 31.03.2024
4.	Standalone Statement of Changes in Equity as at year end date 31.03.2024
5.	Notes to Financial Statements for the period ended 31.03.2024

DIGAMBER CAPFIN LIMITED

J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018
 CIN: U67120RJ1995PLC009862 Website: www.digamberfinance.com Contact No.: +911412700233-234
 Email id: info@digamberfinance.com

Digamber Capfin Limited

Registered office : J-54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road Jaipur, Rajasthan - 302018

CIN : U67120RJ1995PLC009862 Website : www.digamberfinance.com

Tel- 0141-2700233-234 Email: info@digamberfinance.com

Standalone Balance Sheet As at 31st March,2024

(₹ in lakhs)

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
I. ASSETS			
(1)Financial Assets			
(a) Cash and Cash Equivalents	2	9,078.06	3,798.32
(b) Bank Balance other than Cash and Cash Equivalents	3	192.63	503.96
(c) Receivables			
(I) Trade Receivables		-	-
(II) Other Receivables		-	-
(d) Loans	4	95,006.13	90,368.52
(e) Investments	5	1,172.46	587.62
(f) Other Financial Asset	6	11,503.42	9,251.30
Total Financial Assets		1,16,952.71	1,04,509.72
(2)Non-financial Assets			
(a) Current Tax Assets(Net)	7	164.95	-
(b) Deferred tax Assets (Net)	8	-	-
(c) Property, Plant and Equipment	9	3,390.77	3,395.80
(d) Right of Use Assets	10	32.17	57.05
(e) Capital Work in Progress	11	905.55	384.53
(f) Other Intangible Assets	12	5.27	7.94
(g) Other Non-Financial Assets	13	364.34	77.70
Total Non-financial Assets		4,863.06	3,923.02
Total Assets		1,21,815.77	1,08,432.74
II. LIABILITIES AND EQUITY			
Liabilities			
(1) Financial Liabilities			
(a) Payables			
(I)Trade Payables	14		
i)Total Outstanding dues of Micro Enterprises and Small Enterprises		17.32	8.51
ii)Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		-	2.87
(II)Other Payables			
i)Total Outstanding dues of Micro Enterprises and Small Enterprises		0.00	5.58
ii)Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		15.11	0.10
(b) Debt Securities	15	1,403.56	2,548.91
(c) Borrowings (Other than Debt Securities)	16	89,418.20	75,716.16
(d) Subordinated Liabilities	17	1,667.83	2,508.81
(e) Lease liabilities	18	34.32	58.75
(f) Other Financial Liabilities	19	2,674.43	2,877.53
Total Financial Liabilities		95,230.77	83,727.21
(2)Non- Financial Liabilities			
(a) Current Tax Liabilities (Net)	7	-	320.92
(b) Provisions	20	243.15	298.01
(c) Deferred tax Liabilities (Net)	8	113.02	167.50
(d) Other Non-Financial Liabilities	21	106.35	248.13
Total Non- Financial Liabilities		462.52	1,034.56
Total Liabilities		95,693.29	84,761.77
(3) EQUITY			
(a) Equity Share Capital	22	989.32	987.69
(b) Other Equity	23	25,133.15	22,683.27
Total Equity		26,122.48	23,670.96
Total Equity and Liabilities		1,21,815.77	1,08,432.74

In terms of our report of even date

For KALANI & CO.
Chartered Accountants
(Firm Reg. no. 000722C)

Sd/-
Gaurav Rawat
Partner
M.No. 412724

Place : Jaipur
Date : May 07,2024
UDIN :24412724BKAGVT1857

For and on behalf of the Board

Sd/-
Rajiv Jain
Chairman and Managing Director
(DIN - 00416121)

Sd/-
Amit Jain
Whole Time Director & Chief Financial Officer
(DIN - 00416133)

Sd/-
Lalit Kumar Jain
Independent Director
(DIN- 07517615)

Digamber Capfin Limited

Registered office : J-54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road Jaipur, Rajasthan - 302018

CIN : U67120RJ1995PLC009862 Website : www.digamberfinance.com

Tel- 0141-2700233-234 Email: info@digamberfinance.com

Statement of Standalone Profit and Loss Account for the period ended 31st March,2024

(₹ in lakhs)

	Particulars	Note No.	Year to date figures for current Period ended 31st March 2024	Previous year ended 31st March 2023
	Revenue from Operations:			
(i)	Income	24	25,644.47	23,074.62
(ii)	Net Gain/(Loss) On Fair Value Changes	25	52.57	27.71
(iii)	Net Gain on Derecognition of Financial Instruments under Amortized Cost Category	26	1,106.95	1,969.77
I	Total Revenue from operations		26,803.98	25,072.10
II	Other Income	27	1,047.89	609.45
III	Total Income (I+II)		27,851.87	25,681.55
IV	Expenses:			
	Finance Costs	28	10,161.75	8,391.38
	Impairment on Financial Instruments	29	4,566.96	3,767.13
	Employee Benefits Expense	30	7,224.68	6,094.67
	Depreciation & Amortisation Expense	31	156.27	143.21
	Other Expenses	32	2,567.02	1,932.64
	Total Expenses		24,676.69	20,329.03
V	Profit/(Loss) before Exceptional Items & Tax		3,175.18	5,352.52
VI	Exceptional Items		-	-
VII	Profit/(Loss) Before Tax		3,175.18	5,352.52
VIII	Tax Expense:			
	Current Tax	33	798.15	1,665.64
	Deferred Tax	33	(55.99)	(291.08)
	Income Tax for Earlier Year		11.82	36.71
	Total Tax Expenses (VIII)		753.99	1,411.27
IX	Profit/(loss) for the period		2,421.20	3,941.25
X	Other Comprehensive Income			
	(A) Items that will not be reclassified to profit or loss			
	- Remeasurement Gains/(Losses) on Defined Benefit Plans		5.98	18.73
	- Income Tax on above		(1.51)	(4.71)
	Subtotal(A)		4.48	14.01
	(B)Items that will be reclassified to profit or loss			
	- Income Tax on above		-	-
XI	Total Other Comprehensive Income for the period (A+B)		4.48	14.01
XII	Total Comprehensive Income for the period		2,425.67	3,955.26
	Earnings per Equity Share (for Continued Operation):			
	Basic (in ₹)	34	24.47	39.90
	Diluted (in ₹)		24.42	39.81
	Paid-up Equity Share Capital		989.32	987.69
	Face Value of Equity Shares		₹ 10 each	₹ 10 each

In terms of our report of even date

For KALANI & CO.

Chartered Accountants

(Firm Reg. no. 000722C)

Sd/-

Rajiv Jain

Chairman and Managing Director

(DIN - 00416121)

Sd/-

Gaurav Rawat

Partner

M.No. 412724

Place : Jaipur

Date : May 07,2024

UDIN :24412724BKAGVT1857

Sd/-

Amit Jain

Whole Time Director & Chief Financial Officer

(DIN - 00416133)

Sd/-

Lalit Kumar Jain

Independent Director

(DIN- 07517615)

Digamber Capfin Limited

Registered office : J-54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road Jaipur, Rajasthan - 302018

CIN : U67120RJ1995PLC009862 Website : www.digamberfinance.com

Tel- 0141-2700233-234 Email: info@digamberfinance.com

Standalone Statement of Cashflows for the period ended 31st March,2024

(₹ in lakhs)

Particulars	Period ended 31st March,2024		Year ended 31st March 2023	
A Cash flow from operating activities:				
Net profit before tax as per statement of profit and loss		3,175.18		5,352.52
Adjustment to reconcile profit before tax to net cash flow:				
Remeasurement Gains/(Losses) on Defined Benefit Plans	5.98		18.73	
Depreciation & Amortisation	156.27		143.21	
(Reversal)/Provision for Expected Credit Loss (ECL)	425.55		(375.54)	
Interest on Fixed Deposit	(810.76)		(305.23)	
Fixed assets written-off	-		-	
Interest on income tax refund				
Share Based Payment to Employees	24.21		43.66	
Fair Value change of Investments	(52.57)		(27.71)	
Net gain on sale of current investments				
Profit/Loss on sale of assets	-		-	
Interest on borrowing and leases				
Finance Cost	10,161.75		8,391.38	
Impairment on financial instruments				
		9,910.45		7,888.49
Operating profit before working capital changes		13,085.63		13,241.01
Adjustment for				
(Increase)/decrease in trade receivables	-		-	
(Increase)/decrease in loans	(5,063.16)		(15,378.07)	
(Increase)/decrease in other financial assets	(2,252.12)		1,009.76	
(Increase)/decrease in non financial assets	(286.64)		38.24	
Increase/(decrease) in other financial liabilities	326.35		156.42	
Increase/(decrease) in other non financial liabilities	(141.78)		122.84	
Increase/(decrease) in trade and other payables	15.38		5.82	
Increase/(decrease) in provisions	(54.86)		159.96	
Total of changes in working capital		(7,456.83)		(13,885.01)
Income Tax Paid		(1,295.84)		(1,413.48)
Net Cash from Operating Activity (A)		4,332.96		(2,057.48)
B. Cash Flow from Investing Activity				
Purchase of property, plant and equipment and intangible assets(including in progress assets)	(644.72)		(523.53)	
(Purchase)/Sale of Mutual Fund	(532.28)		0.00	
Interest on Fixed Deposit	810.76	(366.24)	305.23	(218.30)
Sale Of Investments				
Net Cash Flow from Investing Activity(B)		(366.24)		(218.30)
C. Cash Flow from Financing Activity				
Finance Cost		(10,161.75)		(8,391.38)
Proceeds from / (Repayment of) Equity	1.63			
Proceeds from / (Repayment of) Borrowings	13,702.04		5,364.77	
Proceeds from / (Repayment of) debt securities	(1,145.35)		3.42	
Proceeds from / (Repayment of) Subordinated Liabilities	(840.98)		1,000.99	
Proceeds from / (Repayment of) Securitisation/ Direct assignment	(529.45)		632.37	
Payment of Lease Liabilities	(24.43)	11,163.46	58.75	7,060.30
Net cash used in Financing Activity (C)		1,001.71		(1,331.08)
Net Increase in Cash and Cash Equivalents(A+B+C)		4,968.42		(3,606.86)
Cash and cash equivalents at the beginning of the period		4,302.28		7,909.13
Cash and cash equivalents at the close of the period		9,270.70		4,302.28

Cash and Cash Equivalent includes:-

Particulars	Period ended 31st March,2024	Year ended 31st March 2023
Cash on hand	9,078.06	3,798.32
Balance in current account	192.63	503.96
Total	9,270.70	4,302.28

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

In terms of our report of even date

For and on behalf of the Board

For KALANI & CO.
Chartered Accountants
(Firm Reg. no. 000722C)

Sd/-
Rajiv Jain
Chairman and Managing Director
(DIN - 00416121)

Sd/-
Gaurav Rawat
Partner
M.No. 412724

Place : Jaipur
Date : May 07,2024
UDIN :24412724BKAGVT1857

Sd/-
Amit Jain
Whole Time Director & Chief Financial Officer
(DIN - 00416133)

Sd/-
Lalit Kumar Jain
Independent Director
(DIN- 07517615)

Digamber Capfin Limited
Standalone Statement Of Changes In Equity
As at year end date 31st March 2024

A. Equity Share Capital(₹ in lakhs)
As at 31st March 2024

Balance as at 01st April 2023	Changes in equity share capital due to prior period errors	Restated opening balance of current period	Changes in equity share capital during current period	Balance as at 31st March 2024
987.69	-	987.69	1.63	989.32

As at 31st March 2023(₹ in lakhs)

Balance as at 01st April 2022	Changes in equity share capital due to prior period errors	Restated opening balance of current period	Changes in equity share capital during current period	Balance as at 31st March 2023
987.69	-	987.69	-	987.69

B. Other Equity

Year ended 31st March 2024(₹ in lakhs)

Particulars	Reserves and Surplus							Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Capital Redemption Reserve	Debenture Redemption Reserve	Securities Premium	Share Based Payment Reserve	Impairment Reserve	Retained Earnings	
Balance at the beginning of 01st April, 2023	3,664.35	300.00	250.00	2,029.73	43.66	567.66	15,827.87	22,683.27
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance As at 1st April, 2023	3,664.35	300.00	250.00	2,029.73	43.66	567.66	15,827.87	22,683.27
Profit for the year	-	-	-	-	-	-	2,421.20	2,421.20
Other Comprehensive Income on account of Gratuity (expense)(net of tax)	-	-	-	-	-	-	4.48	4.48
Total Comprehensive Income for the Year	3,664.35	300.00	250.00	2,029.73	43.66	567.66	18,253.54	25,108.95
Additions during the year	485.13	-	(250.00)	28.10	(3.89)	-	250.00	509.34
Premium on issue of shares	-	-	-	-	-	-	-	-
Transfer to Statutory reserves as per Section 45-IC of the RBI Act, 1934	-	-	-	-	-	-	(485.13)	(485.13)
Dividend Paid (including Dividend tax)	-	-	-	-	-	-	-	-
Balance as at 31st March, 2024	4,149.49	300.00	-	2,057.83	39.77	567.66	18,018.41	25,133.16

Year ended 31st March 2023(₹ in lakhs)

Particulars	Reserves and Surplus							Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Capital Redemption Reserve	Debenture Redemption Reserve	Securities Premium	Share Based Payment Reserve	Impairment Reserve	Retained Earnings	
Balance at the beginning of 01st April, 2022	2,593.85	300.00	250.00	2,029.73	-	567.66	12,943.11	18,684.36
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance As at 1st April, 2022	2,593.85	300.00	250.00	2,029.73	-	567.66	12,943.11	18,684.36
Profit for the year	-	-	-	-	-	-	3,941.25	3,941.25
Other Comprehensive Income on account of Gratuity (expense)(net of tax)	-	-	-	-	-	-	14.01	14.01
Total Comprehensive Income for the Year	2,593.85	300.00	250.00	2,029.73	-	567.66	16,898.37	22,639.62
Additions during the year	1,070.50	-	-	-	43.66	-	-	1,114.16
Premium on issue of shares	-	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	-	-	-	-	-	-
Transfer to Statutory reserves as per Section 45-IC of the RBI Act, 1934	-	-	-	-	-	-	(1,070.50)	(1,070.50)
Transfer to Debenture Redemption Reserve	-	-	-	-	-	-	-	-
Dividend Paid (including Dividend tax)	-	-	-	-	-	-	-	-
Balance as at 31st March, 2023	3,664.35	300.00	250.00	2,029.73	43.66	567.66	15,827.87	22,683.27

In terms of our report of even dateFor and on behalf of the Board

For KALANI & CO.
Chartered Accountants
(Firm Reg. no. 000722C)

Sd/-
Rajiv Jain
Chairman and Managing Director
(DIN - 00416121)

Sd/-
Gaurav Rawat
Partner
M.No. 412724

Sd/-
Amit Jain
Whole Time Director & Chief Financial Officer
(DIN - 00416133)

Sd/-
Lalit Kumar Jain
Independent Director
(DIN- 07517615)

Place : Jaipur
Date : May 07,2024
UDIN :24412724BKAGVT1857

Note 1: Company Overview and Significant Accounting Policies

A. Company Overview

Digamber Capfin Ltd is a Public Limited Company ("The Company") and incorporated under the provisions of the Companies Act, 2013 having Corporate Identification No. is (CIN) U67120RJ1995PLC009862 on 17th April, 1995.

Digamber Capfin Ltd (DCL) started operations as an NBFC in 1995 with the mission of providing a range of financial services to the population who are not adequately served by financial institutions. The Company engaged in lending activities as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ("RBI"). The Company had obtained its licence from Reserve Bank of India (RBI) to operate as NBFC-MFI on 6th September, 2013 vide registration No. RBI B-10.00099.

The registered office of the Company is located at J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur Rajasthan- 302018 IN

DCL offers a diverse range of loan products to cater to the specific requirements of our customers. Our products can be classified into four categories, viz; Microfinance, Trade Finance, Agriculture and Animal Husbandry Finance. MFI loans follow the Grameen model of lending which is a Joint-Liability Group (JLG) lending model mainly focuses on a woman through a credit product that allows her to start a new business or enhance her existing business as well. DCL provides prompt, convenient and affordable collateral-free credit to people at the bottom of the pyramid through a strong credit assessment and centralised approval, depending on the end use, these broad categories of products can be further sub-divided into agricultural, education, home improvement, and livestock loans. Trader finance is secured and unsecured higher ticket size loan products which are available for both existing and open market customers.

DCL has adopted an integrated approach to lending which combines a high customer touch-point typical of microfinance, with the technology infrastructure and related back-end support functions similar to that of a retail bank. This integrated approach has enabled it to manage increasing business volumes and optimise overall efficiencies.

B. Basis of Preparation and Presentation

1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of Companies Act, 2013 (the act) along with other relevant provisions of the Act and the Master Direction - Non-Banking-Financial Company Non-Systemically Important Non-Deposit taking Company (Reserve bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis.

The company uses accrual basis of accounting except in case of significant uncertainties. For all periods up to and including the period ended March 31, 2021, the company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the Master Directions - Non-Banking Financial Company Non-Systemically Important Non-Deposit taking Company (hereinafter referred as 'previous GAAP').

The regulatory disclosures as required by the NBFC Master Directions to be included as a part of the Notes to Accounts are also prepared as per the Ind AS Financial Statements.

2 Basis of Measurement:

The financial statements have been prepared on a going concern and under the historical cost basis, except for the derivatives financial instruments and following assets and liabilities:

Certain financial assets and liabilities measured at Fair value/Amortised cost (refer accounting policy regarding financial instruments)

Non-Current Assets held for sale measured at the lower of its carrying amount and fair value less costs to sell; and

Employee's Defined Benefit Plan obligations as per actuarial valuation.

The methods used to measure fair values are discussed further in notes to financial statements

An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note no. 35.

3 Functional and presentation currency :

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest Lakhs (upto two decimals) as per the requirements of Schedule III, unless otherwise stated.

4 Use of Estimates and Judgements :

The preparation of financial statements with Ind AS require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

C. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the financial statements are given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

1 Property Plant & Equipment

1.1 Initial recognition and measurement

An item of property, plant and equipment is recognised as an asset if and only if 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.

