



Annual Report

March 2025

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Our History

Purple Finance Limited has been in existence for the last three decades, having been incorporated since 1993. We are registered with the Reserve Bank of India as a non-deposit taking NBFC and started our limited lending activities in 2013. In 2022, five like-minded professionals came together with the existing founder of Purple Finance, Amitabh Chaturvedi, to build an MSME-focused, digital-first NBFC, catering to micro and small enterprises with secured business loans.

This founding team of six professionals has more than 125 years of cumulative work experience in leadership roles in large and successful financial service organisations before commencing their journey with Purple Finance as founding members.



Board of Directors



Amitabh Chaturvedi
Executive Chairman
FOUNDER



Rajeev Deoras
Executive Director
CO-FOUNDER



Ajay Kumar Pandey
NON-EXECUTIVE
DIRECTOR (INDEPENDENT)



Rajan Bhat
NON-EXECUTIVE
DIRECTOR (INDEPENDENT)



Minal Chaturvedi
NON-EXECUTIVE DIRECTOR



Amit Sonawala
NON-EXECUTIVE DIRECTOR
(INDEPENDENT)



Sumeet Sandhu Gill
NON-EXECUTIVE
DIRECTOR (INDEPENDENT)

Leadership

Purple Finance is led by a seasoned executive team with credible and proven expertise.



Amitabh Chaturvedi
**FOUNDER & EXECUTIVE
CHAIRMAN**



Rajeev Deoras
**CO-FOUNDER & EXECUTIVE
DIRECTOR**



Sabyasachi Rath
CO-FOUNDER & CEO



Souvik Dasgupta
CO-FOUNDER & CBO



Sonal Vira
**CO-FOUNDER & HEAD –
INTERNAL AUDIT**



Meghana Lale
CFO



Mrinalini Sahai
**CO-FOUNDER & AVP –
LEGAL & COMPLIANCE**



Vinay Patel
HEAD OPERATIONS



Gunjan Mishra Browne
HEAD HUMAN RESOURCES



Saurabh Lall
HEAD CREDIT



Asim Padhi
HEAD PRODUCT AND POLICY



Prashant Pandey
CHIEF TECHNOLOGY OFFICER

Chairman's Message

Dear Stakeholders,

I am pleased to present our Annual Report for FY 2024–25, marking another year of resilience, growth, and purposeful expansion at Purple Finance. In a dynamic and evolving market environment, we navigated with prudence and resolve, delivering strong outcomes while reinforcing our long-term commitment to excellence and impact.

This year has been transformative. We fortified our foundation through strategic investments in both our people and our technology. Much like the submerged portion of an iceberg, many of our advancements remain beneath the surface, quietly compounding. As Ralph Waldo Emerson aptly said, "The creation of a thousand forests is in one acorn." The seeds we've sown are beginning to mature, and in the months ahead, they will shape a future defined by scale, stability, and service.

Our unwavering focus on transparency, innovation, and operational excellence continues to steer us. FY 2025 was a defining year, a period during which we evolved from a promising new entrant into a fast-scaling institution, grounded in accountability to both our customers and our team.

From just 3 branches in October 2022 to 37 branches across 5 states today, our journey has been extraordinary. In the past financial year alone, we added 17 new branches and expanded into 2 additional states. This growth was not only geographical, it was deeply strategic, driven by our mission to bring formal financial services closer to underserved MSMEs and create lasting impact.

We concluded FY 2024–25 with an AUM of ₹103.56 Crores — a significant milestone for Purple Finance. With a team of 340 employees, we are scaling with discipline and remain confident that our collective efforts will translate into continued financial strength and sustainable value creation.

Looking ahead, we are targeting an expanded footprint of 50 branches. Our priorities will be deepening portfolio quality, enhancing productivity, and maintaining the highest standards of governance and customer service.

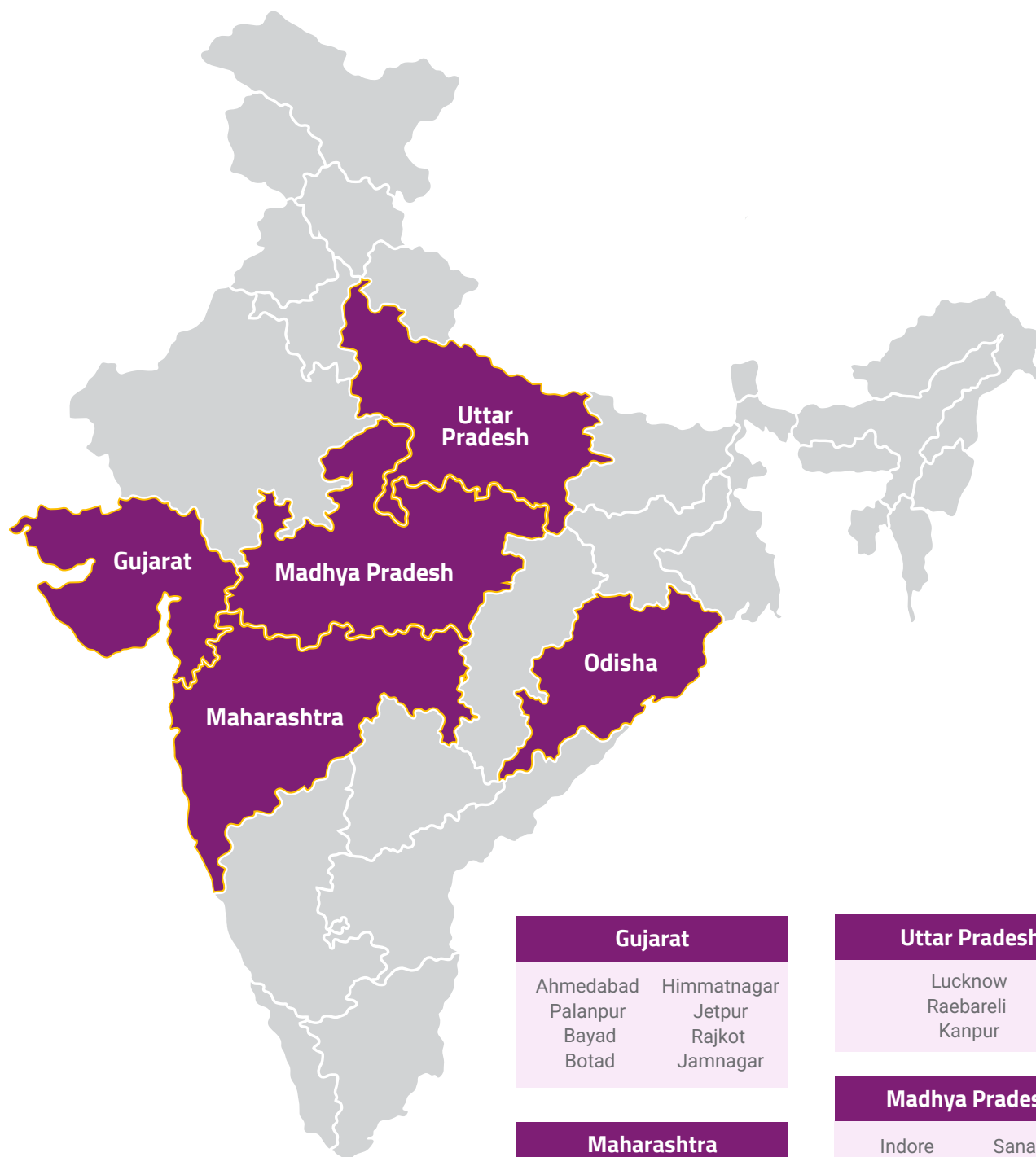
The road ahead is long, but our resolve is strong. Controlled ambition, disciplined execution, and a shared sense of purpose will continue to drive us forward. As Vincent van Gogh once said, "Great things are not done by impulse, but by a series of small things brought together."