When parts of an item of property, plant and equipment have different useful lives, they are recognised separately.

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, inclusive of non-refundable taxes & duties, to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and Expenses, incidental to the operations, not necessary in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in statement of profit and loss.

1.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

1.3 Derecognition

Property, Plant and Equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains or losses on Derecognition of an item of Property, Plant and Equipment are determined by comparing net disposable proceeds with the carrying amount of Property, Plant and Equipment and are recognized in the statement of profit and loss.

1.4 Depreciation/Amortization

Depreciation for all property, plant and equipment is being provided on Straight Line Method (SLM) as per the estimates of useful life specified in Schedule II of the Companies Act, 2013. The Company has estimated 5% residual value for all block of asset at the end of useful life. The management believes that useful life are realistic and reflect fair approximation of the period over which asset likely to be used.

Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition, or installation, or construction, when the asset is ready for intended use.

Improvements of the lease hold premises are charged off over the primary period of lease. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided upto the date on which the said asset is sold, discarded, demolished or scrapped.

In respect of an asset for which impairment loss, if any, is recognised, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

- 2 Intangible assets and intangible assets under development :**
- 2.1 Initial recognition and measurement**
An intangible asset is recognised if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.
Intangible assets are stated at cost of acquisition net of recoverable taxes, trade discounts and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs and any other cost directly attributable to bringing the asset to its working condition for the intended use.
Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.
- 2.2 Subsequent Measurement**
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 entity and the cost can be measured reliably.
- 2.3 Derecognition**
An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.
- 2.4 Amortization**
Intangible assets having definite life are amortized on straight line method over their useful lives. If life of any intangible asset is indefinite then it is not amortized and tested for impairment at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.
- 3 Revenue Recognition- Interest Income**
Interest income, for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR).
The EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset. The calculation of the effective interest rate takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes transaction costs and fees that are an integral part of the contract but not future credit losses. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.
If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.
The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets, other than credit-impaired assets under stage 3. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3,' the Company recognises interest income on the net carrying amount (i.e., Gross carrying amount net of loss allowance).
Income from direct assignment transactions represents the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the assets derecognised) and the consideration received (including any new asset obtained and any new liability assumed).
- 3.2 Income from Direct Assignment transactions**
Gain arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment has been entered into with the assignee, also known as the right of Excess Interest Spread (EIS). The future EIS basis the scheduled cash flows, on the execution of the transaction, discounted at the applicable rate that is the interest rate on loan portfolio with respect to the particular quarter dealt with.
- 3.3 Fees and Commission Income**
Revenue (other than those to which Ind AS 109 applies) is measured at the fair value of consideration received or receivable.
Income from other financial charges including late payment interest are recognized on accrual basis, except in case of File Cancellation Charges, Collection Charges, Pre-Closure Charges which are accounted as and when received.
- 4 Non-current assets (or disposal groups) classified as held for sale:**
Assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell.
An Asset is classified as "Asset held for sale" when the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet, in the line "Assets held for sale". Once classified as held for sale, intangible assets and PPE are no longer amortized or depreciated.
- 5 Impairment of Non-Financial Assets:**
At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets other than deferred tax assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).
Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.
Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss.
When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.
- 6 Borrowing Costs:**
General and specific borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. The Company considers a period of twelve months or more as a substantial period of time. All other borrowing costs are recognised as an expense in the period in which they are incurred.
Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 - 'Financial Instruments' (b) finance charges in respect of leases recognized in accordance with Ind AS 116 - 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.
Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
- 7 Government Grants and Subsidies:**
Grants and subsidies from the Government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.
Where the government grants / subsidies relate to income, they are recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.
Where the grant or subsidy relates to an asset, it is recognised as income on a systematic basis over the useful life of the related assets.
When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan is recognised and recorded in accordance with Ind AS 109 - 'Financial Instruments'. The benefit of the below market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with IND AS 109 and the proceeds received.

8	Provisions, Contingent Liabilities and Contingent Assets: Provisions Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expenses relating to a provision is presented in the statement of profit and loss net of any reimbursement. Provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is reversed. Contingent Liabilities A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities. Contingent liabilities are reviewed at each balance sheet date. Contingent Assets Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.
9	Leases: 9.1 The Company as lessee The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (a) The contract involves the use of an identified asset (b) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and (c) The Company has the right to direct the use of the asset. (i) Measurement and recognition At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of use asset, or profit and loss if the right-of-use asset is already reduced to zero. 9.2 The Company as a lessor: Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease payments from operating leases are recognized as income on either a straight-line basis or another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.
10	Segment Reporting: Identification of Segments: An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.
11	Employee benefits : 11.1 Short Term Benefits Short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered. 11.2 Post-Employment benefits Employee benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). These are of two types: (i) Defined contribution plans Defined contribution plans are those plans in which an entity pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance are Defined Contribution Plans in which company pays a fixed contribution and will have no further obligation. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions. (ii) Defined benefit plans : A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's Gratuity Scheme is considered as a Defined benefit plan. The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is determined annually on the basis of Actuarial Valuation using the projected unit credit method. The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss: Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income. Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

12	Leave Encashment The Company accounts for the liability for Leave Encashment based on an independent actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at the Balance Sheet date. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.
13	Income Taxes Income tax expense comprises current tax and deferred tax.
13.1	Current Income Tax Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted and as applicable at the reporting date and any adjustment to tax payable in respect of previous years. Current tax expense is recognized in the profit or loss except to the extent that it relates to items recognized directly in Other Comprehensive Income (OCI) or Equity, in which case it is recognized in OCI or 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. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.
13.2	Deferred Tax Deferred tax is recognised on all temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts for financial reporting purposes, and are accounted for using the balance sheet approach. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or Equity, in which case it is recognized in OCI or Equity. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will be available. Minimum Alternate Tax (MAT) Deferred tax assets include MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credits can be utilized. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when it is highly probable that future economic benefit associated with it will flow to the Company. MAT credit is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.
14	Share Based Payment Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting year, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payment Reserve. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.
15	Material prior period errors : Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.
16	Earnings per Share : Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.
17	Financial Instruments A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Initial Recognition and Measurement Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities measured at FVTPL are recognised immediately in the statement of profit and loss. If the transaction price differs from fair value at initial recognition, the Corporation will account for such difference as follows: • If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in the statement of profit and loss on initial recognition; • In all other cases, the fair value will be adjusted to bring it in line with the transaction price. After initial recognition, the deferred gain or loss will be recognised in the statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. The Company recognises a financial asset and Financial Liabilities when it becomes party to the contractual provisions of the instrument. Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed. The Company's financial assets include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with banks, loans and advances, other financial assets and investments. The Company's financial liabilities include loans and borrowings including bank overdrafts and trade & other payables.
17.1	Financial assets
(i)	Subsequent measurement of financial assets The Company classifies financial assets as subsequently measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following: - The entity's business model for managing the financial assets and - The contractual cash flow characteristics of the financial asset. Financial Assets at Amortised Cost A financial asset is measured at the amortised cost if both the following conditions are met: - It is held within a business model whose objective is to hold assets for collecting contractual cash flows, and - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. In case of financial assets classified and measured at amortised cost, any interest income, foreign exchange gains or losses and impairment are recognised in the Statement of Profit and Loss.

Financial Assets at fair value through other comprehensive income (FVTOCI)

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

For equity instruments not held for trading, the Company has an irrevocable option to designate them as FVTOCI. The Company has not designated investments in any equity instruments as FVTOCI.

Financial Assets at fair value through the statement of profit and loss (FVTPL)

Any financial asset which is not classified in any of the above categories is subsequently measured at FVTPL.

For financial assets at FVTPL, net gains or losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.

(ii) Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the entity recalculate the gross carrying amount of the financial asset and recognise a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognised the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition. The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in ratio as agreed without material delay to a third party under a 'direct assignment' arrangement.

Direct Assignment arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows in agreed ratio to one or more entities ('eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay in the agreed ratio.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised is recognised in the statement of profit and loss.

(iv) Impairment of financial assets

a) Subsequent to initial recognition, the Company recognises expected credit loss (ECL) on financial assets measured at amortised cost as required under Ind AS 109 'Financial Instruments'. ECL on such financial assets, other than loans assets, is measured at an amount equal to life time expected losses.

The Company presents the ECL charge or reversal (where the net amount is a negative balance for a particular period) in the Statement of Profit and Loss as "Impairment on financial instruments".

The impairment requirements for the recognition and measurement of ECL are equally applied to loan asset at FVTOCI except that ECL is recognised in Other Comprehensive Income and is not reduced from the carrying amount in the Balance Sheet.

b) Impairment of Loan Assets: The Company measures ECL on loan assets at an amount equal to the lifetime ECL if there is credit impairment or there has been significant increase in credit risk (SICR) since initial recognition.

If there is no SICR as compared to initial recognition, the Company measures ECL at an amount equal to 12-month ECL. When making the assessment of whether there has been a SICR since initial recognition, the Company considers reasonable and supportable information, that is available without undue cost or effort. If the Company measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Company again measures the loss allowance based on 12-month ECL.

ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is generally measured on collective basis using homogenous groups.

c) The impairment losses and reversals are recognised in Statement of Profit and Loss.

Staging of Loans

The Company recognises impairment loss allowance using the expected credit loss (ECL) model for the financial assets which are not categorised at fair value through profit or loss. Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition. For classification of its borrowers into various stages, the Company uses the following basis:

- A financial instrument that is not credit impaired on initial recognition is classified in 'Stage I'.
- If a significant increase in credit risk (SICR) is identified, the financial instrument is moved to 'Stage II'.

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument. In accordance with Ind AS 109, the Company has applied rebuttable presumption that considers more than 30 days past due as a parameter for determining significant increase in credit risk. Additionally, the Company also considers any other observable input indicating a significant increase in credit risk.

- If the financial instrument is credit-impaired, the financial instrument is moved to 'Stage III' category.

Definition of Default

In accordance with Ind AS 109, the Company considers the rebuttable presumption to define a financial instrument as in default, i.e. when the loan account is more than 90 days past due on its contractual payments. Credit impaired financial assets are aligned with the definition of default.

Measurement of Expected Credit Loss (ECL)

ECL is measured on either a 12 month or lifetime basis depending on whether there is significant increase in credit risk since initial recognition. ECL is the product of Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). The Company has its own board approved policy, during the financial year for assessment of ECL in accordance with Ind AS 109. The brief methodology of computation of ECL is as follows:

(a) Probability of default (PD)

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. For assessing 12 month PD, probability of a loan defaulting in next 12 months is ascertained and similarly for assessing lifetime PD, probability of a loan defaulting in its remaining lifetime is ascertained.

For Stage I accounts, 0.10% and 0.25% PD is used.

For Stage II significantly increased credit risk accounts, 0.50% and 5.00% PD is used.

For Stage III credit impaired accounts, 50% and 75% PD is taken.

(b) Loss Given Default (LGD)

LGD is the loss factor which the Company may experience in case the default occurs.

Stage-wise average LGD had been applied in case of loans given.

For Stage III loans, LGD has been assessed based on discounted projected cash flow analysis for operational projects.

(c) Exposure at Default (EAD)

It is outstanding exposure on which ECL is computed. EAD includes principal outstanding and accrued interest in respect of the loan.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or Life Time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

Forward looking information

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

Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

17.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

17.3 Financial liabilities**(i) Initial recognition and measurement**

The Company recognises a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

(ii) Subsequent measurement of financial liabilities:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost as appropriate.

(iii) Financial liabilities at Amortised Cost :

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

(iv) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(vi) The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair value hedges

Fair value hedges the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset, liability that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the Balance Sheet under Hedge Asset in net gain/(loss) on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the Balance Sheet under Hedge Assets in net gain/(loss) on fair value changes.

18 Fair value Measurement

The Company measures some of its financial instruments at fair value at each balance sheet date.

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

(a) In the principal market for the assets or liability, or

(b) In the absence of a principal market, in the most advantageous market for the assets or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

II. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

III. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

19 Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments and short term investments with original maturity of less than three month.

D Significant estimates and assumptions

The preparation of company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and action, actual results could differ from these estimates. These estimates are reviewed regularly and any change in estimates are adjusted prospectively. In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognized in the financial statements:

- i. **Business Model Assessment**
The Company determines its Business Model at the level that best reflects how it manages groups of financial assets to achieve its business objectives. The company considers the frequency, volume and timing of disbursements in prior years, the reason for such disbursement, and its expectations about future business activities. However, information about business activity is not considered in isolation, but as part of an holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flow are realized. Therefore the company considers information about past disbursement in the context of the reason for those disbursements, and the conditions the existed at that time as compared to current conditions. Based on this assessment and the future business plans of the company, the management has measured its financial assets at amortized cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial assets give rise to cash flows that are solely payments of principle and interest (the SPPI criterion).
- ii. **Property, Plant and Equipment & Intangible Assets**
The determination of depreciation and amortization charge depends on the useful lives which is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The residual values, useful lives, and method of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.
Residual Value has been taken between 0-5%
Useful life of the all Property, Plant and Equipment and Intangible assets are in accordance with Schedule II of the Companies Act, 2013
- iii. **Contingencies**
Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigation against the company as it is not possible to predict the outcome of pending matters with accuracy.
- iv. **Defined Benefit Plan**
The cost of defined benefit plan and present value of such obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date.
- v. **Deferred Tax Assets**
The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which deferred tax asset can be utilized. The Company reviews at each balance sheet date the carrying amount of deferred tax assets.
- vi. **Impairment losses on financial assets**
The measurement of impairment losses across all categories of financial assets except assets valued at Fair value through P&L (FVTPL), requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.
The Company's Expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include:
 - The Company's model, which assigns Probability of default (PD)s.
 - The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime expected credit loss (LTECL) basis.
 - The segmentation of financial assets when their ECL is assessed on a collective basis.
 - Development of ECL models, including the various formulas and the choice of inputs.
 - Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, Exposure at default (EAD)s and Loss given default (LGD)s.
- vii. **Fair value measurement:**
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.
- viii. **Effective Interest rate method**
The Company's EIR methodology, recognises interest income using an internal rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans and other characteristics of the product life cycle (including prepayments). This estimation, by nature, requires an element of judgment regarding the expected behavior and life-cycle of the instruments, as well other fee income/expense that are integral parts of the instruments.
- ix. **Cash and cash equivalents**
Cash and cash equivalent comprises cash in hand, demand deposits & time deposits and short term investments with original maturity of less than three month.

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Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

- i. **Ind AS 1 – Presentation of Financial Statements:**
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.
- ii. **Ind AS 12 – Income Taxes:**
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.
- iii. **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:**
The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Digamber Capfin Limited
Notes to financial statements for the period ended on 31st March, 2024

2 Cash & Cash Equivalents

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Cash on Hand	10.46	24.26
Balance with Bank in Current Accounts	5,576.95	2,772.97
Fixed Deposit	3,490.66	1,001.08
Total	9,078.06	3,798.32

3 Bank Balances other than Cash & Cash Equivalents

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Fixed Deposit with Banks	192.63	503.96
Total	192.63	503.96

4 Loans

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
	Amortised Cost	Amortised Cost
(A)		
Gross Outstanding Term Loan	97,372.28	92,309.12
Total (A)	97,372.28	92,309.12
Less: Impairment loss allowance	(2,366.15)	(1,940.59)
Total Net (A)	95,006.13	90,368.52
(B)		
Secured	-	-
Unsecured	97,372.28	92,309.12
Total (B)	97,372.28	92,309.12
Less: Impairment loss allowance	(2,366.15)	(1,940.59)
Total Net (B)	95,006.13	90,368.52
(C)		
Loans in India		
(i) Loans to Individuals	97,372.28	92,309.12
Total (C)	97,372.28	92,309.12
Less: Impairment loss allowance	(2,366.15)	(1,940.59)
Total Net (C)	95,006.13	90,368.52

5 Investments

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
	Fair value through Profit and Loss	Fair value through Profit and Loss
Investment in Mutual Funds	640.18	587.62
Investment in Bonds	532.28	
Gross (A)	1,172.46	587.62
Overseas Investments	-	-
Investments in India	1,172.46	587.62
Gross (B)	1,172.46	587.62
Less: Allowance for Impairment loss (C)	-	-
Total Net D = (A) -(C)	1,172.46	587.62

6 Other Financial Asset

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Fixed Deposit with Banks	7,829.71	5,242.58
Excess Interest Spread in DA transaction	1,153.22	1,869.97
Receivable against Excess Interest Spread	1,047.72	1,007.26
Security Deposit*	10.45	8.37
Sundry Receivable from others	117.17	1.92
Deferred Revenue	-	-
Interest accrued on DA/PTC transactions	179.94	157.56
Receivables against Loan Assets	417.07	284.96
Accrued Interest	717.25	678.68
Hedge Assets	30.89	-
Commission Receivable	-	0.00
Total	11,503.42	9,251.30

7 Current Tax Liability / (Assets) (Net)

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Provision for Tax	798.15	1,665.64
Advance Tax Paid	(963.10)	(1,344.73)
Total	(164.95)	320.92

8 Deferred Tax Assets / (Liability) (Net)

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Deferred Tax Assets, on account of		
Actuarial Gain on Gratuity	(4.50)	(3.00)
Provisions for ECL	366.49	305.98
Provisions for Leave Encashment	23.34	22.05
Effective Interest Rate on Financial Assets	168.90	50.77
Leases	0.68	0.76
Gratuity Expenses	-	-
Security Deposit	0.02	-
Total(A)	554.92	376.55
Deferred Tax Liabilities, on account of		
Fair Valuation of Mutual Funds	26.08	12.85
Foreign Exchange Gain/(Loss)	-	-
Effective Interest Rate on Financial Liability	199.95	(15.95)
Effective Interest Spread impact due to Direct Assignment	371.33	477.59
Accrued Interest	-	-
Depreciation and Amortisation	70.58	69.57
Total(B)	667.94	544.05
Net Deferred Tax Assets / (Liability) (A) - (B)	(113.02)	(167.50)

Digamber Capfin Limited
Notes to financial statements for the period ended on 31st March 2024

9 Property, Plant & Equipment

As at 31st March 2024

(₹ in lakhs)