At Purple Finance, we view this as an infinite journey, with no finish line, only milestones. On behalf of all Purplites, I extend heartfelt gratitude to our shareholders, employees, investors, bankers, vendors, customers, regulators, and every stakeholder who has placed their trust in us. Trust is the North Star of financial services, and we will never take it for granted.

Together, let us continue to shape a future where MSMEs not only survive, but thrive, grow, and drive the prosperity of our great nation.



Our Branches



Gujarat

Ahmedabad	Himmatnagar
Palanpur	Jetpur
Bayad	Rajkot
Botad	Jamnagar

Uttar Pradesh

Lucknow
Raebareli
Kanpur

Madhya Pradesh

Indore	Sanawad
Dewas	Shamgarh
Manasa	Shujalpur
Mandsaur	Jaora

Maharashtra

Mumbai -HO	Nashik
Kalyan	Yeola
Virar	Sangamener
Bhandara	Wani
Nagpur	Palghar
Gondia	Shriampur
Hinganghat	Panvel
Umred	

Odisha

Bhubaneswar	Nayagarh
Angul	Panikoili

Achievements

- Got listed on **BSE** and **CSE** on 14th June 2024
- Achieved a significant milestone by **crossing ₹103 Cr in AUM** in March 2025.
- Have presence in five states through 32 own branches and footprint across 12 more locations through Business Correspondent
- Disbursed to around 1900 customers and impacted livelihood of more than 5500 customers
- Robust gross yield of 21.06%
- Have a strong team of 350+ people
- LTV and FOIR is very comfortable range of below 45% and 43% respectively
- Gross NPA @ 0.65% is much lower than industry average in this segment
- PAR is 1.71% which is also lower than the industry average in this segment
- Established **co-lending partnerships** with two reputed NBFCs to enhance credit delivery and portfolio reach.
- Sourced through **two BC partners** during the year
- Completed portfolio sale of 7.5 crore in March 2025 through a large NBFC
- Received the **Certificate of Appreciation** from NGAP for the period October 2023 to April 2024.
- Awarded **MSME Leading Finance Startup of the Year** at the BFSI Excellence Awards 2023.
- Recognized as the **Upcoming Lending NBFC of the Year** at the India NBFC Summit Awards 2023.
- Honoured for **Innovative HR Practices** at the Smart Tech Summit 2024.
- Won the **Rising Star NBFC of the Year** award at the BFSI Leadership Summit and Awards 2024.
- Secured the **Fraud Prevention Team of the Year** award at the India Credit Risk Management Summit and Awards 2024.

NOTICE OF 31st ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty First Annual General Meeting ('AGM') of the Shareholders ('Shareholders' or 'Members') of **Purple Finance Limited** ('Company') will be held on Thursday, June 12, 2025, at 11:00 A.M. IST through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1 Adoption of audited Financial Statements and Reports thereon

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

"RESOLVED THAT the Audited Financial Statements of the Company including the Balance Sheet as on March 31, 2025, profit and loss account, cash flow statement, notes to accounts for the year ended that date, together with the reports of the Directors and Auditors thereon are hereby received, considered and adopted.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company be and is hereby authorized severally to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution."

2 Appointment of a Director in place of the one retiring by rotation

To appoint a Director in place of Mrs. Minal Amitabh Chaturvedi (DIN:05315800) who retires by rotation in terms of section 152(6) of Companies Act, 2013 and being eligible offers herself 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 Mrs. Minal Amitabh Chaturvedi (DIN: 05315800) who retires by rotation at this Annual General Meeting pursuant to the provision of Section 152 and other applicable provisions of the Companies Act, 2013 be and is hereby re-appointed as a Director of the Company.

The profile of Mrs. Chaturvedi is enclosed as Annexure-A.

SPECIAL BUSINESS

3 Appointment of Abhilasha Chaudhary & Associates as the Secretarial 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 provisions of Section 204 of Companies Act, 2013 and the rules made thereunder and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions (including any statutory modification (s) or re-enactment thereof, for the time being in force) and based on the recommendation of the Board of Directors of the Company, Abhilasha Chaudhary & Associates, Peer reviewed Practicing Company Secretaries (FRN: S2022MH857800) be and is hereby appointed as the Secretarial Auditor of the Company for the audit period from Financial Year 2025-26 to 2029-2030 on such terms and conditions as agreed between the Board of Directors of the Company and the Secretarial Auditors, from time to time.

NOTICE OF 31st ANNUAL GENERAL MEETING

RESOLVED FURTHER THAT any Director, Chief Executive Officer, Chief Financial Officer and/or Company Secretary of the Company be and are hereby jointly/ severally authorized to do all such acts, deeds, things and matters and to sign such other documents and file such forms as may be necessary and expedient to give effect to the said resolution.”

4 Approval for re-appointment of Mr. Amitabh Chaturvedi (DIN: 00057441) as the Executive Chairman and Executive Director 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 provisions of Sections 152, 196 and 203 of the Companies Act, 2013 read with Schedule V of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 thereto and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions, including any statutory modifications, re-enactments or amendments made thereto from time to time and on the recommendations of the Board of Directors of the Company and any other concerned authority, consent of the Shareholders of the Company be and is hereby accorded for the re-appointment of Mr. Amitabh Chaturvedi (DIN: 00057441) as the Executive Chairman and Executive Director of the Company for a period of 5 (Five) Years with effect from 23rd March, 2025 to 22nd March, 2030 not liable to retire by rotation at a remuneration of Rs. 2,60,00,000/- per annum comprising of:

- a) Basic Salary: Rs. 1,24,23,388/- per annum (as may be increased from time to time)
- b) House Rent Allowance to an amount of Rs. 62,11,694/- per annum. (as may be increased from time to time)
- c) Leave Travel allowance per annum: Rs. 12,42,339/- (as may be increased from time to time)
- d) Entertainment allowance to an amount of Rs. 2,76,000/- per annum. (as may be increased from time to time)
- e) Other Allowances to an amount of Rs. 49,47,755/- per annum. (as may be increased from time to time)
- f) PF Contribution: Contribution to Provident Fund to an amount Rs. 21,600/- per annum. (as may be increased from time to time)
- g) Gratuity: Gratuity shall be as per Rules of the Company.
- h) Car Related Expenses: Includes E.M.I, Vehicle Maintenance and Driver Salary to an amount Rs. 8,77,224 /- per annum.
- i) All other entitlements including ESOPs/shares, incentives or allowances as per the Company policy as may be decided by the Company from time to time.
- j) Reimbursement of Expenses: Travelling and all other expenses incurred for the business of the Company shall be reimbursed as per the rules of the Company.

RESOLVED FURTHER THAT the Board of Directors (which term shall include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and are hereby authorized to vary or increase the remuneration specified above from time to time to the extent they may deem appropriate, provided that variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or such other competent authority, if applicable.

RESOLVED FURTHER THAT any one of the Directors, Chief Executive Officer, Chief Financial Officer and/or Company Secretary of the Company be and are hereby jointly/ severally authorized, for and on behalf of the Company, to file the necessary forms with the Registrar of Companies and to take all such actions and do all such acts, deeds, matters and things as may be deemed prudent, necessary and desirable for giving effect to the above resolution and matters related thereto.”

The profile of Mr. Chaturvedi is enclosed as Annexure-A.

NOTICE OF 31st ANNUAL GENERAL MEETING

5 Approval for re-appointment of Mr. Rajeev Deoras (DIN: 02879519) as the Executive Director of the Company and increase in his remuneration thereof

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

“RESOLVED THAT pursuant to provisions of Sections 152, 196, 197 and 203 of the Companies Act, 2013 read with Schedule V of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 thereto and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions, including any statutory modifications, re-enactments or amendments made thereto from time to time and on the recommendations of the Nomination and Remuneration Committee and Board of Directors of the Company and any other concerned authority, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Rajeev Deoras (DIN: 02879519) as the Executive Director of the Company for a period of 3 (three) Years with effect from 01st July, 2025 to 30th June, 2028 at a remuneration of Rs. 1,00,00,000/- (Rupees One Crore Only) comprising of:

Components of Remuneration	Amount (in Rs. p.a)
Basic Salary	47,90,000/-
House Rent Allowance	23,95,000/-
Leave Travel Allowance	4,79,000/-
Other Allowances	19,16,000 /-
Car Related Expenses	4,20,000 /-
Total	1,00,00,000/-

Notes:

Gratuity: Gratuity shall be as per Rules of the Company.

Other Entitlements: All other entitlements including ESOPs/shares, incentives or allowances as per the Company policy as may be decided by the Company from time to time.

Reimbursement of Expenses: Travelling and all other expenses incurred for the business of the Company shall be reimbursed as per the rules of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 along with the rules and regulations issued thereunder and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications, re-enactments or amendments made thereto from time to time and on the recommendations of the Nomination and Remuneration Committee and the Board of Directors, consent of the Shareholders be and is hereby accorded to increase the remuneration of Mr. Rajeev Deoras, Executive Director from Rs. 1,00,00,000 /- (Rupees One Crore Only) to Rs. 1,12,00,000/- (Rupees One Crore Twelve Lacs Only) w.e.f. 01st October, 2025 till 30th September, 2026 comprising of:

NOTICE OF 31st ANNUAL GENERAL MEETING

Components of Remuneration	Amount (in Rs. p.a.)
Basic Salary	52,08,000/-
House Rent Allowance	26,04,000/-
Leave Travel Allowance	5,20,800/-
Other Allowances	20,83,200/-
Car Related Expenses	7,84,000/-
Total	1,12,00,000/-

Notes:

Gratuity: Gratuity shall be as per Rules of the Company.

Other Entitlements: All other entitlements including ESOPs/shares, incentives or allowances as per the Company policy as may be decided by the Company from time to time.

Reimbursement of Expenses: Travelling and all other expenses incurred for the business of the Company shall be reimbursed as per the rules of the Company.

“RESOLVED FURTHER THAT any one of the Directors, Chief Executive Officer, Chief Financial Officer and/or Company Secretary of the Company be and are hereby jointly/ severally authorized, for and on behalf of the Company, to file the necessary forms with the Registrar of Companies and to take all such actions and do all such acts, deeds, matters and things as may be deemed prudent, necessary and desirable for giving effect to the above resolution and matters related thereto.”

The profile of Mr. Deoras is enclosed as Annexure-A.

6 Appointment of Mr. Rajan Bhat (DIN: 02467868) as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under and read with Schedule IV of the Act and Regulation 17 and 25 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)(including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and such other approval(s), consent(s) or permission(s), as may be required, and on the basis of recommendation of the Nomination and Remuneration Committee and that of the Board of Directors of the Company, Mr. Rajan Bhat (DIN: 02467868), who was appointed as an Additional Independent Director of the Company by the Board of Directors on April 09, 2025 effective from April 09, 2025, whose term of office expires at this Annual General Meeting (‘AGM’) and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 3 (Three) consecutive years commencing from April 09, 2025 to April 08, 2028.

RESOLVED FURTHER THAT any of the Directors, Chief Executive Officer, Chief Financial Officer and/ or the Company Secretary of the Company be and hereby authorized to do all acts, deeds, matters and things as may be necessary to give effect to this resolution.”

NOTICE OF 31st ANNUAL GENERAL MEETING

7 Approval for increase in remuneration of Mr. Amitabh Chaturvedi, Executive Chairman and Executive Director of the Company:

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

“RESOLVED THAT pursuant to the provisions of Section 197, 198 and other applicable provisions of Companies Act, 2013 along with the rules framed thereunder and Regulation 17 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications, re-enactments or amendments made thereto from time to time and other applicable provisions, if any, and Articles of Association and based on recommendation of Nomination and Remuneration Committee and Audit Committee and Board of Directors of the Company, consent of the Shareholders of the Company be and is hereby accorded to increase the remuneration of Mr. Amitabh Chaturvedi, Executive Chairman and Executive Director from Rs. 2,60,00,000/- (Rupees Two Crores Sixty Lacs Only) to Rs. 2,90,00,000/- (Rupees Two Crores Ninety Lakhs Only) w.e.f. 01st October, 2025 till 30th September 2026 keeping all the terms and conditions of his appointment unchanged comprising of:

Components of Remuneration	Amount (in Rs. p.a)
Basic Salary	1,34,85,000/-
House Rent Allowance	67,42,500/-
Leave Travel Allowance	13,48,500/-
Entertainment Allowance	3,60,000/-
Other Allowances	53,72,400/-
PF Contribution	21,600/-
Car Related Expenses	15,74,000/-
Books & Periodicals	96,000/-
Total	2,90,00,000/-

Notes:

Gratuity: Gratuity shall be as per Rules of the Company.

Other Entitlements: All other entitlements including ESOPs/shares, incentives or allowances as per the Company policy as may be decided by the Company from time to time.

Reimbursement of Expenses: Travelling and all other expenses incurred for the business of the Company shall be reimbursed as per the rules of the Company.

RESOLVED FURTHER THAT an incentive of ₹25,00,000 (Rupees Twenty-Five Lakh Only) shall be payable to Mr. Amitabh Chaturvedi upon successful completion of fund raising of ₹80 crore, in recognition of his contribution.

RESOLVED FURTHER THAT any of the Directors, Chief Executive Officer, Chief Financial Officer and/or the Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as may be necessary to give effect to this resolution.”