Particulars	Freehold Land	Office and Guest House	Computers & peripherals	Furniture & Fixtures	Vehicles	Office Equipment	Total
Gross Block							
As at 1st April 2023	2,477.21	665.31	367.48	217.70	67.91	139.83	3,935.43
Addition During the period	-	-	55.36	28.69	-	28.15	112.20
Deduction/Adjustments during the period	-	-	-	-	-	-	-
As at 31st March 2024	2,477.21	665.31	422.84	246.38	67.91	167.98	4,047.63
Accumulated Depreciation/Amortisation							
Up to 1st April 2023	-	68.37	268.95	86.79	39.41	76.11	539.63
For the period	-	11.04	55.05	21.80	7.57	21.77	117.22
Deduction/Adjustments during the period	-	-	-	-	-	-	-
Total up to 31st Mar 2024	-	79.41	324.00	108.59	46.98	97.88	656.86
Net Block							
As at 31st Mar 2024	2,477.21	585.90	98.84	137.79	20.93	70.10	3,390.77
As at 1st April 2023	2,477.21	596.94	98.53	130.91	28.50	63.71	3,395.80

As at 31st March 2023

(₹ in lakhs)

Particulars	Freehold Land	Office and Guest House	Computers & peripherals	Furniture & Fixtures	Vehicles	Office Equipment	Total
Gross Block							
As at 1st April 2022	2,477.21	665.31	318.93	206.65	67.91	127.39	3,863.39
Addition During the period	-	-	48.55	11.05	-	12.44	72.04
Deduction/Adjustments during the period	-	-	-	-	-	-	-
As at 31st March 2023	2,477.21	665.31	367.48	217.70	67.91	139.83	3,935.43
Accumulated Depreciation/Amortisation							
Up to 1st April 2022	-	57.37	220.50	66.50	31.86	57.42	433.66
For the period	-	11.01	48.45	20.29	7.55	18.69	105.98
Deduction/Adjustments during the period	-	-	-	-	-	-	-
Total up to 31st March 2023	-	68.37	268.95	86.79	39.41	76.11	539.63
Net Block							
As at 31st March 2023	2,477.21	596.94	98.53	130.91	28.50	63.71	3,395.80
As at 1st April 2022	2,477.21	607.94	98.43	140.15	36.04	69.97	3,429.74

10 Right of Use Assets

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Gross Block		
As at 1st April 2023	91.29	-
Addition During the period	10.94	91.29
Deduction/ Adjustments during the period	-	-
As at 31st Mar 2024	102.23	91.29
Accumulated Depreciation/Amortisation		
Up to 1st April 2023	34.24	-
For the period	35.82	34.24
Deduction/Adjustments during the period	-	-
Total up to 31st Mar 2024	70.06	34.24
Net Block		
As at 31st Mar 2024	32.17	57.05
As at 1st April 2023	57.05	-

11 Capital Work in Progress

As at 31st March 2024

(₹ in lakhs)

PARTICULARS	Total
As at 1st April 2023	384.53
Addition During the period	460.41
Capitalisation during the period	-
Interest Capitalised during the period	60.62
As at 31st Dec 2023	905.55

As at 31st March 2023

(₹ in lakhs)

PARTICULARS	Total
As at 1st April 2022	25.96
Addition During the period	349.40
Capitalisation during the period	-
Interest Capitalised during the period	9.17
As at 31st March 2023	384.53

(a) CWIP aging schedule**(₹ in lakhs)**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	521.02	384.53	-	-	905.55

12 Intangible Assets**As at 31st March 2024****(₹ in lakhs)**

Particulars	Software	Total
Gross Block		
As at 1st April 2023	16.63	16.63
Addition During the period	0.56	0.56
Deduction/ Adjustments during the period	-	-
As at 31st Mar 2024	17.19	17.19
Accumulated Depreciation/Amortisation		
Up to 1st April 2023	8.69	8.69
For the period	3.23	3.23
Deduction/Adjustments during the period	-	-
Total up to 31st Mar 2024	11.92	11.92
Net Block		
As at 31st Mar 2024	5.27	5.27
As at 1st April 2023	7.94	7.94

As at 31st March 2023**(₹ in lakhs)**

Particulars	Software	Total
Gross Block		
As at 1st April 2022	15.00	15.00
Addition During the period	1.63	1.63
Deduction/Adjustments during the period	-	-
As at 31st March 2023	16.63	16.63
Accumulated Depreciation/Amortisation		
Up to 1st April 2022	5.70	5.70
For the period	2.99	2.99
Deduction/Adjustments during the period	-	-
Total upto 31st March 2023	8.69	8.69
Net Block		
As at 31st March 2023	7.94	7.94
As at 01st April 2022	9.30	9.30

Digamber Capfin Limited
Notes to financial statements for the period ended on 31st March 2024

13 Other Non-Financial Assets

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Prepaid Expenses	74.13	48.06
GST Receivable	98.21	-
Sundry Advances And Receivables	84.00	3.38
Gratuity Plan Asset	108.00	26.26
Total	364.34	77.70

14 (I) Trade Payables

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Payable to:		
Micro and Small Enterprises	17.32	8.51
Other than Micro and Small Enterprises	-	2.87
Total	17.32	11.38

(II) Other Payables

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Payable to:		
Micro and Small Enterprises	-	5.58
Other than Micro and Small Enterprises	15.11	0.10
Total	15.11	5.67

Trade Payables Ageing Schedule

(i) As at 31st Mar 2024

Particulars	Outstanding for following period from due date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Payable to:					
Micro and Small Enterprises	17.32	-	-	-	17.32
Other than Micro and Small Enterprises	15.11	-	-	-	15.11
Total	32.43	-	-	-	32.43

(ii) As at 31st March 2023

Particulars	Outstanding for following period from due date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Payable to:					
Micro and Small Enterprises	14.08	-	-	-	14.08
Other than Micro and Small Enterprises	2.97	-	-	-	2.97
Total	17.05	-	-	-	17.05

15 Debt Securities at Amortised Cost

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Secured		
Non Convertible Debentures	1,403.56	2,548.91
Total	1,403.56	2,548.91
Debt Securities In India	1,403.56	2,548.91
Debt Securities Outside India	-	-
Total	1,403.56	2,548.91

Details Of Redeemable Non-Convertible Debentures

Particulars	Date of allotment	Date of redemption	Total number of debentures	Rate of Interest	Face value	As at 31st March 2024	As at 31st March 2023
SBI - These debentures are secured by way of a first ranking, exclusive and continuing charge on identified receivable at all time equal to 1.25 times or 125% of the aggregate amount of principle outstanding of the NCD. Also, these are secured by unconditional and irrevocable personal guarantee of Mr. Amit Jain and Mr. Rajiv Jain. These are redeemable at par through bullet payment.	29-Jul-20	21-Apr-23	250	11.75%	1000000	1,403.56	2,548.91
Total			250.00			1,403.56	2,548.91

16 Borrowings (Other than Debt Securities)-At Amortised Cost

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Secured		
Term loans		
(i) From Banks	50,547.24	44,546.23
(ii) From Financial Institutions/NBFC	29,580.77	24,073.25
(iii) External Commercial Borrowing	4,666.51	-
(iii) Vehicle Loan	16.80	23.59
Other Loans (specify nature)		
Cash Credit from Banks	1,496.23	2,998.55
Cash Credit from PSU	-	-
Overdraft Credit from Banks	-	-
Working capital demand loan facility	-	-
Optionally Convertible Preference Share Capital - Financial Liability	-	-
Securitization	3,110.63	4,074.54
Total	89,418.20	75,716.16
Borrowings in India	84,751.68	75,716.16
Borrowings Outside India	4,666.51	-
Total (B)	89,418.20	75,716.16

16.1 Nature of Security

Secured term loans from banks amounting to Rs. 50547.24 Lakhs carry rate of interest in range of 9.85% to 12.7%. The Loan having tenure of 2 To 5 Years from date of disbursement and are repayable in both monthly & quarterly installments.

These loans are secured by hypothecation of loans given by the company and in some cases personal guarantee of directors, Mr. Rajiv Jain and Mr. Amit Jain is also given.

Secured term loans from financial institutions amounting to Rs. 29580.77 Lakhs carry rate of interest in range of 10.2% to 13.75%. The Loan having tenure of 2 To 5 Years from date of disbursement and are repayable in both monthly and quarterly installments.

These loans are secured by hypothecation of loans given by the company and in some cases personal guarantee of directors, Mr. Rajiv Jain and Mr. Amit Jain is also given.

Secured term loans for vehicle amounting to Rs. 16.8 Lakhs carry rate of interest 9.65%. The Loan having tenure of 7 Years from date of disbursement and are repayable in monthly installment.

BOB car loan is secured by hypothecation of vehicle.

16.2 Delay in Repayment**For 2023-24**

There is no delay in repayment of borrowings as at 31st March, 2024

For 2022-23

There is no delay in repayment of borrowings as at 31st March, 2023

17 Subordinated Liabilities (At Amortised Cost)**(₹ in lakhs)**

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured		
-From Other Banks	0.00	507.64
-From FIs/ NBFCs	1667.83	2,001.17
Total	1,667.83	2,508.81
Subordinated liabilities in India	1,667.83	2,508.81
Subordinated liabilities in outside India	-	-
Total	1,667.83	2,508.81

Term of Repayment Of Debentures, Subordinated Debts and Term Borrowings Outstanding

(₹ in lakhs)

(A) As at 31st March, 2024

Type of instrument/ institution	Frequency of Repayment	Original maturity of loan	Interest Rate	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years	Total
Debentures	Monthly	Above 3 years	13.00%-13.75%	3.56	-	280.00	1,120.00	-	1,403.56
Sub-debts	Bullet Repayment	Above 3 years	15.5% -16.00%	667.83	-	-	-	-	667.83
			15.5% -16.00%	-	-	-	-	1,000.00	1,000.00
Term Loans From Bank	Monthly	0-3 years	9.50 %-10.00 %	1,833.59	-	-	-	-	1,833.59
			10.50 %-11.00 %	7,327.07	2,956.11	495.34	-	-	10,778.52
			11.00%- 11.50 %	5,913.60	3,472.80	832.39	-	-	10,218.79
			11.50%-12.00 %	7,277.50	2,238.39	432.97	-	-	9,948.86
			12.00%-12.50 %	2,048.66	1,079.63	-	-	-	3,128.29
			12.50%-13.00%	1,162.10	-	-	-	-	1,162.10
		Above 3 years	9.50 %-10.00 %	662.36	275.32	-	-	-	937.68
			10.50%-11.00%	212.73	193.39	-	-	-	406.12
			11.00%- 11.50 %	123.90	-	-	-	-	123.90
			11.50%- 12.00 %	2,097.11	746.35	742.25	556.68	-	4,142.39
			12.00%-12.50 %	2,551.16	2,829.84	2,486.00	-	-	7,867.00
			12.50%-13.00%	1,106.32	-	-	-	-	1,106.32
Term Loans from Financial Institutions	Monthly	0-3 years	10.00%-10.50 %	1,106.32	-	-	-	-	1,106.32
			10.50%-11.00%	3,388.92	3,991.31	2,580.07	-	-	9,960.30
			12.00% - 12.5%	1,003.11	-	-	-	-	1,003.11
			12.5% - 13.00%	1,190.17	1,014.93	97.60	-	-	2,302.70
			13.00% -13.50%	825.40	869.48	-	-	-	1,694.88
			13.50% - 14.00%	662.53	755.30	-	-	-	1,417.83
		Above 3 years	12.5% - 13.00%	626.05	517.73	-	-	-	1,143.78
			13.00% - 13.50%	310.62	338.85	84.36	-	-	733.83
			13.50% - 14.00%	431.77	424.05	424.05	70.68	-	1,350.55
	Quarterly	0-3 years	11.00% - 11.50%	2,698.28	2,023.71	-	-	-	4,721.99
			11.50% - 12.00%	504.83	248.98	-	-	-	753.81
			12.5% - 13.00%	542.52	542.52	406.89	-	-	1,491.93
		Above 3 years	10.00% -10.50%	1,199.84	399.95	299.96	-	-	1,899.75
			9.50 %-10.00 %	5.46	5.89	5.45	-	-	16.80
			11.50%-12.00%	242.35	-	4,424.16	-	-	4,666.51
Vehicle Loans	Monthly	Above 3 years	10.00%-10.50 %	3,110.63	-	-	-	-	3,110.63
External Commercial Borrowing	Bullet Repayment	0-3 years	11.50%-12.00%	242.35	-	4,424.16	-	-	4,666.51
Securitization (PTC)	Monthly	0-3 years	10.00%-10.50 %	3,110.63	-	-	-	-	3,110.63

(B) As at 31st March, 2023

Type of instrument/ institution	Frequency of Repayment	Original maturity of loan	Interest Rate	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years	Total
Debentures	Bullet Repayment	0-3 years	11.00% - 11.75%	2,548.91	-	-	-	-	2,548.91
Sub-debts	Bullet Repayment	Above 3 years	15.5% -16.00%	1.17	1,000.00	-	-	1,000.00	2,001.17
			17.5% -18.00%	507.64	-	-	-	-	507.64
Term Loans From Bank	Monthly	0-3 years	8.50 %-9.00 %	1,600.43	340.97	-	-	-	1,941.39
			9.50 %-10.00 %	5,389.93	2,367.11	-	-	-	7,757.03
			10.00%-10.50 %	4,045.42	2,111.35	1,480.94	-	-	7,637.71
			10.50 %-11.00 %	750.28	184.60	-	-	-	934.87
			11.00%- 11.50 %	4,205.72	2,199.62	-	-	-	6,405.35
			11.50%-12.00 %	4,894.37	3,458.99	286.51	-	-	8,639.87
			12.00%-12.50 %	2,722.09	1,744.92	242.74	-	-	4,709.75
		Above 3 years	9.50 %-10.00 %	667.09	666.67	261.54	-	-	1,595.30
			10.00%-10.50 %	608.48	355.63	169.96	-	-	1,134.07
			11.00%- 11.50 %	1,112.93	495.99	-	-	-	1,608.92
			11.50%- 12.00 %	1,346.68	835.28	-	-	-	2,181.96

Term Loans from Financial Institutions	Monthly	0-3 years	9.50% - 10.00%	1,213.44	1,098.46	-		-	2,311.89
			11.50% - 12.00%	317.38	353.41	133.97		-	804.76
			12.00% - 12.5%	977.12	995.12			-	1,972.24
			12.5% - 13.00%	330.07	407.23	254.63		-	991.93
			13.00% -13.50%	1,507.27	662.80	750.75		-	2,920.82
			13.50% - 14.00%	68.80				-	68.80
	Quarterly	Above 3 years	12.5% - 13.00%	631.89	625.08	506.43		-	1,763.40
			13.00% - 13.50%	342.96	342.96	342.96	43.89	-	1,072.77
		0-3 years	11.00% - 11.50%	511.47	500.00	242.54		-	1,254.00
			11.50% - 12.00%	2,793.66	2,700.00	2,019.55		-	7,513.21
		Above 3 years	10.00% -10.50%	1,500.00	1,200.00	400.00	299.43	-	3,399.43
Vehicle Loans	Monthly	Above 3 years	7.50% - 8.00%	1.96	-	-	-	-	1.96
			9.00% -9.50%	4.96	5.41	5.89	5.37	-	21.63
Securitization (PTC)	Monthly	0-3 years	10.00%-10.50 %	2,898.19	1,176.35			-	4,074.54

18 Lease Liability

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Lease Liability	34.32	58.75
Total	34.32	58.75

19 Other Financial Liabilities

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Payable towards Securitisation/ Assignment transactions	2,083.09	2,612.54
Sundry Paybles	565.69	1.40
Audit Fees Payable	10.08	8.91
Salary Payables	15.57	16.25
Liability towards Employee	-	128.42
Director Remuneration Payable	-	110.00
Security deposit from Contractor	-	-
Total	2,674.43	2,877.53

20 Provisions

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Provision for employee Benefits		
Provision for Leave Encashment	92.73	87.61
Provision for Gratuity	-	-
Other Provisions		
Provision for CSR Expenses	-	-
Provision for Expenses	150.42	210.41
Total	243.15	298.01

Movement of Provision

Particulars	As at 31st March 2024	As at 31st March 2023
Provision for Expenses		
Opening Provision	298.01	298.01
Paid during the Year	(298.01)	(298.01)
Provision made during the Year	243.15	298.01
Closing Provision	243.15	298.01

21 Other Non-Financial Liabilities

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Advance From Customer	20.09	75.72
Unearned Interest Income	3.37	8.54
TDS Payable	3.18	103.94
GST Payable	-	11.54
ESI Payable	14.02	9.99
PF Payable	64.88	38.29
PT Payable	0.81	0.11
Total	106.35	248.13

22 Equity Share Capital

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Authorised		
15000000 Equity Shares of ₹ 10/- Each (as at 31st March 2023: 15000000 Equity Shares of ₹ 10/- Each)	1,500.00	1,500.00
3000000 Preference Shares of ₹ 10/- Each (as at 31st March 2023: 3000000 Preference Shares of ₹ 10/- Each)	300.00	300.00
	1800.00	1800.00
Issued, Subscribed and Fully Paid Up		
9893246 Equity Shares of ₹ 10/- Each (as at 31st March 2023: 9876930 Equity Shares of ₹ 10/- Each)	989.32	987.69
Total	989.32	987.69

(a) The Reconciliation of the Number of Shares Outstanding and the Amount of Share Capital:

Particulars	As at 31st March 2024 No. of Shares	As at 31st March 2023 No. of Shares
Equity Share Capital		
Shares outstanding at the beginning of the period	98,76,930.00	98,76,930.00
Changes during the period	16,316.00	-
Shares outstanding at the end of the period	98,93,246.00	98,76,930.00

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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 shareholder.