NOTICE OF 31st ANNUAL GENERAL MEETING

8 Approval for increase in remuneration of Mr. Sabyasachi Rath, Chief Executive Officer of the Company:

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

“RESOLVED THAT pursuant to the provisions of Section 197 and 198 of Companies Act, 2013 along with the rules and regulations made thereunder and Regulation 17 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications, re-enactments or amendments made thereto from time to time and other applicable provisions, if any, and on the recommendations of the Board of Directors of the Company, consent of the Shareholders of the Company be and is hereby accorded to increase the remuneration of Mr. Sabyasachi Rath, Chief Executive Officer from Rs. 95,00,000 /- (Rupees Ninety Five Lacs Only) to Rs. 1,10,00,000/- (Rupees One Crore Ten Lakhs Only) w.e.f. 01st October, 2025 till 30th September, 2026 comprising of:

Components of Remuneration	Amount (in Rs. p.a)
Basic Salary	51,15,000/-
House Rent Allowance	25,57,000/-
Leave Travel Allowance	5,11,500/-
Other Allowances	20,24,400/-
PF Contribution	21,600/-
Car Related Expenses	7,70,000/-
Total	1,10,00,000/-

Notes:

Gratuity: Gratuity shall be as per Rules of the Company.

Other Entitlements: All other entitlements including ESOPs/shares, incentives or allowances as per the Company policy as may be decided by the Company from time to time.

Reimbursement of Expenses: Travelling and all other expenses incurred for the business of the Company shall be reimbursed as per the rules of the Company.

RESOLVED FURTHER THAT any of the Directors, Chief Executive Officer, Chief Financial Officer and/or the Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as may be necessary to give effect to this resolution.”

NOTICE OF 31st ANNUAL GENERAL MEETING

9 Approval of the compensation payable to Mr. Rajeev Deoras, Executive Director of the Company:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendations of the Board of Directors of the Company and subject to such other approvals, permissions, sanctions, conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Shareholders of the Company be and is hereby accorded for the payment of compensation to Mr. Rajeev Deoras, Executive Director of the Company in the following manner:

An amount equal to 1,00,000 shares multiplied by the closing price of Rs. 48.73 as on 17th April, 2025. The said amount of Rs. 48,73,000/- will be paid to him in 3 equal installments and the manner of payment shall be as follows:

Particular	Amount (in Rs.)	Date when Payment will be due
I Installment	16,24,000	Post the completion of Proposed Rights Issue
II Installment	16,24,000	1 Year from the date of I Installment
III Installment	16,24,000	2 Years from the date of I Installment

RESOLVED FURTHER THAT any of the Directors, Chief Executive Officer, Head- Human Resources and/ or the Company Secretary of the Company be and hereby authorized to do all acts, deeds, matters and things as may be necessary to give effect to this resolution.”

10 Approval of the compensation payable to Mr. Sabyasachi Rath, Chief Executive Officer of the Company:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendations of the Board of Directors of the Company and subject to such other approvals, permissions, sanctions, conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Shareholders of the Company be and is hereby accorded for the payment of compensation to Mr. Sabyasachi Rath, Chief Executive Officer of the Company in the following manner:

NOTICE OF 31st ANNUAL GENERAL MEETING

An amount equal to the 1,00,000 shares multiplied by the closing price of Rs. 48.73 as on 17th April, 2025. The said amount of Rs. 48,73,000/- will be paid to him in 3 equal installments and the manner of payment shall be as follows:

Particular	Amount (in Rs.)	Date when Payment will be due
I Installment	16,24,000	Post the completion of Proposed Rights Issue
II Installment	16,24,000	1 Year from the date of I Installment
III Installment	16,24,000	2 Years from the date of I Installment

RESOLVED FURTHER THAT any of the Directors, Chief Executive Officer, Head- Human Resources and/ or the Company Secretary of the Company be and hereby authorized to do all acts, deeds, matters and things as may be necessary to give effect to this resolution.”

11 Approval for increase in the Authorised Share Capital of the Company and alteration of Memorandum of Association of the Company:

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

“RESOLVED THAT pursuant to provisions of section 13 and 61 of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof) (the “Act”) read with rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to approval, permissions and sanctions from the appropriate authorities, if any and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions or sanctions, consent of the Shareholders of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company from 55,60,00,000/- (Rupees Fifty-Five Crores Sixty Lacs Only) divided into 5,56,00,000 (Five Crore Fifty-Six Lac) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 60,00,00,000/- (Rupees Sixty Crores Only) divided into 6,00,00,000 (Six Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

RESOLVED FURTHER THAT pursuant to Section 13 and other applicable provisions, if any of the Act read with rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the Members of the Company be and is hereby accorded to substitute the existing Clause V of Memorandum of Association of the Company with the following new Clause V:

V. The Authorized Share Capital of the Company shall be Rs. 60,00,00,000/- (Rupees Sixty Crore Only) divided into 6,00,00,000 (Six Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

RESOLVED FURTHER THAT any of the Directors, Chief Executive Officer, Chief Financial Officer and/or Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental to give effect to the aforesaid Resolution.

RESOLVED FURTHER THAT a certified true copy of the resolution signed by any Director and/ or Company Secretary of the Company be provided to anyone concerned or interested in the matter.”

NOTICE OF 31st ANNUAL GENERAL MEETING

12 Approval for alteration of Articles of Association of the Company:

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

“RESOLVED THAT pursuant to the provisions of Section 5 and 14 of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014 made thereunder (including any statutory modification or re-enactments thereof for the time being in force) and all other applicable provisions in this regard consent of the Shareholders of the Company be and is hereby accorded to approve, alter and adopt new set of Articles of Association in accordance with provisions of the Companies Act, 2013 and all amendments thereto in substitution and to the entire exclusion of the existing Articles of Association of the Company with immediate effect.

RESOLVED FURTHER THAT any of the Directors, Chief Executive Officer, Chief Financial Officer and/or the Company Secretary of the Company be and are hereby jointly/ severally authorized to do all such acts, deeds, matters and things as may be necessary for the effective implementation of the above resolution as may be required by the Registrar of Companies and all other Regulatory/Statutory Authorities.”

13 Ratification of the Purple Finance Limited Employee Stock Option Scheme 2022 and approval of the amendments to the Purple Finance Limited Employee Stock Option Scheme 2022:

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

“RESOLVED THAT in furtherance of and supplemental to the special resolution passed in the 03/2022-23 Extra Ordinary General Meeting of the Company held on September 19, 2022, pursuant to applicable provisions of Section 62(1)(b) of the Companies Act, 2013 (“the Act”), Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, and other applicable provisions of the Act and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB Regulations”), the applicable provisions of rules, regulations, guidelines, clarifications, circulars and notifications issued by Securities and Exchange Board of India (the “SEBI”) and such other laws, rules and regulations (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and as may be applicable (“Applicable Laws”), the relevant applicable provisions of the Memorandum of Association and Articles of Association and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”) which term shall be deemed to include any Board Committee, including the Nomination & Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution read with Regulation 5 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 based on the recommendation of the Nomination & Remuneration Committee and Board of Directors of the Company, consent of the Shareholders of the Company be and is hereby accorded to amend the “Purple Finance Limited Employee Stock Option Scheme 2022” (“ESOP Scheme 2022” and/or “Plan”) as detailed in the explanatory statement to this Notice.