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

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Equity Shares of Rs. 10 each fully paid-up				
- Mr. Rajiv Jain	25,59,277	25.87	25,55,927	25.88
- Mr. Amit Jain	23,66,666	23.92	23,46,981	23.76
- Mrs. Shweta Jain	10,77,849	10.89	10,77,849	10.91
- Mrs Shilpa Ajmera	9,14,044	9.24	9,12,094	9.23

(d) Shareholdings of Promoters

Promoter name	Shares held by promoters at the beginning of the year		Shares held by promoters at the end of the year		% Change during the Year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Rajiv Jain	25,55,927	25.88	25,59,277	25.87	(0.01)
Amit Jain	23,46,981	23.76	23,66,666	23.92	0.16
Shweta Jain	10,77,849	10.91	10,77,849	10.89	(0.02)
Shilpa Ajmera	9,12,094	9.23	9,14,044	9.24	0.00
Rajiv Jain HUF	3,41,574	3.46	3,41,574	3.45	(0.01)
Amit Jain HUF	3,41,329	3.46	3,41,329	3.45	(0.01)

23 Other Equity**(₹ in lakhs)**

Particulars	As at 31st March 2024	As at 31st March 2023
Share Application Money Pending Allotment	-	-
Securities Premium	2,057.83	2,029.73
Retained Earnings	18,018.41	15,827.87
Statutory Reserve u/s 45-IC of RBI Act, 1934	4,149.49	3,664.35
Capital Redemption Reserve	300.00	300.00
Debenture Redemption Reserve	-	250.00
Share Based Payment Reserves	39.77	43.66
Impairment Reserve	567.66	567.66
Total	25,133.15	22,683.27

Nature, Purpose and Movement of Each Reserve**(i) Securities Premium**

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
At the beginning and end of the period	2,029.73	2,029.73
Add : Additions during the period	28.10	-
At the end of the period	2,057.83	2,029.73

(ii) Retained Earnings

Retained earnings or accumulated surplus represents total of all profits retained since the Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, or any such other appropriations to specific reserves.

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
At the beginning of the period	15,827.87	12,943.11
Add : Profit/(Loss) for the period	2,421.20	3,941.25
Add: Other Comprehensive Income	4.48	14.01
Add: Transfer From Debenture Redemption Reserves	250.00	-
Less: Transfer to Special Reserves	(485.13)	(1,070.50)
Less: Transfer to Capital Redemption Reserves	-	-
Less: Transfer to Debenture Redemption Reserves	-	-
At the end of the period	18,018.41	15,827.87

(iii) **Statutory Reserve u/s 45-IC of RBI Act, 1934**

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
At the beginning of the period	3,664.35	2,593.85
Add : Additions during the period	485.13	1,070.50
At the end of the period	4,149.49	3,664.35

(iv) **Capital Redemption Reserve**

CRR is a statutory requirement of Companies Act, 2013 which requires the company repurchasing its own shares from the market, to transfer an amount equal to the nominal value or face value of the shares bought back to this reserve.

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
At the beginning and end of the period	300.00	300.00
Add : Additions during the period	-	-
At the end of the period	300.00	300.00

(v) **Debenture Redemption Reserve**

DRR is a statutory requirement of Companies Act, 2013 which requires the company redeeming debentures, to transfer an amount equal to the 10% of face value of the debentures due for redemption in the next financial year.

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
At the beginning and end of the period	250.00	250.00
Add : Additions during the period	-	-
Less: Deletion during the period	(250.00)	-
At the end of the period	-	250.00

(vi) **Share Based Payment Reserves**

The Corporation has Employee stock option schemes under which the eligible employees and key management personnel are granted stock options. Stock options granted are measured at fair value on the grant date using appropriate model and amortised over the vesting period as share based payment with corresponding credit in share-based payment reserve. On exercise of the stock options, balance in share-based payment reserve is transferred to securities premium account.

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
At the beginning and end of the period	43.66	-
Add : Additions during the period	24.21	-
Less: Deletion during the period	(28.10)	43.66
At the end of the period	39.77	43.66

(vii) **Impairment Reserve**

Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
At the beginning and end of the period	567.66	567.66
Add : Additions during the period	-	-
At the end of the period	567.66	567.66

Digamber Capfin Limited
Notes to financial statements for the period ended on 31st March 2024

24 Income (Measured at Amortised Cost)

(₹ in lakhs)

Particulars	Year to date figures for current Period ended 31st March 2024	Previous year ended 31st March 2023
Interest Earned on Loans	24,386.60	21,833.11
Excess interest spread on securitization/income from assignment	1,054.27	814.08
Unwinding Interest Income on EIS asset	203.60	427.43
Total Income	25,644.47	23,074.62

25 Net Gain/(Loss) On Fair Value Changes

Particulars	Year to date figures for current Period ended 31st March 2024	Previous year ended 31st March 2023
Net gain/(loss) on financial instruments at fair value through profit and loss (FVTPL)		
On trading portfolio		
Mutual fund investment at FVTPL	52.57	27.71
Foreign Exchange gain/(loss) on External Commercial Borrowings	-	-
Total Net gain/(loss) on fair value changes	52.57	27.71
Analysis of fair value changes		
Realised		-
Unrealised	52.57	27.71
Total Net gain/(loss) on fair value changes	52.57	27.71

26 Net Gain On Derecognition Of Financial Instruments Under Amortized Cost Category

Particulars	Year to date figures for current Period ended 31st March 2024	Previous year ended 31st March 2023
Net gain on derecognition of financial instruments under amortized cost category		
Gain on sale of Loan Portfolio	1,106.95	1,969.77
Total Net gain on derecognition of financial instruments	1,106.95	1,969.77

27 Other Income

Particulars	Year to date figures for current Period ended 31st March 2024	Previous year ended 31st March 2023
Misc. Receipts	4.92	5.96
Interest on Fixed Deposit	810.76	305.23
Interest Income Bond	28.50	-
Recovery from Written off Accounts	203.72	298.25
Total Other Income	1,047.89	609.45

28 Finance Cost

Particulars	Year to date figures for current Period ended 31st March 2024	Previous year ended 31st March 2023
Interest on financial liabilities (measured at amortised cost)		
Borrowings	9,863.29	7,984.97
Debt securities	54.11	239.45
Others		
Bank charges	57.07	34.43
Other Finance Costs	17.18	20.62
Interest accrued but not due	170.10	111.90
Total Finance cost	10,161.75	8,391.38

29 Impairment on Financial Instruments

Particulars	Year to date figures for current Period ended 31st March 2024	Previous year ended 31st March 2023
Loan Assets (measured at amortised cost)	425.55	(375.54)
Loan Assets Written Off (measured at amortised cost)	4,141.40	4,142.67
Total Impairment on financial instruments	4,566.96	3,767.13

30 Employee Benefit Expense

Particulars	Year to date figures for current Period ended 31st March 2024	Previous year ended 31st March 2023
Salary to Staff	5,898.46	4,610.43
Bonus to Staff	225.29	169.88
Contribution to ESI	126.49	100.42
PF Contribution	354.23	331.14
Share-based Payment to Employees	24.21	43.66
Gratuity Expenses	66.37	62.49
Leave Encashment Expenses	15.00	88.25
Staff welfare expenses	12.64	8.41
Director Remuneration	502.00	680.00
Total Employee Benefit Expenses	7,224.68	6,094.67

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note no.42.

31 Depreciation and Amortisation Expense

Particulars	Year to date figures for current Period ended 31st March 2024	Previous year ended 31st March 2023
Depreciation on Property, Plant & Equipment	117.22	105.98
Amortisation on Intangible Assets	3.23	2.99
Amortisation on ROU Assets	35.82	34.24
Total Depreciation and amortization expense	156.27	143.21

32 Other Expenses

Particulars	Year to date figures for current Period ended 31st March 2024	Previous year ended 31st March 2023
Electricity & Water Expenses	85.34	76.57
Insurance Expenses	77.71	52.40
Legal & Professional Charges	404.72	394.85
Printing & Stationery	74.91	62.65
Rent ,Rates & Taxes	342.45	292.28
Repairs and Maintenance Expenses	7.65	4.66
Telephone Expenses	25.82	20.01
Travelling & Conveyance	1,039.87	670.36
Loss by Robbery	3.17	-
Audit Fees & Expenses	17.78	17.01
GST Audit Fees & Expenses	-	0.71
CSR Expenses	93.00	81.47
Director sitting Fees	6.94	4.26
Office Expenses	69.60	54.39
Sundry Expenses	51.48	18.04
Collection Charges	109.03	45.05
Advertisement	2.15	21.32
Web Site & Software Expenses	146.98	107.35
Interest on Lease Rent	4.90	7.97
Valuation Expenses	0.66	0.07
AMC charges	2.85	1.23
Total Other expenses	2,567.02	1,932.64

(a) The Payment To Auditors includes:-

Particulars	Year to date figures for current Period ended 31st March 2024	Previous year ended 31st March 2023
As an auditor		
Audit Fees	11.44	9.29
Limited Review	2.18	2.18
Tax Audit	1.10	1.09
In other Capacity		
Company Law matters	-	1.11
Certification Fees	3.06	3.34
Total	17.78	17.01

(b) Amount spent towards Corporate Social Responsibility (CSR):-

Particulars	Year to date figures for current Period ended 31st March 2024	Previous year ended 31st March 2023
a) Amount unspent for the last year		-
b) Gross amount required to be spent by the company during the year	93.00	81.47
c) Amount spent during the year ending on 31st March:		
(i) Construction/acquisition of any asset		-
(ii) On purposes other than (i) above*	93.00	81.47
Total	93.00	81.47

*It includes contribution to 'Karamaputra Charitable Trust' & 'Nirman SamajikSanstha Devhare' controlled by the company in relation to CSR expenditure as per relevant Accounting Standard amounting to 48.00 lakhs and 40.00 lakhs respectively for the current year (previous year: 60.00 lakhs to 'Janjagrti Sevarth Sansthan'.)

33 Income Tax

Particulars	Year to date figures for current Period ended 31st March 2024	Previous year ended 31st March 2023
Current Tax	798.15	1,665.64
Deferred Tax	(55.99)	(291.08)
Total Tax Expense	742.16	1,374.56

34 Earnings per Share (Ind AS 33)

Particulars	Year to date figures for current Period ended 31st March 2024	Previous year ended 31st March 2023
(A) Basic Earnings per share		
(i) Profit attributable to equity shareholders (used as numerator) (₹ lakhs)	2,421.20	3,941.25
(ii) Weighted average number of equity shares (used as denominator) (Nos.)(Nominal Value per share ₹ 10)	98,93,246.00	98,76,930.00
Basic EPS (i)/(ii) (in ₹)	24.47	39.90
(B) Diluted Earnings per share		
(i) Profit attributable to equity shareholders (used as numerator) (₹ lakhs)	2,421.20	3,941.25
(ii) Weighted average number of equity shares (used as denominator) (Nos.)(Nominal Value per share ₹ 10)	99,15,068.97	99,00,891.20
Diluted EPS (i)/(ii)	24.42	39.81

35 Maturity Analysis at March 31, 2024 & March 31, 2023

Particulars	As at 31st March 2024			As at 31st March 2023		
	Amount	within 12 month	after 12 month	Amount	within 12 month	after 12 month
I. ASSETS						
(1) Financial Assets						
(a) Cash and Cash Equivalents	9,078.06	9,078.06	-	3,798.32	3,798.32	-
(b) Bank balance other than Cash and cash equivalents	192.63	192.63	-	503.96	503.96	-
(c) Receivables	-	-	-	-	-	-
(I) Trade Receivables	-	-	-	-	-	-
(II) Other Receivables	-	-	-	-	-	-
(d) Loans	95,006.13	66,386.98	28,619.15	90,368.52	57,836.92	32,531.60
(e) Investments	1,172.46	656.16	516.31	587.62	-	587.62
(f) Other Financial Asset(to be specified)	11,503.42	6,498.82	5,004.60	9,251.30	5,371.03	3,880.28
Total Financial Assets	1,16,952.71	82,812.66	34,140.05	1,04,509.72	67,510.23	36,999.49
(2)Non-financial Assets						
(a) Current Tax Assets(Net)	164.95	164.95	-	-	-	-
(b) Deferred tax Assets (Net)	-	-	-	-	-	-
(c) Property, Plant and Equipment	3,390.77	-	3,390.77	3,395.80	-	3,395.80
(d) Right of Use Assets	32.17	-	32.17	57.05	-	57.05
(e) Capital Work in progress	905.55	-	905.55	384.53	-	384.53
(f) Intangible Assets under development	-	-	-	7.94	-	7.94
(g) Other Intangible Assets	5.27	-	5.27	-	-	-
(h) Other non-financial assets	364.34	357.00	7.34	77.70	62.72	14.98
Total Non-financial Assets	4,863.06	521.95	4,341.11	3,923.02	62.72	3,860.30
Total Assets	1,21,815.77	83,334.61	38,481.16	1,08,432.74	67,572.95	40,859.79
II. LIABILITIES AND EQUITY						
Liabilities						
(1) Financial Liabilities						
(a) Payables						
(I)Trade Payables						
i)Total Outstanding dues of Micro Enterprises and Small Enterprises	17.32	17.32	-	8.51	8.51	-
ii)Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	-	-	-	2.87	2.87	-
(II)Other Payables	-	-	-	-	-	-
i) Total outstanding dues of micro enterprises and small	-	-	-	5.58	5.58	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	15.11	15.11	-	0.10	0.10	-
(b) Debt Securities	1,403.56	3.56	1,400.00	2,548.91	2,548.91	-
(c) Borrowings (Other than Debt Securities)	89,418.20	50,489.98	38,928.22	75,716.16	43,441.13	32,275.03
(d) Subordinated Liabilities	1,667.83	667.83	1,000.00	2,508.81	508.81	2,000.00
(e) Lease liabilities	34.32	28.18	6.14	58.75	34.18	24.57
(f) Other Financial Liabilities	2,674.43	2,674.43	-	2,877.53	2,877.53	-
Total Financial Liabilities	95,230.77	53,896.42	41,334.36	83,727.22	49,427.62	34,299.60
(2)Non- Financial Liabilities						
(a) Current Tax Liabilities (Net)	-	-	-	320.92	320.92	-
(b) Provisions	243.15	243.15	-	298.01	298.01	-
(c) Deferred tax Liabilities (Net)	113.02	-	113.02	167.50	-	167.50
(d) Other non-financial liabilities	106.35	106.23	0.12	248.13	244.37	3.76
Total Non- Financial Liabilities	462.52	349.38	113.14	1,034.56	863.30	171.26
(3) EQUITY						
(a) Equity Share Capital	989.32	-	989.32	987.69	-	987.69
(b) Other Equity	25,133.15	-	25,133.15	22,683.27	-	22,683.27
Total Equity	26,122.48	-	26,122.48	23,670.96	-	23,670.96
Total Equity and Liabilities	1,21,815.77	54,245.80	67,569.98	1,08,432.74	50,290.91	58,141.82

36 Employee Stock Options (ESOP)

The Company has provided share based payments to its employees pursuant to 'ESOP Scheme 2022'. Details of all grants in operation during the year ended March 31, 2024 are as given below:

Particulars	Grade I	Grade II	Grade III
Date of grant	08-08-2022	08-08-2022	08-08-2022
Date of Board Committee approval	26-05-2022	26-05-2022	26-05-2022
Number of Options granted	54,371	10,481	3,869
Method of settlement	Equity	Equity	Equity

Graded Vesting Period:				
Day following the expiry of 12 months from grant		30%	25%	20%
Day following the expiry of 24 months from grant		35%	25%	20%
Day following the expiry of 36 months from grant		35%	25%	20%
Day following the expiry of 48 months from grant		-	25%	20%
Day following the expiry of 60 months from grant		-	-	20%
Exercise Period		1 months from date of vesting		
Vesting Conditions		Employee to be in service at the time of vesting		
Weighted average exercise price per option (₹)		10	10	10
Weighted average remaining contractual life (years)		1.36	2.36	3.36
Weighted average fair value per option (₹)		172.13	172.40	172.70
Risk free interest rate				
I		5.93%	5.93%	5.93%
II		6.44%	6.44%	6.44%
III		6.73%	6.73%	6.73%
IV		-	6.90%	6.90%
V		-	-	7.01%
Expected volatility				
I		57.03%	57.03%	57.03%
II		52.46%	52.46%	52.46%
III		58.26%	58.26%	58.26%
IV		-	54.41%	54.41%
V		-	-	52.46%
Dividend Yield				
I		0.00%	0.00%	0.00%
II		0.00%	0.00%	0.00%
III		0.00%	0.00%	0.00%
IV		-	0.00%	0.00%
V		-	-	0.00%

Year ended March 31, 2024	Grade I	Grade II	Grade III
Number of options outstanding at the beginning of the year	54,371.00	10,481.00	3,869.00
Number of options granted during the year	-	-	-
Number of options forfeited during the year	16,052.00	-	-
Number of options exercised during the year	12,919.00	2,623.00	774.00
Number of options expired during the year	-	-	-
Number of options outstanding at the end of the year	25,400	7,858	3,095
Number of options exercisable at the end of the year	-	-	-

Year ended March 31, 2023	Grade I	Grade II	Grade III
Number of options outstanding at the beginning of the year	-	-	-
Number of options granted during the year	54,371.00	10,481.00	3,869.00
Number of options forfeited during the year	-	-	-
Number of options exercised during the year	-	-	-
Number of options expired during the year	-	-	-
Number of options outstanding at the end of the year	54,371.00	10,481.00	3,869.00
Number of options exercisable at the end of the year	-	-	-

Digamber Capfin Limited
Notes to financial statements for the period ended on 31st March 2024

37 Disclosure as per Ind AS 7 "Cash Flow Statement"

Cash and non-cash changes in liabilities arising from financing activities:

Year ended 31st March 2024

Particulars	Secured Term Loans	Subordinated Debt	Non Convertible Debentures	Total
As at 1st April 2023	75,716.16	2,508.81	2,548.91	80,773.88
Cash Flows				
Receipts/(Payments)	14,628.79	(833.33)	(1,100.00)	12,695.46
Non-cash changes				
Accrued Interest	162.62	1.17	3.56	167.34
Amortisation of Processing Fees	(1,089.37)	(8.81)	(48.91)	(1,147.10)
As at 31st March 2024	89,418.20	1,667.83	1,403.56	92,489.58