RESOLVED FURTHER THAT based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors, the “Purple Finance Limited Employee Stock Option Scheme 2022” (“ESOP Scheme 2022” and/or “Plan”), as approved by the shareholders of the Company in the General Meeting held on September 19, 2022, prior to listing of the Equity Shares of the Company, be and is hereby ratified within the meaning of Regulation 12 of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and the consent of the members of the Company be and is hereby accorded to create, grant, offer, issue, vest and allot from time to time, in one or more tranches to the eligible employees of the Company, as defined under the ESOP Scheme 2022 and to such other persons as may from time to time be allowed to be eligible for the benefits of the employee stock option

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scheme under applicable laws and regulations prevailing from time to time, under ESOP Scheme 2022, as may be decided by the Board, such number of options which shall not exceed 34,53,293 exercisable into Equity Shares not exceeding 34,53,293 Equity Shares of the company (or such adjusted numbers from any bonus, stock splits, or consolidation or other re-organisation of the capital structure of the Company, as may be applicable, from time to time), subject to such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of applicable laws including the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, the Act and provisions of the ESOP scheme 2022.

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT pursuant to the Applicable Laws, the authority of the Board on behalf of the Company, to make any modifications, changes, variations, alterations or revisions in the ESOP Scheme 2022 from time to time or to suspend, withdraw or revise the Plan from time to time, as may be required for implementation and administration of Plan or as may be specified by any statutory authority and/ or to give effect to any laws, rules, regulations, amendment(s) thereto, provided that such changes are not detrimental to the eligible employees and is in accordance with Applicable Laws, and to do all other acts, deeds, matters and things as are necessary to give effect to the above resolution and with power on behalf of the Company to settle any questions or difficulties that may arise with regard to the creation, offer, issue and allotment of shares without requiring the Board to secure any further consent or approval of the Members of the Company in this regard, be and is hereby ratified.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make any modifications or revisions to ESOP Scheme 2022 as it may deem fit, from time to time, provided that the same is in conformity with the Act, as amended, the Companies (Share Capital and Debenture) Rules, 2014, as amended, the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, as amended, the Memorandum and Articles of Association of the company and any other applicable laws, rules and regulations thereunder and also to appoint Advisors, Merchant Bankers, Consultants or Representatives, being incidental for the effective implementation and administration of the Scheme and to make applications to the appropriate Authorities, for their requisite approvals and to take all necessary actions and with power on behalf of the Company to settle all such questions, issues, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Board is hereby authorized to issue and allot Equity Shares upon exercise of options from time to time in accordance with the ESOP Scheme 2022 and such Equity Shares shall rank pari passu with all other Equity Shares of same class issued by the Company after the date of allotment.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of equity shares, merger/ amalgamation or sale of division/ undertaking or other reorganization etc., requisite adjustments (which may include adjustments to the number of options in ESOP Scheme 2022) shall be appropriately made, in a fair and reasonable manner in accordance with ESOP Scheme 2022.

RESOLVED FURTHER THAT Mr. Amitabh Chaturvedi, Executive Director, Mr. Rajeev Deoras, Executive Director, Mr. Sabyasachi Rath, Chief Executive Officer, Ms. Meghana Lale, Chief Financial Officer and Ms. Ruchi Nishar, Company Secretary and Compliance Officer of the Company be and are hereby jointly/ severally authorized to finalise, sign and execute any document, deed, agreement, letter or any such writing on behalf of the Company and do all such acts, deeds, matters and things as may be necessary and/or expedient in the interest of the Company in order to give effect to the above resolution."

NOTICE OF 31st ANNUAL GENERAL MEETING

14 Approval for grant of stock options equal to or exceeding 1% of issued share capital to identified employees of the Company during any one year:

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

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, relevant provisions of the Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and any circulars/ notifications/ guidance/ frequently asked questions issued thereunder, as amended from time to time ("SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations"), the provisions of any regulations/guidelines prescribed by the Securities and Exchange Board of India ("SEBI"), the provisions of any other applicable laws and regulations (including any amendment thereto or modification(s) or reenactment(s) thereof from time to time), the relevant provisions of the Memorandum and Articles of Association of the Company, and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and further subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee, including the Nomination & Remuneration Committee which the Board has constituted or may constitute to exercise its powers, including the powers, conferred by this resolution) to create, offer and grant from time to time, in one or more tranches, such number of employee stock options under the Purple Finance Limited Employee Stock Option Scheme 2022 ("ESOP Scheme 2022") equal to or exceeding 1% (one percent) of the Issued Share Capital of the Company (excluding outstanding warrants and conversions), during any Financial Year to identified present or future employees exclusively working in India or outside, a Director of the company, whether a Whole-time Director or not, including a Non-Executive Director [other than employee/ Director who is a promoter or person belonging to the promoter group of the Company, Independent Directors and Director(s) who either himself or through his relative or through anybody corporate, holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company] and selected by the Board in its sole and absolute discretion ("Identified Employees"), as may be determined by Nomination and Remuneration Committee from time to time.

RESOLVED FURTHER THAT that the Nomination and Remuneration Committee of the Company or any such person authorised by the Nomination and Remuneration Committee be and is hereby authorized to issue letter of grant and do all such acts, deeds, matters and things on behalf of the Company as may be necessary for granting options to the Identified Employees of the Company."

15 Ratification and approval of grant of stock options equal to or exceeding 1% of issued share capital of the Company to Mr. Rajeev Deoras, Executive Director of the Company and Mr. Sabyasachi Rath, Chief Executive Officer of the Company:

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

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and in accordance with the Purple Finance Limited Employee Stock Option Scheme 2022 (PFL ESOP Scheme 2022), and such other approvals, permissions, and sanctions as may be necessary, the Shareholders of the Company hereby ratify and approve the grant of stock options made in the year 2022 to the following employees, where the individual grant is equal to or exceeds 1% of the issued share capital of the Company at the time of grant:

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Sr. No.	Name	Designation	No. of ESOPs granted	Date
1	Mr. Rajeev Deoras	Executive Director	5,30,000	19.09.2022
2	Mr. Sabyasachi Rath	Chief Executive Officer	5,30,000	19.09.2022

RESOLVED FURTHER THAT the original terms and conditions of the grants, including vesting schedule, exercise price, and other conditions, as set out under the respective grant letters issued in accordance with the PFL ESOP Scheme 2022 of the Company, shall remain valid and binding.

RESOLVED FURTHER THAT that the Nomination and Remuneration Committee of the Company or any such person authorised by the Nomination and Remuneration Committee be and is hereby authorized to issue letter of grant and do all such acts, deeds, matters and things on behalf of the Company as may be necessary for granting options to the Identified Employees of the Company.”