Year ended 31st March 2023

Particulars	Secured Term Loans	Subordinated Debt	Non Convertible Debentures	Total
As at 1st April 2022	70,351.38	1,507.82	2,545.50	74,404.70
Cash Flows				
Receipts/(Payments)	5,215.73	999.82	-	6,215.56
Non-cash changes				
Accrued Interest	(87.42)	1.17	1.28	(84.97)
Amortisation of Processing Fees	236.45	-	2.13	238.59
As at 31st March 2023	75,716.16	2,508.81	2,548.91	80,773.88

38 Disclosure as per Ind AS 12: Income Taxes

(i) Income Tax recognized in the statement of profit and loss

(₹ In Lakhs)			
Particulars	Year ended 31st March 2024	Year ended 31st March 2023	
Current Tax expense			
Current Year	798.15	1,665.64	
Adjustment for earlier years	-	-	
Total current Tax Expense	798.15	1,665.64	
Deferred Tax Expense			
Origination and reversal of temporary differences	(55.99)	(291.08)	
Origination and reversal of carried forward losses			
Total Deferred Tax Expense	(55.99)	(291.08)	
Income Tax for Earlier Year	11.82	36.71	
Total Income Tax Expense	753.99	1,411.27	

(ii) Income Tax recognized in other comprehensive income

(₹ In Lakhs)			
Particulars	Year ended 31st March 2024	Year ended 31st March 2023	
Net actuarial gains/(losses) on defined benefit plans			
Before Tax	5.98	18.73	
Tax expense / (benefit) recognized in OCI	(1.51)	(4.71)	
Net of Tax	4.48	14.01	

(iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

(₹ In Lakhs)			
Particulars	Year ended 31st March 2024	Year ended 31st March 2023	
Profit before tax	3,175.18	5,352.52	
Applicable Tax Rate	25.17%	25.17%	
Computed tax expense	799.13	1,347.12	
Earlier Year tax	11.82	36.71	
Adjustments for:			
CSR Expenses	23.41	20.50	
Depreciation excess allowed	8.10	(4.65)	
Disallowances	(6.61)	11.54	
Permanent Difference	5.26	0.04	
Deduction u/s 80J(AA)	(87.12)	-	
Tax as per Statement of Profit & Loss	753.99	1,411.27	

Deferred tax balance (Asset) / Liability in relation to	As at 31st March 2024	Movement during the period	As at 31st March 2023
Effective Interest Rate on Financial Assets	168.90	118.14	50.77
Provisions for ECL	366.49	60.51	305.98
Actuarial Gain on Gratuity	(4.50)	(1.51)	(3.00)
Fair Valuation of Mutual Funds	(26.08)	(13.23)	(12.85)
Effective Interest Rate on Financial Liability	(199.95)	(215.90)	15.95
Effective Interest Spread impact due to Direct Assignment	(371.33)	106.26	(477.59)
Provisions for Leave Encashment	23.34	1.29	22.05
Depreciation and Amortisation	(70.58)	(1.02)	(69.57)
Leases	0.68	(0.08)	0.76
Security Deposit	0.02		
Total	(113.02)	54.48	(167.50)
Recognised through:			
Profit & Loss		55.99	
OCI		(1.51)	
		54.48	

39 Disclosure as per Ind AS 37: Provisions, Contingent Liabilities, Contingent Assets

(₹ In Lakhs)		
Particulars	As at 31st March 2024	As at 31st March 2023
A. Contingent Liabilities		
Claims against the company not acknowledged as debt		
Possible cash embezzlement matters under Investigation	45.83	-
Bank Guarantee	25.00	25.00
B. Capital and other Commitments		
Others		
The Company's capital commitments towards Capital Work in Progress	132.72	221.20
	203.55	246.20

40 Disclosure as per Ind AS 24 and Sec 53(f) of SEBI (LODR) Regulations,2015: Related Parties

(A) Name of Related parties and nature of relationship

1. Directors and Key Management Personnel	
a) Mr. Rajiv Jain	Chairman & Managing Director
b) Mr. Amit Jain	Whole Time Director cum CFO
c) Mr. Lalit Kumar Jain	Independent Director
d) Mr. Nayan Ambali	Non- Executive Director
e) Mr. Jatin Chhabra	Non- Executive Director
f) Dr. Amita Gill	Independent Director
g) Mr. Shashank Vyas	Nominee Director - SIDBI
h) Ms. Neha Agarwal	Company Secretary

2. Relatives of Key Management Personnel	
a) Mrs. Shweta Jain	
b) Mrs. Shilpa Ajmera	

3. Enterprises in which Key Management Person and their Relatives are interested	
a) Rajiv Jain HUF	
b) Amit Jain HUF	
c) Conflux Technologies Pvt. Ltd.	

(B) Transaction with the above related parties			(₹ in Lakhs)
Transactions with KMP			
Name	Nature of Transaction	2023-2024	2022-2023
Amit Jain	Remuneration and commission	251.00	340.00
Rajiv Jain	Remuneration and commission	251.00	340.00
Neha Agarwal	Salary	3.00	3.00
Mr. Jatin Chhabra	Sitting Fees	1.76	0.98
Dharmendra Saxena	Sitting Fees	-	0.21
Lalit Kumar Jain	Sitting Fees	3.02	1.05
Nayan Ambali	Sitting Fees	0.73	0.77
Amita Gill	Sitting Fees	0.71	0.77
Shashank Vyas	Sitting Fees	0.15	0.07
Transactions with Other Parties			
Shweta Jain	Salary	42.00	36.00
Shilpa Ajmera	Salary	42.00	36.00
Conflux Technologies Pvt. Ltd.	Web Rent Exp	104.36	94.02

(C) Outstanding Balances of the above related parties -	2023-2024	2022-2023
Receivable/(Payable)		
Amit Jain	-	55.00
Rajiv Jain	-	55.00
Conflux Technologies Pvt. Ltd.	10.25	8.51

(D) Compensation of KMP	2023-2024	2022-2023
(i) Short term benefits	511.37	686.85
(ii) Long term benefits	-	-

41 Disclosure as per Ind AS 116: Leases

The company lease primarily consist of leases for office premises. These agreements are generally renewable on mutually agreed terms.

Practical Expedients applied:

The company has elected not to apply the recognition, measurement and presentation requirements of the standard to all short term leases (leases which have a lease term of 12 months or less and do not contain a purchase option), and to leases of low value assets on a lease-by-lease basis.

Leases		(₹ In Lakhs)	
Particulars	Year ended 31st March 2024	Year ended 31st March 2023	
(i) Movement of ROU Asset			
Balance at beginning of the year	57.05	-	
Additions	10.94	91.29	
Deletions	-	-	
Gross Carrying value of asset	67.99	91.29	
Less: Depreciation of ROU Assets	35.82	34.24	
Net carrying value/Balance at end of the year	32.17	57.05	
(ii) Movement of Lease Liabilities			
Balance at beginning of the year	58.75	-	
Additions	10.83	89.19	
Finance cost accrued during the period	4.90	7.97	
Deletions	-	-	
Paid/ payable lease liabilities	40.15	38.40	
Balance at end of the year	34.32	58.75	
(iii) Maturity Analysis of Lease Liability			
Contractual undiscounted cashflows:	-	-	
Less than one year	28.18	34.18	
One to Three years	6.15	24.57	
Three to five years	-	-	
More than five years	-	-	
Total undiscounted lease liability	34.32	58.75	
(iv) Amount Recognised in Profit and Loss			
Interest on lease liabilities	4.90	7.97	
Depreciation of ROU Assets	35.82	34.24	
Expenses related to short term leases	339.39	291.58	
Total expense booked in P&L	380.10	333.79	

42 Disclosure as per Ind AS 19 'Employee Benefits'

A) Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes. During the year company has recognised the following amounts in the statement of profit and loss account:

Particulars	(₹ In Lakhs)	
	Year ended 31st March 2024	Year ended 31st March 2023
Contributions to Provident and other funds	480.71	431.56
Total	480.71	431.56

B) Defined Benefit plan - Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary) for each completed year of service subject to a maximum of ₹20 Lakhs on retirement, resignation, termination, disablement or on death, in accordance with Payment of Gratuity Act, 1972. Present value of gratuity obligation is determined based on actuarial valuation using the projected unit credit method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Particulars	(₹ In Lakhs)	
	As at 31st March 2024	As at 31st March 2023
(i) Change in plan assets		
Fair value of plan assets at the beginning of the period	213.18	215.35
Actual return on plan assets	14.01	11.44
Mortality	-	-
Employer contribution	142.13	0.00
Benefits paid	(36.28)	(13.61)
Fair value of plan assets at the end of the period	333.04	213.18
(ii) Change in defined benefit obligation		
Defined benefit obligation, beginning of the year	186.92	145.33
Current service cost	68.31	67.49
Interest cost	13.81	10.38
Past service cost	-	-
Benefits paid	(36.28)	(13.61)
Actuarial (gains)/losses	(7.73)	(22.67)
Defined benefit obligation, end of the year	225.04	186.92
(iii) Net Liability/(Asset) recognized in the Balance Sheet		
Present value of defined benefit obligation	225.04	186.92
Fair value of plan assets	(333.04)	(213.18)
Net liability	(108.00)	(26.26)
(iv) Expenses recognized in Statement of Profit or Loss		
Total Service Cost	68.31	67.49
Net Interest cost	(1.94)	(5.00)
Total Expense recognised in statement of profit or loss	66.37	62.49
(v) Remeasurements recognized in other comprehensive income(OCI)		
Changes in demographic assumptions	(43.84)	-
Changes in financial assumptions	5.55	(1.75)
Experience adjustments	32.31	(16.98)
Total Actuarial (Gain) / Loss recognised in OCI	(5.98)	(18.73)
(vi) Maturity Profile of Defined Benefit Obligation		
0 to 1 Year	18.49	5.19
1 to 2 Year	16.23	7.12
2 to 3 Year	14.33	7.63
3 to 4 Year	11.75	9.05
4 to 5 Year	10.37	9.23
5 to 6 Year	8.98	8.67
6 Year onwards	144.89	140.04
(vii) Sensitivity Analysis for significant assumptions*		
Increase/(Decrease) on present value of defined benefits obligation at the end of the year	225.04	186.92
0.5% increase in salary escalation rate	(11.36)	12.52
0.5% decrease in salary escalation rate	12.46	(11.59)
0.5% increase in discount rate	(11.36)	(11.65)
0.5% decrease in discount rate	12.46	12.89
(viii) Actuarial Assumptions		
Discount rate (p.a)	7.27%	7.39%
Salary Escalation Rate (p.a.)	7.00%	7.00%
Retirement age	58 years	60 years
Mortality (Including provision for disability)	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition Rate	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	36.16%	6.00%
From 31 to 44 Years	6.00%	6.00%
Above 44 Years	6.00%	6.00%

* These Sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

C) Compensated absences

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment if he has rendered continuous service of five years or more. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The scheme is unfunded and liability for the same is determined based on actuarial valuation using the projected unit credit method. A provision ₹ 14.50 lakh for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:

- a) **Changes in Discount rate** - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- b) **Salary increase risk** - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- c) **Life expectancy** - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- d) **Withdrawals** - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

43 Disclosure as per Ind AS-107 'Financial Instruments'

Financial Risk Management

The Company's Principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the Company's operations. At the other hand company's Principal financial assets include loans and cash and cash equivalents that derive directly from its operations.

As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The Principal Objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. The Company's risk governance structure operates with a robust board and risk management committee with a clearly laid down charter and senior management direction and oversight. The board oversees the risk management process and monitors the risk profile of the company directly as well as through its sub committees including the Audit Committee, the Asset Liability Supervisory Committee and the Risk Management Committee. The key risks faced by the company are liquidity risk, credit risk, Concentration risk, market risk, interest rate risk and Operational Risk.

Company is exposed to following risk from the use of its financial instrument:

- Credit Risk
- Liquidity Risk
- Market Risk
- Concentration Risk
- Interest Rate Risk
- Operational Risk

(i) Credit risk

Credit Risk arises when a borrower is unable to meet financial obligations under the loan agreement to the Company. This could be either because of wrong assessment of the borrower's repayment capabilities or due to uncertainties in future. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes.

Loan Asset:

The company has comprehensive and well-defined credit policies across all products and segments, which are backed by analytics and technology for mitigating the risks associated with them. Company has developed "Credit scoring model" which uses quantitative measures of the performance and characteristics of past loans to predict the future performance of loans with similar characteristics. It is a statistical method of assessing the credit risk associated with new loan applications. Various Parameters or risk identifiers of this function are empirically designed; that is, they are developed entirely from information and experience gained through prior experience. It is the set of decision models and their underlying techniques that aid the company in determining to ascertain the credit worthiness of a potential customer and also fairly price credit risks. It is an objective risk assessment/identification tool, as opposed to subjective methods that rely on a credit underwriter's opinion. It helps the company in taking credit decisions in a consistent manner.

Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, cash flow analysis, physical verifications of a customer's business and residence and field visits and required term cover for insurance. The company has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals.

Cash & Cash Equivalents, Bank Deposits & Other Financial assets:

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/ financial institutions who have been assigned high credit rating by international and domestic rating agencies.

The Company held cash and cash equivalents of ₹ 9078.06, ₹ 3798.32 lakhs on 31st March 2024 , 31st March 2023 respectively and other deposits with banks and financial institutions of ₹ 192.63 , ₹ 503.96 Lakhs on 31st March 2024, 31st March 2023 respectively.

(ii) Concentration of Risk/Exposure

Concentration of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in same geographical area or industry sector so that collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions.

The Company is in retail lending business in all over India.

The Concentration of risk is managed by company for each product by its region and its sub segments. Company did not overly depend on few regions or sub-segments as of March 31, 2024.

Carrying amount of maximum credit risk as on reporting date

Particulars	(₹ In Lakhs)	
	As at 31st March 2024	As at 31st March 2023
Financial assets for which loss allowance is measured using 12 month Expected Credit Loss		
Loans	93,632.59	89,588.66
Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss		
Loans	3,739.69	2,720.45
Total	97,372.28	92,309.12

(iii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of Liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. Liquidity risk may arise because of the possibility that the company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances caused by a difference in the maturity profile of Company assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The company manages liquidity risk by maintaining adequate cash and bank balances and access to undrawn committed borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	(₹ In Lakhs)				
	On Demand	0-1 year	1-5 years	More than 5 years	Total
As at 31st March 2024					
Borrowings	-	50,554.82	38,863.38	-	89,418.20
Debt Securities	-	3.56	1,400.00	-	1,403.56
Subordinated Liabilities	-	667.83	1,000.00	-	1,667.83
Trade and Other Payables	-	32.43	-	-	32.43
Other Financial Liabilities	-	2,674.43	-	-	2,674.43
Total	-	53,933.07	41,263.38	-	95,196.45
As at 31st March 2023					
Borrowings	-	43,441.13	32,275.03	-	75,716.16
Debt Securities	-	2,548.91	-	-	2,548.91
Subordinated Liabilities	-	508.81	1,000.00	1,000.00	2,508.81
Trade and Other Payables	-	17.05	-	-	17.05
Other Financial Liabilities	-	2,877.63	-	-	2,877.63
Total	-	49,393.53	33,275.03	1,000.00	83,668.56

(iv) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The Company's exposure to market risk is primarily on account of interest rate risk and liquidity risk. The objective of the company is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(v) Interest Rate Risk

The Company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity years that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seeks to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Interest Rate Exposure:

Particulars	(₹ In Lakhs)	
	As at 31st March 2024	As at 31st March 2023
A. Fixed Rate Borrowings	35,318.82	29,257.94
B. Floating Rate Borrowings	57,170.76	51,515.94
Total Borrowings	92,489.58	80,773.88

Fair Value Sensitivity analysis for Fixed rate -Instrument

The Company does not account for any Fixed rate -Financial Asset and Financial Liabilities at Fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash Flow Sensitivity analysis for Variable rate -Instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amount shown below

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

Particulars	Year Ended 31st March 2024		Year Ended 31st March 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Borrowings (Floating)	57,170.76	57,170.76	51,515.94	51,515.94
Increase in basis points (1%)	571.71	571.71	515.16	515.16
Decrease in basis points (1%)	(571.71)	(571.71)	(515.16)	(515.16)

(vi) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses.

The Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of concurrent audit.

The company has put in place a robust Disaster Recovery (DR) plan and Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with any adverse events.

44 Capital Management

For the purpose of Company's Capital Management, Capital includes issued equity share capital & Borrowings. The primary objective of Company's Capital Management is to maximize shareholder's value and to maintain an appropriate capital structure of debt and equity. The company manages it's capital structure and makes adjustments in the light of changes in economic environment and the requirements of financial covenants. The company manages it's capital using Debt to Equity Ratio which is Net Debt/Total Equity. Net Debt is total borrowing (Non-current and current) less cash and cash equivalent.

Particulars	(₹ In Lakhs)	
	As at 31st March 2024	As at 31st March 2023
Borrowings	92,489.58	80,773.88
Less: Cash and Cash Equivalents	9,078.06	3,798.32
Net Debt	83,411.52	76,975.56
Total Equity	26,122.48	23,670.96
Net Debt to Equity Ratio	3.19	3.25

45 Disclosure as per Ind AS 108: Operating Segments

a) The managing Director (MD) of the company has been identified as the chief operating decision maker (CODM) as defined by the Ind AS 108 "Operating Segments". The Company's Operating segments are established in the manner consistent with the components of company that are evaluated regularly by the CODM. The company is engaged primarily in the business of financing and operates in a single reportable segment i.e. lending to retail customers under various product lines, having similar risks and returns.

b) Geographical Information

The Company operates in a single geographical area - India (country of domicile).

All of the Company's non current assets are located in India.

c) Information about major customers

During the year ended 31st March 2024 and 31st March 2023, there is no single customer contributes 10% or more to the Company's revenue.

46 Disclosure as per Ind AS-113 'Fair Value Measurements'

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in an orderly transaction in the principal (or most advantageous) market at measurement date under the current market condition regardless of whether that price is directly observable or estimated using other valuation techniques.

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

The Company has established the following fair value hierarchy that categorizes the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This Includes listed equity instruments that have quoted price. Listed and actively traded equity instruments are stated at the last quoted closing price on the National Stock Exchange of India Limited (NSE).

Level 2- The fair value of financial instruments that are not traded in active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of the financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

Valuation Techniques : The management assessed that cash and cash equivalents, bank balances other than cash & cash equivalents, other financial assets, trade payables, lease liability and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of financial assets or liabilities.

Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Fair value measurement hierarchy of assets & liabilities as at March 31, 2024

Particulars	(₹ In Lakhs)			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	95,006.13	95,006.13
Investments	1,172.46	-	-	1,172.46
Total	1,172.46	-	95,006.13	96,178.60
Financial Liabilities				
Debt Securities	-	-	1,403.56	1,403.56
Borrowings (Other than Debt Securities)	-	-	89,418.20	89,418.20
Subordinated Liabilities	-	-	1,667.83	1,667.83
Total	-	-	92,489.58	92,489.58

Fair value measurement hierarchy of assets & liabilities as at March 31, 2023

(₹ In Lakhs)				
Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	90,368.52	90,368.52
Investments	587.62	-	-	587.62
Total	587.62	-	90,368.52	90,956.14
Financial Liabilities				
Debt Securities	-	-	2,548.91	2,548.91
Borrowings (Other than Debt Securities)	-	-	75,716.16	75,716.16
Subordinated Liabilities	-	-	2,508.81	2,508.81
Total	-	-	80,773.88	80,773.88

(a) Financial Instruments by category

(₹ In Lakhs)				
Particulars	As at 31st March 2024			
	Level	Carrying Value	Fair Value	
Financial Assets at Amortised Cost				
Loans	3	95,006.13		95,006.13
Financial Assets at Fair Value through Profit and Loss				
Investments	1	1,172.46		1,172.46
Financial Liabilities at Amortised Cost				
Debt Securities	3	1,403.56		1,403.56
Borrowings	3	89,418.20		89,418.20
Subordinated Liabilities	3	1,667.83		1,667.83

(₹ In Lakhs)				
Particulars	As at 31st March 2023			
	Level	Carrying Value	Fair Value	
Financial Assets at Amortised Cost				
Loans	3	90,368.52		90,368.52
Financial Assets at Fair Value through Profit and Loss				
Investments	1	587.62		587.62
Financial Liabilities at Amortised Cost				
Debt Securities	3	2,548.91		2,548.91
Borrowings	3	75,716.16		75,716.16
Subordinated Liabilities	3	2,508.81		2,508.81

47 Transfer of Financial Assets

Transferred financial assets that are not derecognized in their entirety

Securitisation:

The Company uses securitisations PTC as a source of finance. Such transactions generally result in the transfer of contractual cash flows from portfolios of financial assets to holders of issued securities. Securitisation has resulted in the continued recognition of the securitised assets.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in lakhs)		
Particulars`	Year ended 31st March 2024	Year ended 31st March 2023
Carrying amount of transferred assets measured at amortised cost (Total Pool Amount)	3,670.71	5,002.22
Carrying amount of associated liabilities (Investor Part)	3,303.64	4,501.99

Assignment Deal:

During the year ended 31st March 2024, the Company has sold certain loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet.

The management has evaluated the impact of assignment transactions done during the year for its business model. Based on the future business plan, the Company business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition

(₹ in lakhs)		
Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Carrying value of derecognised financial asset	9,843.79	13,522.29
Gain from derecognition	1,106.95	1,969.77
Total	10,950.74	15,492.06

48 The title deeds of all the immovable properties disclosed in the financial statements (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

49 There are no Loans that have been granted to Promoter, Director, KMP or other Related Parties (as defined in Companies Act 2013)

Loans to Directors, Senior Officers and relatives of Directors

(Rs. In Lakhs)		
Particulars	Current Year	Previous Year
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

50 There are no proceedings which 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.

51 The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are not in agreement with the books of accounts and summary of reconciliation thereof is disclosed below :-

Particulars	Apr 2023 to June 2023 (Q1)	July 2023 to Sept 2023 (Q2)	Oct 2023 to Dec 2023 (Q3)	Jan 2024 to Mar 2024 (Q4)
Balance as per Statement filed with Bank/Financial Institution	72,675.75	81,685.89	89,311.92	86,652.30
Add: Advance from customer	13.69	17.57	1.14	9.81
Less : Back dated input	-	-	-	-
Less : Member Reject	-	-	-	-
Less : Death Case	-	-	-	-
Less: Write-off	-	-	-	-
Balance as per Books of Accounts	72,689.44	81,703.46	89,313.06	86,662.11

52 The company is not declared wilful defaulter by any bank or financial institution or other lender.

53 The company has no transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956,

54 Company has registered all the charges or satisfaction thereof with ROC within the statutory period.

55 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

56 Ratios

Particulars	Numerator	Denominator	As at 31st March 2024	As at 31st March 2023	% Variance	Reason for variance (if above 25%)
(a) Capital to risk weighted asset ratio (CRAR)	Tier I capital + Tier II capital	Risk weighted asset	26.33%	25.80%	2.05%	-
(b) Tier I CRAR	Tier I capital	Risk weighted asset	23.70%	22.81%	3.90%	-
(c) Tier II CRAR	Tier II capital	Risk weighted asset	2.63%	2.99%	-11.99%	-
(d) Liquidity Coverage Ratio	Total Asset matured within 12 months	Total Liability matured within 12 months	1.54	1.34	14.33%	-

The Liquidity Coverage Ratio (LCR) is disclosed herewith as per the applicability of Schedule III of the Companies Act, 2013. However, The Reserve Bank of India (RBI) has also issued a circular regarding Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies ref. no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4.11.2019, introducing guidelines on liquidity risk management for non-banking financial companies (NBFCs). Henceforth, the Company does not meet the criteria for LCR applicability, and therefore, the disclosure provisions related to LCR are not applicable to the Company.

57 There is no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

58 a) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
b) No funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

59 The Company has not entered into any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme.

60 The Company has not traded nor invested in Crypto currency or Virtual Currency during the financial year.

Digamber Capfin Limited
Notes Forming Part of Standalone Financial Statements
for the year ended 31st March 2024

61 Details of Dues to Micro and Small Enterprises as Defined under the MSMED Act, 2006

Payment against the supplies from the undertakings covered under the Micro, Small & Medium Enterprises Development Act, 2006 are generally made in accordance with the agreed credit terms. On the basis of information and record available with the management, the details of the outstanding balances of such suppliers and interest due on such accounts as on March 31, 2024 is ₹ 17.32 lakhs. (as on March 31, 2023 is 14.08 Lakhs).The Company has neither paid any interest nor such amount is payable to buyer covered under the MSMED Act, 2006.

62 Details Of Ratings Assigned By Credit Rating Agencies and Migration Of Ratings During The Year

Particulars	Rating Agencies	Date of Rating Agencies	Rating valid upto	2023-24	2022-23
Term Loan Rating	Acuite Ratings & Research	Feb 20, 2024	Nov 10, 2024	ACUITE BBB Stable	
Term Loan Rating	CRISIL Rating Ltd	Dec 15, 2023	Dec 15, 2024	CRISIL BBB/Stable	
Cash Credit & OD facility	CRISIL Rating Ltd	Dec 15, 2023	Dec 15, 2024	A3+	
Non-Convertible Debentures	CRISIL Rating Ltd	Dec 15, 2023	Dec 15, 2024	CRISIL BBB/Stable	
Term Loan Rating	CRISIL Rating Ltd	Mar 03, 2023	Mar 03, 2024		CRISIL BBB /Stable
Term Loan Rating	CRISIL Rating Ltd	Mar 24, 2023	Mar 24, 2024		CRISIL BBB /Stable
Cash Credit & OD facility	CRISIL Rating Ltd	Mar 24, 2023	Mar 24, 2024		A3+
Non-Convertible Debentures	CRISIL Rating Ltd	Mar 03, 2023	Mar 03, 2024		CRISIL BBB /Stable
Term Loan Rating	Acuite Ratings & Research	Nov 22, 2022	Feb 20, 2024		ACUITE BBB Stable

63 Disclosure on Liquidity Risk:

1. Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	Number of Significant Counterparties	Amount (₹ In Lakhs)	% of Total deposits	% of Total Liabilities
As at March 31, 2024	29	92,489.58	0%	96.65%
As at March 31, 2023	26	80,773.88	0%	95.30%

2. Top 20 large deposits (amount in ₹ lakhs and % of total deposits) : Not applicable

3. Top 10 borrowings

Particulars	Amount (₹ in Lakh)	%
As at March 31, 2024	61,558.10	66.56%
As at March 31, 2023	59,721.31	73.94%

4. Funding Concentration based on significant instrument/product :

Name of the instrument/ product	As at March 31, 2024		As at March 31, 2023	
	Amount (₹ lakh)	% of Total Liabilities	Amount (₹ lakh)	% of Total Liabilities
a) Term Loan	87,921.97	91.88%	72,717.61	85.79%
b) Non-Convertible Debenture	1,403.56	1.47%	2,548.91	3.01%
c) Optionally Convertible Preference Shares	-	0.00%	-	0.00%
d) Cash Credit	1,496.23	1.56%	2,998.55	3.54%
e) Subordinated Liabilities	1,667.83	1.74%	2,508.81	2.96%
Total	92,489.58	96.65%	80,773.88	95.30%

5. Stock Ratios:

Particulars	As at March 31, 2024			As at March 31, 2023		
	% of total public funds	% of total liabilities	% of total assets	% of total public funds	% of total liabilities	% of total assets
a) Commercial papers	-	-	-	-	-	-
b) Non-convertible debentures (original maturity of less than one year)	-	-	-	-	-	-
c) Other short-term liabilities, if any	NA	2.91%	2.28%	NA	3.68%	2.88%

6. Institutional set-up for liquidity risk management:

Digamber Capfin Limited (DCL) has an Assets Liability Supervisory Committee (ALCO), a Board level sub-Committee to oversee liquidity risk management. ALCO consists of Managing Director, Executive Director and Chief Financial Officer. The ALCO Meetings are held once in 3 months. DCL has a Risk Management Committee (RMC) a sub-committee of the Board, which oversee overall risks to which the company s exposed including risk management. The ALCO and RMC also updates the Board at regular intervals.

64 Capital Adequacy Ratio

Particulars	(₹ in lakhs)	
	As at 31st March 2024	As at 31st March 2023
Tangible Net worth(1)	26,122.48	23,670.97
Less: Deferred Tax Asset and Intangible Assets	(37.44)	(65.00)
Less: First Loss Credit enhancement	(440.13)	(250.11)
Less: Unrealised gain on sold portfolios	(1,063.66)	(1,308.00)
Tier 1 Capital (1-2)= (3)	24,581.24	22,047.86
Tier 2 Capital (Provision on Asset and discounted subordinated liabilities) (4)	2,726.01	2,890.48
Total Capital Fund (3+4)= (5)	27,307.25	24,938.34
Adjusted value of funded risk assets (on balance sheet item) (6)	1,03,697.39	96,665.21
Adjusted value of non-funded risk assets (off Balance sheet item) (7)		
Total Risk Weighted assets (6+7)= (8)	1,03,697.39	96,665.21
CRAR/CAR(5/8)	26.33%	25.80%

65 Provision and Contingencies (Show under the head expenditure in statement of Profit and Loss)

Particulars	As at 31st March 2024	As at 31st March 2023
Provisions for depreciation on Investment	-	-
Provision for Tax	798.15	1,665.64
Provision for Gratuity	-	-
Provision for Leave Encashment	92.73	87.61
Provision for Expenses	150.42	210.41
Provision towards NPA	393.49	(333.97)
Provision for Standard Assets	32.06	(41.57)
	1,466.85	1,588.12

66 NPA Movement

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Net NPA's to Net Advance %	1.60%	0.99%
Movement of NPAs (Gross)		
Opening Balances	2,720.45	3,436.40
Add: Additions during year and change in existing	5,160.64	3,983.33
Less: Reductions during year	(4,141.40)	(4,699.28)
Closing Balance	3,739.69	2,720.45
Movement of NPAs (Net)		
Opening Balances	891.86	1,273.85
Add: Additions during year and change in existing	1,677.85	4,317.29
Less: Reductions during year	(1,052.10)	(4,699.28)
Closing Balance	1,517.61	891.86
Movement of provision for NPAs		
Opening Balances	1,828.59	2,162.55
Provision made during the year	393.49	-
Write-off/Write back of excess		333.96
Closing Balance	2,222.08	1,828.59

67 Disclosure in the notes to accounts in respect of securitisation transactions as required under revised guidelines On securitisation transactions issued by RBI vide circular no. RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22

(₹ In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	2.00	1.00
Total amount of securitised assets as per books of the SPEs	4,185.10	4,576.23
Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
a) Off-balance sheet exposures		
• First loss		
• Others		
b) On-balance sheet exposures		
• First loss	867.29	500.22
• Others		
Amount of exposures to securitization transactions other than MRR (FD)		
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
• First loss		
• Others		
ii) Exposure to third party securitisations		
• First loss		
• Others		
b) On-balance sheet exposures		
i) Exposure to own securitisations		
• First loss		
• Others	867.29	500.22
ii) Exposure to third party securitisations		
• First loss		
• Others		
Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	7,805.63	4,501.99
Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		
(a) liquidity support		-
Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
Cash Collateral		
(a) Amount paid	-	-
(b) Repayment received	-	-
(C) Outstanding amount	867.29	500.22

liquidity support (bank part)		
(a) Amount paid	7,805.63	4,501.99
(b) Repayment received	4,695.00	427.47
(C) Outstanding amount	3,110.63	4,074.52
Servicing agent (total Portfolio)		
(a) Amount paid	8,672.93	5,002.22
(b) Repayment received	4,487.83	425.99
(C) Outstanding amount	4,185.10	4,576.23
Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc		0.00%
Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc		
Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding		

68 Disclosures pursuant to RBI Notification - RBI /DOR/2021-22/86 DOR.STR.REC.51 /21.04.048/2021-22 dated 24 September 2021

Particulars	As at 31st March 2024	As at 31st March 2023
Number of Loan Accounts assigned	28,041	38,959
Amount of Loan Accounts assigned (Rs. In 'Lakhs')	11,024.97	15,132.38
Number of Transactions	2	2
Weighted Average Maturity (Remaining) (Months)	18.36	22.19
Weighted Average Holding (After Origination) (Months)	5.62	9.02
Retention of Beneficial Economic Interest (MRR)	10.00%	10.00%
Coverage of Tangible Security Coverage	NA	NA
Rating wise Distribution of rated Loans	Unrated	Unrated
No. of Instances (Transactions) where transferor has agreed to replace the transferred loans	NA	NA
No of Transferred Loans Replaced	NA	NA

69 CONCENTRATION OF ADVANCES

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Total Advances to twenty largest borrowers	31.54	15.37
of the NBFC	0.03%	0.02%

70 CONCENTRATION OF EXPOSURES

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Total Exposure to twenty largest borrowers / customers	31.54	15.37
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	0.03%	0.02%

71 CONCENTRATION OF NPAs

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Total Exposure to top four NPA accounts	2.54	2.24

72 Sector-wise NPA*

(in %)

Particular	2023-24	2022-23
Agriculture & allied activities	2.13%	2.00%
MSME	1.71%	0.95%
Corporate borrowers	0.00%	0.00%
Services	0.00%	0.00%
Unsecured personal loans	0.00%	0.00%
Auto loans	0.00%	0.00%
Other - Social Infrastructure	0.00%	0.00%
Total	3.84%	2.95%

*Ratio calculated is based on overdue portion of advances only.

73 Detail of Impairment Loss Allowance Reserve

(A) As at 31st March, 2024:							(₹ In Lakhs)
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	
Performing Assets							
Standard	Stage I*	91,620.28	92.09	91,528.19	374.72	(282.63)	
	Stage II	2,012.31	51.98	1,960.33	-	51.98	
Subtotal		93,632.59	144.07	93,488.52	374.72	(230.65)	
Non-Performing Assets (NPA)							
Substandard	Stage III	2,330.76	1,165.38	1,165.38	418.91	746.47	
Doubtful	Stage III	1,408.93	1,056.70	352.23	1,122.48	(65.78)	
Subtotal for NPA		3,739.69	2,222.08	1,517.61	1,541.39	680.69	
* Provision on standard assets are in accordance with RBI guidelines .							
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage I	-	-	-	-	-	
	Stage II	-	-	-	-	-	
	Stage III	-	-	-	-	-	
Subtotal		-	-	-	-	-	
Total	Stage I	91,620.28	92.09	91,528.19	374.72	(282.63)	
	Stage II	2,012.31	51.98	1,960.33	-	51.98	
	Stage III	3,739.69	2,222.08	1,517.61	1,541.39	680.69	
	Total	97,372.28	2,366.15	95,006.13	1,916.11	450.04	
		0.00	0.00				

(B) As at 31st March, 2023:							(₹ In Lakhs)
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	
Performing Assets							
Standard	Stage I	88,428.79	87.41	88,341.38	-	87.41	
	Stage II	1,159.87	24.60	1,135.27	-	24.60	
Subtotal		89,588.66	112.01	89,476.65	-	112.01	
Non-Performing Assets (NPA)							
Substandard	Stage III	847.02	423.51	423.51	145.90	277.61	
Doubtful	Stage III	1,873.44	1,405.08	468.36	1,103.48	301.60	
Subtotal for NPA		2,720.45	1,828.59	891.87	1,249.38	579.21	
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage I	-	-	-	-	-	
	Stage II	-	-	-	-	-	
	Stage III	-	-	-	-	-	
Subtotal		-	-	-	-	-	
Total	Stage I	88,428.79	87.41	88,341.38	354.94	(267.53)	
	Stage II	1,159.87	24.60	1,135.27	-	24.60	
	Stage III	2,720.45	1,828.59	891.87	1,249.38	579.21	
	Total	92,309.12	1,940.59	90,368.52	1,604.32	336.27	

74 Details of penalties imposed by RBI and other regulators:

No penalties have been imposed by RBI and other regulators on the Company during the current year.
However, during the previous period (2022-23) , the following fines were imposed on the Company by BSE Limited , Stock Exchange of India:

- On September 28, 2022 the BSE Limited imposed a fine of Rs. 11,800/- (Rupees Eleven Thousand Eight Hundred Only) for the delay in submission of the notice of Record Date as per Regulation 60(2) of the SEBI (LODR) Regulations, 2015.
- On October 31st, 2022 the BSE Limited imposed a fine of Rs. 5900/- (Rupees Five Thousand Nine Hundred Only) for the delay in furnishing intimation about meeting of shareholders or holders of non-convertible securities as per Regulation 50(2) of the SEBI (LODR) Regulations, 2015.