16 Approval of Material Related Party Transactions of the Company:

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) read with the applicable rules issued under the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company’s Policy on “Materiality of Related Party Transactions and also on dealing with Related Party Transactions” and all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, and based on the recommendations of the Board of Directors (hereinafter referred to as “Board” which term shall be deemed to include the Audit Committee of the Company and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) of the Company, the approval of the Shareholders of the Company be and is hereby accorded to the Company for entering into and / or carrying out Material Related Transaction(s)/ contracts / arrangements or modification(s), alteration or amendments of earlier/ arrangements/transactions or as fresh and independent transaction(s) or otherwise (whether individually or series of transaction(s) taken together or otherwise), with certain promoters/promoter group and Shareholders holding more than 10% of the shareholding of the Company, related parties of the Company (as mentioned in the table below), during the Financial Year 2025-2026 and shall be valid up to the date of next Annual General Meeting on such material terms and conditions as detailed in the explanatory statement annexed to this notice and as may be mutually agreed between related party and the Company, notwithstanding the fact that the aggregate value of all these transaction(s), whether undertaken directly by the Company or along with its subsidiary(ies), does not exceed value as detailed in the explanatory statement provided that the said Transaction(s)/ Contract(s)/ Arrangement(s)/ Agreement(s) shall be carried out in the ordinary course of business and at arm’s length basis.

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Sr. No.	Name of Related Party
1	Amitabh Chaturvedi
2	Minal Amitabh Chaturvedi
3	Abhishek Chaturvedi
4	Abhidev Consultancy Services Private Limited
5	Anil Kumar
6	Sanjeev Kumar
7	M. K. Investment Consultancy Private Limited

RESOLVED FURTHER THAT the Board of Directors (Including any committee thereof) and/ or the Chief Executive Officer and/ or the Chief Financial Officer and/ or the Company Secretary of the Company be and are hereby jointly/ severally authorized to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Shareholders and that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

17 Approval of Borrowings Powers of the Company under Section 180(1) (c) of the Companies Act, 2013:

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

“RESOLVED THAT pursuant to the provisions of Section 180 (1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications, or re-enactments thereof) and pursuant to the provisions of the Articles of Association of the Company, the consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board of Directors by this Resolution) of the Company to borrow from time to time, any sum or sums of monies, from any one or more of the Company’s bankers and/or from any one or more other banks, persons, firms, companies/body corporates, financial institutions, institutional investor(s) and/or any other entity/entities or authority/authorities, whether in India or abroad, and whether by way of cash credit, advance, deposits, loans, or bill discounting, issue of debentures, commercial papers, long or short term loan(s), syndicated loans, fund based facilities, non-fund based facilities, either in rupees and/or such other foreign currencies as may be permitted by law from time to time, and/or any other instruments/securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company’s assets, licenses and properties (whether movable or immovable, present or future) and all or any of the undertaking of the Company, stock-in-process or debts, for the purpose of the Company’s business, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, if any, (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) will or may exceed, at any time, the aggregate of the Paid-up Capital of the Company and its Free Reserves, that is to say, reserves which are not set apart for any specific purposes, provided that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed INR 400,00,00,000/- (Indian Rupees Four Hundred Crore Only).

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RESOLVED FURTHER THAT the Board of Directors of the Company in this regard be and are hereby empowered and authorised to arrange or fix/negotiate the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, securities or otherwise as they may think fit and are further authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

RESOLVED FURTHER THAT any of the Directors, Chief Executive Officer, Chief Financial Officer and/ or the Company Secretary of the Company be and are hereby jointly and severally authorized to do all acts, deeds, matters and things including filing of necessary forms with the Ministry of Corporate Affairs to give effect to this resolution.

RESOLVED FURTHER THAT a certified true copy of the aforesaid resolution be forwarded to the concerned and they be requested to act thereon."

18 Approval of creation of charge on the properties of Company under Section 180(1) (a) of the Companies Act, 2013:

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications, or re-enactments thereof) and pursuant to the provisions of the Memorandum of Association and Articles of Association of the Company, the consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board of Directors by this Resolution) of the Company to mortgage, hypothecate, pledge and/ or charge, including and/ or in addition to mortgage, hypothecation, pledge and/or charge already created on all or any of the movable and/ or immovable properties of the Company (both present and future) and/or any other assets or properties of the Company and/ or the whole or part of any of the undertaking of the Company, in such manner as the Board / Committee of the Board may direct, to or in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusteeship companies, trusts, other bodies corporate (hereinafter referred to as the "Lending Agencies") and trustees for the holders of debentures/ bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure the due payment of the principal together with interest, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company or any third party in respect of borrowings availed of from such Lending Agencies of an outstanding aggregate value not exceeding INR 400,00,00,000/- (Indian Rupees Four Hundred Crore Only) (apart from temporary loans obtained from the Company's bankers in the ordinary course of business).

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize with the Lending Agencies / trustees, the documents for creating the aforesaid security interests and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution.

RESOLVED FURTHER THAT any of the Directors, Chief Executive Officer, Chief Financial Officer and/or the Company Secretary of the Company be and are hereby jointly and severally authorized to do all acts, deeds, matters and things as may be necessary including filing of necessary forms with the Ministry of Corporate Affairs to give effect to this resolution."

RESOLVED FURTHER THAT a certified true copy of the aforesaid resolution be forwarded to the concerned and they be requested to act thereon."

NOTICE OF 31st ANNUAL GENERAL MEETING

19 Approval for issuance of Non-Convertible Debentures under private placement basis

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

“RESOLVED THAT pursuant to the provisions of Section 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (“RBI Master Directions”), the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended from time to time) the relevant provisions of the Memorandum of Association and the Articles of Association of the Company, any other law, rules, guidelines, regulations for the time being in force and any other circulars, notifications and /or clarifications issued by any relevant authority (including any statutory modifications or re-enactments thereof for the time being in force, the consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to create/offer/issue/allot such number of secured/ unsecured/ rated/ unrated/ listed/ unlisted/ redeemable Non-Convertible Debentures (“NCDs”) through private placement, in one or more modes or combinations thereof and in one or more series or tranches, with or without security and on such terms and conditions as may be determined by the Board including but not limited to the subscriber(s) to the issue(s), face value of NCDs to be issued, the price at which NCDs to be issued, coupon rate, redemption period, utilization of issue proceeds and all other matters connected therewith and incidental thereto, so that the aggregate amount of such NCDs does not exceed the borrowing limits of INR 150 crore (Rupees one Hundred and Fifty crore only), during the period of one year from the date of passing this Resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorized to do all such acts, deeds, matters and things, execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary in relation thereto and to settle all questions, difficulties or doubts that may arise in connection with the issue of NCDs under private placement, including determining the terms and conditions of NCDs.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company be and are hereby jointly and severally authorized to do all acts, deeds, matters and things as may be necessary including filing of necessary forms with the Ministry of Corporate Affairs to give effect to this resolution.