75 Schedule to the balance sheet of a Non-Deposit Taking Non-Banking Financial Company (as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

(₹ in lakhs)		
Particulars	Amount outstanding	Amount overdue
Liabilities side		
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :		
a) Debentures (other than falling within the meaning of public deposits*)		
: Secured	1,403.56	-
: Unsecured	-	-
b) Deferred Credits	-	-
c) Term Loans	89,418.20	-
d) Inter-corporate loans and borrowing	-	-
e) Commercial Paper	-	-
f) Public Deposits	-	-
g) Subordinated Liabilities	1,667.83	-
h) Other Loans (specify nature)	-	-
(Unsecured Loan from Director & Relatives)		
2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid :		
a) In the form of Unsecured debentures	-	-
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of Security	-	-
c) Other public deposits	-	-

Assets side			Amount outstanding
3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :			
a) Secured			-
b) Unsecured			95,006.13
4. Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities			
(i) Lease assets including lease rentals under sundry debtors :			-
a) Financial lease			-
b) Operating lease			-
(ii) Stock on hire including hire charges under sundry debtors :			-
a) Assets on hire			-
b) Repossessed Assets			-
(iii) Other loans counting towards asset financing activities			-
a) Assets on hire			-
b) Repossessed Assets			-
5. Break-up of Investments			
Current Investments			
1. Quoted			-
(i) Shares			-
(a) Equity			-
(b) Preference			-
(ii) Debentures and Bonds			532.28
(iii) Units of mutual funds			640.18
(iv) Government Securities			-
(v) Others (please specify)			-
2. Unquoted			-
(i) Shares			-
(a) Equity			-
(b) Preference			-
(ii) Debentures and Bonds			-
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others (please specify)			-
Long Term Investments			
1. Quoted			-
(i) Shares			-
(a) Equity			-
(b) Preference			-
(ii) Debentures and Bonds			-
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others (please specify)			-
2. Unquoted			-
(i) Shares			-
(a) Equity			-
(b) Preference			-
(ii) Debentures and Bonds			-
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others (please specify)			-
6. Borrower group-wise classification of assets financed as in (3) and (4) above :			
Category	Amount (Net of Provisions)		
	Secured	Unsecured	Total
1. Related Parties			
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
2. Other than Related Parties	-	95,006.13	95,006.13
Total	-	95,006.13	95,006.13
7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
1. Related Parties			
a) Subsidiaries	-		-
b) Companies in the same group	-		-
c) Other related parties	-		-
2. Other than Related Parties	1,172.46		1,172.46
Total	1,172.46		1,172.46
8. Other Information			
Particulars	Amount		
i) Gross Non Performing Assets			
a) Related Parties			-
b) Other than Related Parties			3,739.69
ii) Net Non Performing Assets			
a) Related Parties			-
b) Other than Related Parties			1,517.61
iii) Assets acquired in satisfaction of debt			-

76 NET INTEREST MARGIN

Particulars	For the Year Ended	
	March 31, 2024	March 31, 2023
Net interest income (a)	15482.71	14638.19
Average Portfolio (b)	113651.99	108580.12
NET INTEREST MARGIN (a/b)	13.62%	13.48%

77 Disclosure as required under RBI notification no.RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6,2020 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances

No. of accounts restructured	Amount (₹ in Lakhs)
-	-

78 Exposure to Capital Market

The Company has no exposure to capital market as on March 31, 2024 and March 31, 2023.

79 Exposure to Real Estate Sector

The Company has no exposure to real estate sector as on March 31, 2024 and March 31, 2023.

80 Sectoral exposure

(₹ in Lakhs)

Sectors	March 31, 2024			March 31, 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	97,121.72	4,346.68	4.48%	96,788.66	4,016.49	4.15%
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal Loans	-	-	-	-	-	-
5. Others	-	-	-	-	-	-
(i). Small Business	15,890.02	2,389.93	15.04%	17,416.03	1,512.99	8.69%
(ii). Social Infrastructure	31.84	2.05	6.44%	55.72	3.07	5.51%
Total	1,13,043.58	6,738.66	5.96%	1,14,260.41	5,532.55	4.84%

81 Intra-group Exposures

The Company has no Intra-group exposure as on March 31, 2024 and March 31, 2023.

82 Unhedged foreign currency exposure

The Company has no Unhedged foreign currency exposure as on March 31, 2024 and March 31, 2023.

83 Related Party Disclosure

(₹ in Lakhs)

Related Party	Key Management Personnel		Relatives of Key Management Personnel		Director		Enterprises in which Director are interested		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Borrowings	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-
Others										
Remuneration and commission	502.00	680.00	-	-	-	-	-	-	502.00	680.00
Salary	3.00	3.00	84.00	72.00	-	-	-	-	87.00	75.00
Sitting Fees	-	-	-	-	6.37	3.85	-	-	6.37	3.85
Web Rent Exp Paid	-	-	-	-	-	-	94.87	61.72	94.87	61.72
Web Rent Exp O/S	-	-	-	-	-	-	9.49	6.79	9.49	6.79

The Company do not have any Parent, Subsidiary, Associate or Joint Venture. Hence information related to the same is not provided in the above table.

84 Capital

(₹ in Lakhs)

Particulars	31-Mar-24	31-Mar-23
CRAR (%)	26.33%	25.80%
CRAR- Tier I Capital (%)	23.70%	22.81%
CRAR- Tier II Capital (%)	2.63%	2.99%
Amount of subordinated debt raised as Tier-II capital	800	1200
Amount raised by issue of Perpetual Debt Instruments	0	0

85 Investments

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
1 Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,172.46	587.62
(b) Outside India	-	-
(ii) Provision for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	1,172.46	587.62
(b) Outside India	-	-
2 Movement of provisions held towards depreciation on investments		
(i) Opening Balance	-	-
(ii) Add: Provision made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing Balance	-	-

86 Derivatives

- a) The Company has not dealt in any market linked or non market linked derivative.
b) The Company has not entered into any forward Rate Agreement / Interest Rate Swap for derivative.
c) The Company has not entered into any exchange traded derivative.
d) The Company has not enter into any transactions or have any exposure in derivatives. Therefore, the disclosures on risk exposure in derivatives - Qualitative Disclosure, are not applicable.

87 Details of financial assets sold to securitization / reconstruction Company for asset reconstruction

Particulars	As at March 31, 2024	As at March 31, 2023
i) No. of Accounts	9,548	13,570
ii) Aggregate value (net of provisions) of accounts sold*	3,303.64	4,502.00
iii) Aggregate consideration	3,303.64	4,502.00
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
iv) Aggregate gain / loss over net book value	-	-

* Impact of ECL provision not considered since all sold Id's are on time.

88 Details of assignment transactions

Particulars	As at March 31, 2024	As at March 31, 2023
i) No. of Accounts	28,041	38,959
ii) Aggregate value (net of provisions) of accounts sold*	9,922.47	13,619.14
iii) Aggregate consideration	9,922.47	13,619.14
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	-

* Impact of ECL provision not considered since all sold Id's are on time.

89

The Company has not purchased and sold any non-performing financial assets during the financial year ended March 31, 2024 and March 31, 2023.

90 ASSET LIABILITY MANAGEMENT (ALM)
As on 31st March , 2024

(₹ in Lakhs)										
Particulars	1 to 7 Days	8 to 14 Days	Over 14 days to 1 month	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month upto 6 month	Over 6 Month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years
Asset										
Advances	1,507.72	1,005.15	4,352.18	7,078.02	5,957.01	17,685.71	28,801.20	27,245.61	2,330.76	1,408.93
Fixed Asset/ Intangible asset	-	-	-	-	-	-	-	-	-	4,333.77
Cash and Bank including Investments	3,000.15	1,700.30	3,329.13	1,048.49	685.69	596.18	2,739.59	4,834.04	312.67	26.64
EIS Asset	-	-	296.46	297.28	199.77	570.79	663.14	173.49	-	-
Other Assets	508.23	403.12	321.63	145.14	31.18	91.66	319.71	114.34	61.03	6.03
Total	5,016.10	3,108.57	8,299.40	8,568.93	6,873.65	18,944.34	32,523.64	32,367.48	2,704.46	5,775.37
Liabilities										
Borrowings	1,930.01	468.83	2,390.60	4,846.79	5,368.82	14,082.44	21,638.50	39,053.06	2,710.55	-
Other Liabilities	602.99	734.21	1,603.15	101.53	14.58	19.36	8.60	6.26	-	113.02
Reserves and Surplus	-	-	-	-	-	-	-	-	-	27,499.30
Equity Share Capital	-	-	-	-	-	-	-	-	-	989.32
Total	2,533.00	1,203.04	3,993.75	4,948.32	5,383.40	14,101.80	21,647.10	39,059.32	2,710.55	28,601.65
Surplus/(Deficit)	2,483.10	1,905.53	4,305.65	3,620.61	1,490.25	4,842.54	10,876.54	(6,691.84)	(6.09)	(22,826.28)
Cumulative Surplus/(Deficit)	2,483.10	4,388.63	8,694.28	12,314.89	13,805.14	18,647.68	29,524.22	22,832.38	22,826.29	-
There is no Foreign Currency Assets and Foreign Currency Liabilities.										

As on 31st March, 2023

(₹ in Lakhs)										
Particulars	1 to 7 Days	8 to 14 Days	Over 14 days to 1 month	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month upto 6 month	Over 6 Month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years
Asset										
Advances	100.00	150.00	4,888.42	4,465.11	4,966.19	14,870.58	28,396.63	31,751.73	-	2,720.46
Fixed Asset/ Intangible asset	-	-	-	-	-	-	-	-	-	3,845.32
Cash and Bank including Investments	1,706.03	800.00	1,797.24	-	75.39	103.23	1,558.88	3,064.47	1,002.16	25.07
EIS Asset	-	-	324.33	371.05	319.68	743.97	856.80	261.41	-	-
Other Assets	279.06	279.21	297.70	13.78	15.33	47.34	146.99	106.38	-	23.38
Total	2,085.09	1,229.21	7,307.69	4,849.94	5,376.59	15,765.12	30,959.30	35,183.99	1,002.16	6,614.23
Liabilities										
Borrowings	1,027.70	327.09	4,408.23	3,142.13	4,433.20	11,281.07	20,759.62	33,957.75	348.70	1,088.37
Other Liabilities	115.42	673.17	2,023.67	30.43	255.27	322.94	371.16	28.33	0.00	167.51
Reserves and Surplus	-	-	-	-	-	-	-	-	-	24,623.87
Equity Share Capital	-	-	-	-	-	-	-	-	-	987.69
Total	1,143.12	1,000.26	6,431.90	3,172.56	4,688.47	11,604.01	21,130.78	33,986.08	348.70	26,867.44
Surplus/(Deficit)	941.97	228.95	875.79	1,677.38	688.12	4,161.11	9,828.52	1,197.91	653.46	(20,253.21)
Cumulative Surplus/(Deficit)	941.97	1,170.92	2,046.71	3,724.09	4,412.21	8,573.32	18,401.84	19,599.75	20,253.21	-
There is no Foreign Currency Assets and Foreign Currency Liabilities.										

As per Indian Accounting Standard 110 - Consolidated Financial Statement (CFS) - A Parent Company, presenting the CFS, should consolidate the financial statements of all the Subsidiaries, Associates or Joint Ventures. The Company do not have any Parent, Subsidiary, Associate or Joint Venture. Hence Company not required to prepare CFS. There is no financing of parent Company products during the year ended on March 31, 2024 and March 31, 2023.

92 **Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL)**
These Limit are not applicable since the asset size of company is above Rs. 500 crore.

93 The Company has not given any unsecured advances against intangible securities such as charge over the rights licenses, authority, etc. during the financial year ended March 31, 2024 and March 31, 2023.

94 The Company is not registered under any other regulator other than Reserve Bank of India.The Company had obtained its licence from Reserve Bank of India (RBI) to operate as NBFC-MFI on 6th September,2013 vide registration No. RBI B-10.00099.

95 Remuneration of non-executive directors

(₹ in Lakhs)			
Name of Director	Nature of Payment	As at March 31, 2024	As at March 31, 2023
Mr. Jatin Chhabra	Sitting Fees	1.76	0.98
Dharmendra Saxena	Sitting Fees	-	0.21
Lalit Kumar Jain	Sitting Fees	3.02	1.05
Nayan Ambali	Sitting Fees	0.73	0.77
Amita Gill	Sitting Fees	0.71	0.77
Shashank Vyas	Sitting Fees	0.15	0.07

96 There is no significant uncertainty which requires postponement of revenue recognition

97 **Overseas assets (for those with joint ventures and subsidiaries abroad)**
There are no overseas assets owned by the Company.

98 **Off-balance sheet SPVs sponsored**
There are no SPVs which are required to be consolidated as per accounting norms during the year ended March 31, 2024 and March 31, 2023.

99 **Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman**

Particulars	As at March 31, 2024	As at March 31, 2023
1. Number of complaints pending at the beginning of the year	-	-
2. Number of complaints received during the year	48	32
3. Number of complaints disposed during the year	48	32
3.1 of which, No. of complaints rejected by the NBFC	-	-
4. Number of complaints pending at the end of the year	-	-
5. Number of maintainable complaints received by the NBFC from Office of Of 5, number of complaints resolved in favour of the NBFC by Office of Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
Number of Awards unimplemented within the stipulated time (other than	-	-

100 *Top five grounds of complaints received by the NBFCs from customers*

Grounds of Complaints, (i.e. Complaints relating to)	Number of Complaints pending at the beginning of the year	Number of Complaints received during the year	% Increase/ Decrease in the number of Complaints received over the previous year	Number of Complaints Pending at the end of the year	Of 5, number of Complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Ground - 1 NOC not received	-	25	Increase by 212.5%	-	-
Ground - 2 Loan Closure	-	14	Increase by 133.33%	-	-
Ground - 3 Loan installment	-	6	Increase by 50%	-	-
Ground - 4 Loan Status	-	3	Decrease by 70%	-	-
Ground - 5 Moratorium period amount	-	-	Decrease by 100%	-	-
Total	-	48		0	0
Previous Year					
Ground - 1 NOC not received	-	8	Decrease by 50%	-	-
Ground - 2 Disbursement	-	6	Increase by 50%	-	-
Ground - 3 Loan installment	-	4	Decrease by 66.67%	-	-
Ground - 4 Loan repayment	-	10	-	-	-
Ground - 5 Loan Closure	-	3	-	-	-
Total	-	31	-	-	-

101 *Instances of fraud*

(₹ in Lakhs)				
For the year ended 31st March, 2024				
Nature of Fraud	No. of cases	Amount of Fraud	Recovery	Amount Provided
Cash Embezzlement	6	3.86	0.69	3.17
For the year ended 31st March, 2023				
Nature of Fraud	No. of cases	Amount of Fraud	Recovery	Amount Provided
Cash Embezzlement	4	2.22	0.60	1.62

102 *Instances of Robbery/Theft/Dacoity/Burglary/Extortion*

(₹ in Lakhs)				
For the year ended 31st March, 2024				
Nature	No. of cases	Amount	Recovery	Amount Provided
Robbery	8.00	5.04	1.66	3.38
Extortion	-	-	-	-
Theft	3.00	1.16	1.16	-
Total	11.00	6.20	2.82	3.38
For the year ended 31st March, 2023				
Nature	No. of cases	Amount	Recovery	Amount Provided
Robbery	-	-	-	-
Extortion	-	-	-	-
Theft	-	-	0.34	-
Total	-	-	0.34	-

103 The Reserve Bank of India (RBI) has introduced the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs ('the Framework') through Circular No. RBI/2021- 22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 issued in October 2021. Under this Framework, NBFCs are categorized into different layers, namely Base Layer (NBFC-BL), Middle Layer (NBFC-ML), Upper Layer (NBFC-UL), and Top Layer (NBFC-TL). The Company has been classified as a "Middle Layer" NBFC in accordance with the Framework

104 The Company does not qualify as a Large Corporate based on the criteria outlined in SEBI Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.The disclosure was provided to the stock exchange for March 31, 2023. Thereafter, the said circular was not applicable to the company due to delisting of non-convertible debentures.

105 *Additional notes*

- a) Earnings in foreign currency during the year ended March 31, 2024: Nil (year ended March 31, 2023 - Nil)
- b) Expenditure in foreign currency on account of professional fees during the year ended March 31, 2024: Nil (year ended March 31, 2023 - Nil)
- c) Expenditure in foreign currency on account of payment of interest during the year ended March 31, 2024: Euro 1,94,183 (year ended March 31, 2023 - Nil)
- d) The Company does not have any exposure to gold loans, and it is not involved in gold auctions.
- e) The Company is registered as a non-deposit accepting NBFC, and as a result, it has not accepted any deposits. Therefore, there is no requirement for disclosure regarding deposits in the financial statements.
- f) The Company has not Pledge its any Equity Share against any Loan.

106 *Draw Down from Reserves*

No reserves have been draw down during the financial year 2023-24 and 2022-23 except as disclosed in the part (b) of statement of changes in equity

107 Previous year figures have been regrouped / reclassified wherever necessary to correspond with current year classification/disclosure.