By order of Board of Directors

Purple Finance Limited

Ruchi Nishar

Company Secretary & Compliance Officer

M. No. A68260

Date: May 15, 2024

Place: Mumbai

NOTICE OF 31st ANNUAL GENERAL MEETING

NOTES:

1. The explanatory statements as required under Section 102(1) of the Companies Act, 2013 ("the Act") relating to the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto and forms part of this notice.
2. The Ministry of Corporate Affairs ('MCA') has vide its General Circular no. 2/2022 dated 05th May, 2022, General Circular no. 21/2021 dated 14th December, 2021 read with General circular No. 02/2021 dated 13th January 2021, General Circular No. 14/2020 dated 08th April 2020, General Circular No. 17/2020 dated 13th April 2020 and General Circular No. 20/2020 dated 05th May 2020, Circular No. 2/2022 dated 5th May 2022, Circular No. 3/2022 dated 5th May 2022, General Circular No. 10 & 11/2022 dated 28th December, 2022, General Circular No. 9/2023 dated 25th September 2023 and the latest being General Circular No. 9/2024 dated 19th September, 2024 (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024 and respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars') permitted the holding of the Annual General Meeting ('AGM') through VC / OAVM, without the physical presence of the Members at a common venue upto 30th September, 2025.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The relevant details of the Directors, pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard 2 on General Meetings, seeking appointment / re-appointment at this AGM is enclosed as **Annexure A**.
5. Institutional shareholders/ Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are requested to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer at csabhilashachaudhary@gmail.com, and at compliance@purplefinance.in. It is also requested to upload the same in the e-voting module in their login.
6. Members are requested to send all communications relating to shares, change of address, bank details, email address, etc. to the RTA at the following address: M/s. Purva Sharegistry (India) Private Limited, 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (East), Mumbai- 400011, Maharashtra, India. If the shares are held in electronic form, then change of address and change in the Bank Accounts etc., should be furnished to their respective Depository Participants.
7. In case of joint holders, the Member whose name appears as first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
8. In compliance with the MCA Circulars and SEBI Circulars, the Annual Report for FY 2024-25, the Notice of the 31st AGM and the Instructions for e-voting are being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company / respective Depository Participants. Members may also note that the Annual Report for FY 2024-25 and the Notice convening the AGM are also available on the Company's website www.purplefinance.in, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of Purva Sharegistry (India) Private Limited ("PSIPL") at <https://www.purvashare.com/>.
9. The Members may join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

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10. Relevant documents referred to in the accompanying Notice are open for inspection at the Corporate Office of the Company on all working days except Saturdays between 11:00 a.m. and 01:00 p.m. up to the date of the Annual General Meeting.
11. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
12. The Shareholders, seeking any information with regard to the accounts or any matter to be placed at the AGM, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act are requested to write to the Company on or before 09th June, 2025 through email on compliance@purplefinance.in. The same will be replied by/on behalf of the Company suitably in due course of time.
13. Members holding shares either in physical form or in dematerialized form, as on Thursday, 05th June, 2025 i.e. cut-off date, who would like to express their views or ask questions during the AGM may register themselves as speakers by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at compliance@purplefinance.in or by sending an application for the same at the corporate office of the Company situated at 705/706, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp. Gurunanak Hospital, Bandra (E), Mumbai – 400 051 on or before 11th June, 2025. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
14. Ms. Abhilasha Chaudhary of Abhilasha Chaudhary & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast through remote e-Voting) and provide within two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith. The Results declared along with the report of the Scrutiniser will be placed on the website of the Company at www.purplefinance.in. The results shall also be immediately forwarded to BSE Limited and the Calcutta Stock Exchange Limited, where the equity shares of the Company are listed and will be placed on the Notice Board at the Registered Office of the Company.

Subject to receipt of the requisite number of votes, the resolutions shall be deemed to have been passed on the date of the AGM, i.e. Thursday, June 12, 2025.

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15. Voting through electronic means

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Purva Shareregistry (India) Private Limited (Purva) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by Purva.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.purplefinance.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and the Calcutta Stock Exchange Limited at www.bseindia.com and www.cse-india.com respectively. The AGM Notice is also disseminated on the website of Purva Shareregistry (India) Private Limited (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. <https://evoting.purvashare.com>.
6. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 read with all the subsequent circulars issued in this regard, the latest being General Circular No. 9/2024 dated 19th September, 2024
7. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.

THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- i. The voting period begins on 09:00 a.m. on June 07, 2025 and ends on 05:00 p.m. on June 11, 2025. During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of June 05, 2025 may cast their vote electronically. The e-voting module shall be disabled by Purva for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

NOTICE OF 31st ANNUAL GENERAL MEETING

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

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

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

NOTICE OF 31st ANNUAL GENERAL MEETING

Type of shareholder	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME/PURVA, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

NOTICE OF 31st ANNUAL GENERAL MEETING

Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- The shareholders should log on to the e-voting website <https://evoting.purvashare.com>.
- Click on "Shareholder/Member" module.
- Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- If you are holding shares in demat form and had logged on to www.evotingindia.com or www.evoting.nsdl.com and voted on an earlier e-voting of any company, then your existing password is to be used.

NOTICE OF 31st ANNUAL GENERAL MEETING

5. If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	<ul style="list-style-type: none"> Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- After entering these details appropriately, click on "SUBMIT" tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVENT NO. for the relevant <Purple Finance Limited> on which you choose to vote.
- On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO/ABSTAIN" for voting. Select the option YES or NO or ABSTAIN as desired. The option YES implies that you assent to the Resolution, option NO implies that you dissent to the Resolution and option ABSTAIN implies that you are not voting either for or against the Resolution.
- Click on the "NOTICE FILE LINK" if you wish to view the Notice.
- After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- Facility for Non – Individual Shareholders and Custodians – Remote Voting
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://evoting.purvashare.com> and register themselves in the "Custodians / Mutual Fund" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to evoting@purvashare.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; compliance@purplefinance.in (designated email address by company) , if they have voted from individual tab & not uploaded same in the Purva e-voting system for the scrutinizer to verify the same.

NOTICE OF 31st ANNUAL GENERAL MEETING

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is the same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend the meeting will be available where the EVENT NO. of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at compliance@purplefinance.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance atleast 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at compliance@purplefinance.in. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

NOTICE OF 31st ANNUAL GENERAL MEETING

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the Purva e-Voting System, you can write an email to evoting@purvashare.com or contact at 022-49614132 and 022-49700138.

All grievances connected with the facility for voting by electronic means may be addressed to Ms. Deepali Dhuri, Compliance Officer, Purva Sharegistry (India) Private Limited, Unit No. 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai - 400011 or send an email to evoting@purvashare.com or contact at 022- 49614132 and 022-49700138.

ANNEXURE TO THE NOTICE

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

ITEM NO. 3:

This Explanatory Statement is provided as per Section 102 of the Act.

Regulation 24A of the SEBI LODR Regulations requires Shareholders to appoint the Secretarial Auditors of the Company for a period not exceeding five consecutive years on the recommendation of the Board of Directors of the Company. On the recommendation of the Audit Committee, the Board of Directors of the Company in their Meeting held on 21st April, 2025 have approved and recommended the appointment of Abhilasha Chaudhary & Associates, a peer reviewed Practicing Company Secretary Firm (COP No.: 23604) as the Secretarial Auditor of the Company for an audit period of 5 years commencing from Financial Year 2025-26 to 2029-30.