For better understanding and presentation of financial statement a reconciliation statement of reclassification made from previous year financial statement is provided below:

Previous Year Classification	Current Year Classification	Amount(₹ in lakhs)
Interest Earned on JLG	Recovery from Written off Accounts	33.96
Salary to Staff	Conveyance (Other	439.30
Membership Fees	Legal & Professional Charges	5.00

Sl. No.	Name of Director	Director Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		Annual General Meeting (AGM) held on 26/09/2023 (Whether Attended)	No. of other Directorships	Remuneration			No. of shares held in the NBFC
					Held	Attended			Salary and other compensation (Rs. In lakhs)	Sitting Fee (Rs. In lakhs)	Commission (Rs. In lakhs)	
1	Mr. Rajiv Jain	17-04-1995	Executive	00416121	6	6	Yes	-	240.00	-	11.00	25,59,277
2	Mr. Amit Jain	17-04-1995	Executive	00416133	6	6	Yes	-	240.00	-	11.00	23,66,666
3	Mr. Lalit Kumar Jain	30-09-2016	Independent	07517615	6	6	Yes	3*	-	3.02	-	-
4	Mr. Nayan Ambali	27-05-2022	Non- Executive	03312980	6	2	No	2	-	0.73	-	-
5	Mr. Jatin Chhabra	21-01-2019	Non- Executive	08271333	6	5	Yes	-	-	1.76	-	1,03,300
6	Dr. Amita Gill	12-02-2021	Independent	09066022	6	2	Yes	-	-	0.71	-	-
7	Mr. Shashank Vyas	14-11-2022	Nominee	09789867	6	1	No	-	-	0.15	-	-

Note-
*Includes designated Partnership in a LLP

None of the Directors of the Company hold directorship in any Listed Company.

Details of change in composition of the Board during the current and previous financial year.

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter Nominee/ Independent)	Nature of change (Resignation, Appointment)	Effective Date
1	Nayan Ambali	Independent Director	Resignation	26-05-2022
2	Nayan Ambali	Additional Non Executive Director	Appointment	27-05-2022
3	Nayan Ambali	Non Executive Director	Regularisation	30-09-2022
4	Dharmendra Saxena	Nominee Director	Resignation	14-11-2022
5	Shashank Vyas	Nominee Director	Appointment	14-11-2022

Where an independent director resigns before expiry of her/ his term, the reasons for resignation as given by her/him shall be disclosed.
- Mr. Nayan Ambali resigned from the post of Independent Director as his name was removed from independent director database.

Details of any relationship amongst the directors *inter-se* shall be disclosed.
- Mr. Amit Jain brother of Mr. Rajiv Jain
- Mr. Rajiv Jain brother of Mr. Amit Jain

2) Committees of the Board and their composition

Committee		Sl. No.	Name of Director/ Management Personnels	Member of Committee Since	Term of reference (summarised)	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
							Held	Attended	
1	Executive Committee	1.	Rajiv Jain	27-04-2017	To Borrow money under the authority provided by Board/Shareholder, Invest funds of the company subject to guidelines provided by RBI for this purpose, account opening both in terms of borrowings & for operational functioning of the company, any authorization for regular business affairs, approval/ review of Operational policies of the company necessary for conducting operations of the company and other works under the power delegated by the Board of Directors of the company.	Chairperson of Committee	21	21	2559277
		2.	Amit Jain	27-04-2017		Member	21	21	2366666
		3.	Jatin Chhabra	21-01-2019		Member	21	5	103300

2	Audit Committee	1.	Lalit Kumar Jain	03-10-2016	It reviews the compliance with legal and statutory requirements, the Quarterly, Half Yearly and Annual Financial Statements and related party transactions and reports its findings and gives various recommendations to the Board etc. or any other function as may be delegated.	Chairperson of Committee	5	5	0
		2.	Amita Gill	05-07-2022		Member	5	5	0
		3.	Nayan Ambali	05-07-2022		Member	5	0	0
3	Nomination and Remuneration Committee	1.	Lalit Kumar Jain	03-10-2016	This Committee covers all matters specified in section 178 of Companies act, 2013 and recommends to the Board appointment/removal based on the performance of various specified persons and other matters related to remuneration for Directors, Key Managerial Personnel and Senior Management and Executive Directors and company as a whole etc.	Chairperson of Committee	3	3	0
		2.	Rajiv Jain	03-10-2016		Member	3	3	2559277
		3.	Jatin Chhabra	21-01-2019		Member	3	3	103300
		4.	Amita Gill	05-07-2022		Member	3	1	0
4	Corporate Social Responsibility Committee	1.	Rajiv Jain	02-07-2018	To formulate and recommend to the Board, a corporate social responsibility policy & recommend the amount of expenditure to be incurred on CSR activities and other works associated to the same.	Chairperson of Committee	2	2	2559277
		2.	Amit Jain	02-07-2018		Member	2	2	2366666
		3.	Jatin Chhabra	18-07-2019		Member	2	1	103300
		4.	Lalit Kumar Jain	02-07-2018		Member	2	2	0
5	Credit Committee	1.	Virendra Kumar Bhargava*	03-10-2016	Approving request of clients for credit as per creditworthiness of the clients as per policy of the company.	He was Chairman for 04.04.2023	1	1	0
		2.	Dharmendra Kumar jangid**	03-10-2016		Member	3	3	25754
		3.	Preeti Verma	03-10-2016		Member	3	3	619
		4.	Subhash Kumawat	03-10-2016		Member	3	3	301
		5.	Manoj Kumar Jat***	29-08-2023		Member	2	2	299
			*Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023.						
			**Mr. Dharmendra Kumar Jangid became the Chairman of the committee w.e.f 29/08/2023						
			***Mr. Monoj Kumar Jat appointed as the member of the Committee w.e.f.29/08/2023.						
6	Asset-Liability Management Committee	1.	Rajiv Jain	15-03-2019	Reviewing the capital based ratios along with ALM on quarterly basis, discussing the business strategy of the company in line with company's budget & discuss on Capital management, liquidity and interest rate risk etc. and others as per the applicable guidelines issued by Reserve Bank of India.	Chairperson of Committee	4	4	2559277
		2.	Amit Jain	15-03-2019		Member	4	3	2366666
		3.	Lalit Kumar Jain	14-02-2022		Member	4	4	0
		4.	Virendra Kumar Bhargava*	15-03-2019		Member	1	0	0
		5.	Dharmendra Kumar jangid	15-03-2019		Member	4	1	25754
		6.	Preeti Chopra**	29-08-2023		Member	3	2	619
		7.	Shashank Y. Kumar	29-06-2021		Member	4	4	332
		8.	Naman Mehta	29-06-2021		Member	4	4	442
		9.	Neha Agarwal***	15-03-2019		Member	1	0	235
			*Virendra Kumar Bhargaw ceased to be the member w.e.f from closing hours of 16/08/2023						
			**Ms. Preeti Verma appointed as the member of the Committee w.e.f. 29/08/2023.						
			***Neha Agarwal ceased to be Member of Committee & Preeti Chopra was appointed as a Member of Committee w.e.f. 29/08/2023						

7	Incentive Distribution Committee	1.	Rajiv Jain	25-01-2020	Distribution of incentive to the eligible employees by evaluation of the performance of corporate office staff and rewarding them for their performance.	Chairperson of Committee	0	0	2559277
		2.	Amit Jain	25-01-2020		Member	0	0	2366666
		3.	Dharmendra Kumar Jangid	25-01-2020		Member	0	0	25754
			Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023.						
8	Internal Committee*	1.	Ms. Riddhi Sharma	09-02-2024	To provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith.	Presiding Officer	0	0	225
		2.	Renu Sharma	29-08-2023		Member	0	0	0
		3.	Shashank Y. Kumar	29-08-2023		Member	0	0	332
		4.	Satyendra Chauhan	29-08-2023		Member	0	0	0
		5.	Charu Gupta	24-08-2021		Member	0	0	0
			> Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023. > Ms. Kamini Sharma ceased to be member of committee w.e.f. 29/08/2023. > Ms. Renu Sharma appointed as the member of the Committee w.e.f. 29/08/2023. > Mr. Shashank Y. Kumar appointed as the member of the Committee w.e.f.29/08/2023. > Mr. Satyendra Chauhan appointed as the member of the Committee w.e.f. 29/08/2023. > Mr. Srikant Bohara ceased to be member of committee w.e.f. 29/08/2023. > Ms. Riddhi Sharma appointed as the member of the Committee w.e.f 09/02/2024. > Ms. Bharti Sukhyani ceased to be member of committee w.e.f. 09/02/2024. >During the period under review, Board has renamed the committee from Internal Complaints committee to Internal Committee on August 29, 2023						
9	Investigation Committee	1.	Virendra Kumar Bhargava*	08-09-2020	To investigate and redressal of any complaints received by the company related to Shareholders of the company.	Chairman	0	0	235
		2.	Neha Agarwal	08-09-2020		Member			
		3.	Om Prakash Dhuwariya	08-09-2020		Member	0	0	0
			*Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023. The Committee was dissolved by the Board of Directors w.e.f. 29th August, 2023						
10	IT Steering Committee	1.	Rajiv Jain	05-01-2021	To assist the IT Strategy Committee in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs. To ensure implementation of a robust IT architecture meeting statutory and regulatory compliance.	Chairperson of Committee	1	1	2559277
		2.	Amit Jain	05-01-2021		Member	1	1	2366666
		3.	Dharmendra Kumar Jangid	05-01-2021		Member	1	1	25754
			Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023.						
11	IT Strategy Committee	1.	Lalit Kumar Jain	05-07-2022	To ensure that the Company has put an effective IT Strategic plan which aligns with the overall strategy of the Company towards accomplishment of its business objectives. The Committee shall be responsible for ensuring that the Company has put in place a process for assessing and managing IT and cybersecurity risks and providing overall cyber security structure and strategy for the company.	Chairperson of Committee	4	4	0
		2.	Nayan Ambali	05-01-2021		Member	4	4	0
		3.	Rajiv Jain	05-01-2021		Member	4	4	2559277
		4.	Amit Jain	05-01-2021		Member	4	4	2366666
		5.	Virendra Kumar Bhargava*	05-01-2021		Member	1	1	0
		6.	Dharmendra Kumar Jangid	05-01-2021		Member	4	4	25754
			* Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023.						
12	Risk Management Committee	1.	Rajiv Jain	24-04-2016	To ensure that the company has implemented an effective ongoing process to identify risk. To oversee formal reviews of activities associated with the effectiveness of risk management, mitigation and internal control processes	Chairperson of Committee	5	5	2559277
	2.	Amit Jain	24-04-2016	Member		5	5	2366666	
	3.	Virendra Kumar Bhargava*	24-04-2016	Member		3	2	0	
	4.	Dharmendra Kumar Jangid	24-04-2016	Member		5	4	25754	
	5.	Mr. Lalit Kumar Jain**	29-08-2023	Member		2	1	0	
		*Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023.							
		**Mr. Lalit Kumar Jain became the members of the committee w.e.f 29/08/2023							

13	Staff Appraisal Committee	1.	Rajiv Jain	18-07-2019	To review recruitment and selection process of all staff except key managerial personal, senior management, directors as same is governed by Nomination & remuneration committee.& to monitor and overview the implementation of staffing plans	Chairperson of Committee	11	11	2559277
		2.	Amit Jain	18-07-2019		Member	11	11	2366666
		3.	Virendra Kumar Bhargava*	18-07-2019		Member	4	3	0
		4.	Dharmendra Kumar Jangid	18-07-2019		Member	11	11	25754
			*Mr. Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023.						
14	Ombudsman Committee				Ensures timely and efficiently address grievances received from the clients and provide the highest quality of services to the clients	Chairperson of Committee	6	6	0
		1.	Virendra Kumar Bhargava*	03-10-2016		Member	14	14	25754
		2.	Dharmendra Kumar Jangid	03-10-2016		Member	14	13	361
		3.	Jugal Kishor Jangid	03-10-2016		Member	8	6	0
		4.	Bablu Thakur**	13-06-2023		Member	0	0	482
		5.	Srikant Bohara**	09-02-2024					
			*Virendra Kumar Bhargava ceased to be member of committee w.e.f. 13/06/2023 & Dharmendra Kumar Jangid was elected as Chairman of the committee w.e.f. 13/06/2023						
			**Bablu Thakur was became the member of the committee on 13.06.2023 and ceased to be member of committee w.e.f. 09/02/2024 and his place Srikant Bohara appointed as the member of the Committee w.e.f 09/02/2024.						
15	Project Advisory Committee	1.	Dharmendra Kumar Jangid	12-02-2021	To review the operations and progress of arrangement availed under the SIDBI Prayaas Scheme.	Member	0	0	25754
		2.	Preeti Verma	12-02-2021		Member	0	0	619
		3.	(Authorised person/ Nominee SIDBI)	24-08-2021		Member	0	0	0
			Virendra Kumar Bhargava ceased to be member of committee w.e.f. 16/08/2023.						
16	New Product Committee	1.	Rajiv Jain	29-08-2023	To identify and mitigate the risk involved in the product issued by the Company	Chairperson of Committee	0	0	2559277
		2.	Amit Jain	29-08-2023		Member	0	0	2366666
		3.	Dharmendra Kumar Jangid	29-08-2023		Member	0	0	25754
		4.	Dilip Kumar Morwal	29-08-2023		Member	0	0	0
17	Stakeholder Relationship Committee	1.	Rajiv Jain	29-08-2023	To look into the interest of various stakeholders & to implement investor friendly initiatives and ensure compliances relating to various securities issued.	Chairperson of Committee	4	4	2559277
		2.	Amit Jain	29-08-2023		Member	4	4	2366666
		3.	Jatin Chhabra	29-08-2023		Member	4	2	103300
		4.	Lalit Kumar Jain	29-08-2023		Member	4	4	0
18	Environmental, Social and Governance Committee (ESG)	1.	Amit Jain	29-08-2023	To carry out its ESG activities and review or recommend amendment in the ESG Policy or framework of the Company	Chairperson of Committee	0	0	2366666
		2.	Shweta Jain	29-08-2023		Member	0	0	1077849
		3.	Shilpa Ajmera	29-08-2023		Member	0	0	914044
		4.	Dilip Kumar Morwal	29-08-2023		Member	0	0	0

3) General Body Meetings

Sl. No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special resolutions passed
1	2023-24 01/2023-24 Extra-Ordinary General Meeting	Tuesday, January 16, 2024 at registered of the company at J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018	1
2	2023-24 28th Annual General Meeting	Tuesday, September 26, 2023 at registered of the company at J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018	2

4) Details of non-compliance with requirements of Companies Act, 2013
There is no any default in compliance with the requirements of Companies Act, 2013.

5) Details of penalties and strictures -
No penalties or stricture imposed on it by the Reserve Bank or any other statutory authority.

109 A) Breach of covenant
There is no instance of breach of covenant for current financial year 2023-24.

B) Divergence in Asset Classification and Provisioning
There is no divergence assessed by RBI during the F.Y. 2023-24

For and on behalf of the Board

For KALANI & CO.
Chartered Accountants
(Firm Reg. no. 000722C)

Sd/-
Rajiv Jain
Chairman and Managing Director
(DIN - 00416121)

-
-
-

Sd/-
Gaurav Rawat
Partner
M.No. 412724

Place : Jaipur
Date : May 07,2024
UDIN :24412724BKAGVT1857

Sd/-
Amit Jain
Whole Time Director & Chief Financial Officer
(DIN - 00416133)

Sd/-
Lalit Kumar Jain
Independent Director
(DIN- 07517615)

FORM MGT-11 PROXY FORM

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

CIN:	U67120RJ1995PLC009862
Name of the Company:	DIGAMBER CAPFIN LTD
Registered Office:	J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur, Rajasthan-302018
Name of the member(s):	
Registered address:	
E-mail Id:	
Folio No./ Client Id:	
DP Id:	

I/We, being the member(s) holding _____ equity shares of the above named company, hereby appoint-

(Please State Name, Address, Email Id and Signature)

1. Mr./Mrs. _____ Address: _____ having _____ mail
ID _____ or failing him/her. Signature _____
2. Mr./Mrs. _____ Address: _____ having _____ mail
ID _____ or failing him/her. Signature _____
3. Mr./Mrs. _____ Address: _____ having _____ mail
ID _____ or failing him/her. Signature _____

as my/our proxy to attend and vote (only on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held on Saturday 29th Day of June, 2024 at 11.30 A.M. at the registered office of the Company situated at J 54-55, Anand Moti, Gopalpura, Tonk Road, Jaipur-302018 and at any adjournment thereof in respect of such resolutions as are indicated below:

(Please put a (✓) in the appropriate column as indicated below. If you leave columns blank in any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.)

Resolution No.	Subject Matter	For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the financial year ended 31st March 2024, along with the report of Board of Directors and Auditors along with all annexure thereon		
2.	To re-appoint Mr. Nayan Ambali (DIN:03312980), as Director of the Company who is liable to retire by rotation and being eligible, offers himself for re-appointment:		
3.	To appoint M/S Jain Paras Bilala & Co. (Firm Registration No. 011046C) Chartered Accountants, as statutory auditors of the company		
Special Business			
4.	To approve the regularization of Ms. Debleena Majumdar (DIN: 07663430) as an Independent Director of the company for the period of five years.		
5.	To approve the regularization of Mr. Chandramouli Coorg Subramanian (CM) (DIN: 10619001) as an Independent Director of the company for the period of five years.		
6.	To approve remuneration of Ms. Debleena Majumdar (DIN: 07663430) as an Independent Director of the Company		
7.	To approve revision in the remuneration of Mr. Rajiv Jain, Chairman cum Managing Director (DIN:00416121) of the company		
8.	To approve revision in the remuneration of Mr. Amit Jain, Whole Time Director cum CFO (DIN: 00416133) of the company		

Signed this _____ day of _____ 2024

Affix Rs. 1
Revenue
stamp

Signature of shareholder

Signature of Proxy holder

Signature across the stamp

- ❖ This form of Proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
- ❖ A Proxy need not be a Member of the Company.

ATTENDANCE SLIP

Name of the Company:	DIGAMBER CAPFIN LTD
Registered Office:	J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur, Rajasthan-302018

Name of the member(s):		
Name of the Proxy :		
Postal address:		
Regd. Folio No.:		No. of shares:
DP- Client ID:		No. of shares:

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

I/ We hereby record my/ our presence at the 29th Annual General Meeting of the Company held on Saturday 29th June 2024 at 11.30 A.M. at the registered office of the Company at J 54-55, Anand Moti, Gopalpura, Tonk Road, Jaipur-302018

Member's / Proxy's name in Block Letters: _____

Signature of the Shareholder/Proxy

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

ROUTE MAP

Venue of the Meeting:

J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur, Rajasthan-302018

Prominent Landmark:

Kanha Restaurant, Tonk Road, Jaipur.

Route Map:

The Mark indicating the venue of Annual General Meeting