NOTICE OF 31st ANNUAL GENERAL MEETING

Information to be disclosed to the shareholders		
a)	Name of the individual / Firm proposed to be appointed as the Secretarial Auditor?	Abhilasha Chaudhary & Associates
b)	Whether the Board of Directors have recommended appointment of the individual / Firm as the Secretarial Auditor of the listed entity?	Yes
c)	<p>The following information as disclosed to the Board of Directors:</p> <p>i. Website of the proposed Secretarial Auditor;</p> <p>ii. Number of years of experience of the individual / Firm proposed to be appointed as Secretarial Auditor:</p> <p>For an individual:</p> <ul style="list-style-type: none"> As a Company Secretary As a Practicing Company Secretary As a Secretarial Auditor <p>For a Firm:</p> <ul style="list-style-type: none"> in carrying out Secretarial Audit of companies or other body corporates in providing other services (compliance, filings etc.) to companies or other body <p>iii. Names of other listed entities (equity / debt) for which the individual / Firm is the Secretarial Auditor.</p> <p>iv. Details of orders passed against the proposed Secretarial Auditor by ICSI/SEBI/MCA/any other competent authority / Court, both in India or outside India, in past 5 years.</p> <p>v. Whether proposed Secretarial Auditor has rendered any services as prohibited under SEBI Circular dated 31/12/2024 directly or indirectly to the listed entity or its holding company or subsidiary or any associate? If yes, then provide details and actions, if any taken against the individual / Firm, and</p>	<p>Not available</p> <p>4 years 2 years</p> <p>2 years</p> <p>2 years</p> <p>1. DJS Stock and Shares Limited 2. Ken Financial Services Limited 3. Nexus Surgical and Medicare Limited 4. Jainam Ferro Alloys (I) Limited 5. Procal Electronics India Limited 6. Maa Jagdambe Tradelinks Limited 7. Diggi Multitrade Limited 8. Equilateral Enterprises Limited(Surya)</p> <p>NIL</p> <p>NO</p>

NOTICE OF 31st ANNUAL GENERAL MEETING

	<p>vi. Fee related</p> <p>a. Proposed fees payable to the individual / Firm as</p> <ul style="list-style-type: none"> • auditor, • for other services (certifications), • for reimbursement of expenses <p>b. Total Fees paid to previous/outgoing auditor</p> <p>c. Rationale for material change in the audit fees proposed to be paid to the proposed secretarial auditor as compared to the previous / outgoing auditor;</p> <p>d. Disclosure of % of non-audit fees, paid/payable to the proposed Secretarial Auditor or/and its associate concerns, over audit fees paid/payable to the said auditor.</p> <p>e. Total remuneration/fees, etc. received by the proposed Secretarial Auditor from the company or group companies (holding, subsidiary, associate, joint ventures) in the last financial year along with details.</p>	<p>INR 70,000/- INR 82,000/-</p> <p>INR 6,00,000/-</p> <p>The scope of services provided by the previous Secretarial Auditor was much more extensive than the proposed Secretarial Auditor.</p> <p>117%, as the Non- Audit fees includes certifications to be provided by the Secretarial Auditor.</p> <p>The Company has paid fees of INR 3,00,000 to the proposed Secretarial Auditor in FY 2025-26 for the services provided by the proposed Secretarial Auditor in FY 2024-25</p>
d)	<p>Past association (name and number of years to be disclosed) of the proposed Secretarial Auditor with:</p> <p>i. Promoter / Promoter Group during the last 3 years</p> <p>ii. Group companies (holding, subsidiary, associate, joint ventures) of the listed entity during the last 3 years.</p> <p>Provided that the details mentioned above shall be disclosed only if the past association in any of the 3 years has resulted in one of the following:</p> <p>a. For partnership firm / LLP: Total income received by the firm from entities mentioned at (i) and (ii) above during that particular financial year exceeded 10% of the gross turnover of the firm at the end of the immediately preceding financial year of appointment / reappointment.</p>	N.A.

NOTICE OF 31st ANNUAL GENERAL MEETING

	b. For individual / sole proprietorship concern: Total income received by the individual / sole proprietorship concern from entities mentioned at (i) and (ii) above during that particular financial year exceeded 10% of the total annual income of the individual / proprietor for the immediate previous financial year of appointment /reappointment.	N.A.
e)	Terms of appointment as approved by the Board of Directors	5 years
f)	Rationale of the Board of Directors for recommending the individual / Firm with past orders, if applicable, against them for appointment as Secretarial Auditor.	N.A.

In view of the above, the Board of Directors recommends appointment of Abhilasha Chaudhary & Associates as the Secretarial Auditors as mentioned at Item no.3 of the notice as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company, or their respective relatives are in any way concerned or interested (financially or otherwise) in the proposed resolution.

NOTICE OF 31st ANNUAL GENERAL MEETING

ITEM NO. 4:

This Explanatory Statement is provided as per Section 102 of the Act.

Based on the recommendations of Nomination and Remuneration Committee, the Board of Directors have re-appointed Mr. Amitabh Chaturvedi as the Executive Chairman and Executive Director of the Company for a period of 5 (Five) years w.e.f. 22nd March, 2025, subject to approval of the Shareholders in General Meeting on the same terms and conditions as his original appointment.

Mr. Amitabh Chaturvedi is the Founder and Promoter of the Company. Further, he is a Chartered Accountant, with over 30 years of proven experience in the BFSI domain with strategic expertise in Banking, Asset Management, Insurance, Lending and Wealth Management functions. Before his brief stint with Karvy for two years, he also served as the Managing Director of Essel Finance Limited, a part of the multibillion-dollar Essel Group.

He has put in place the critical foundation of Purple Finance required to build a large institution & set the organization in motion. His exceptional leadership and vision has been instrumental in driving the remarkable growth of the Company. Under Mr. Chaturvedi's guidance, the Company has not only secured successful fund raising by way of Private Placement, Rights Issue, etc. but also achieved the milestone of being listed on BSE Limited and the Calcutta Stock Exchange Limited. Additionally, the expansion of our Company to 37 branches and significant workforce of 335 employees reflect the strength and vitality that he has fostered in our Company. His dedication to creating opportunities and building a supportive work environment has a direct impact on the success of both the Company and its employees. It would be therefore in the interest of the Company to re-appoint Mr. Amitabh Chaturvedi as the Executive Chairman and Executive Director of the Company.

Mr. Amitabh Chaturvedi has confirmed that he fulfils all the conditions given under Section 196(3) and Schedule V of the Act for being eligible for their re-appointment and he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. He has also confirmed that he is not debarred from holding the office of Director by virtue of any order by SEBI or any other authority.

The additional detailed information as per Section – II of Part II of Schedule V to the Companies Act, 2013 is attached herewith as **Annexure B**.

In view of the above, the Board of Directors recommends re-appointment of Mr. Amitabh Chaturvedi as the Executive Chairman and Executive Director as mentioned at Item no. 4 of the notice as an Ordinary Resolution. Prescribed details of Mr. Amitabh Chaturvedi is attached herewith as **Annexure A**.

Mrs. Minal Amitabh Chaturvedi, Non- Executive Director is the spouse of Mr. Amitabh Chaturvedi and is hence interested in the said resolution. The other relatives of Mr. Amitabh Chaturvedi may be deemed to be interested in the said resolution at Item No. 4 of the Notice to the extent of their shareholding, if any, in the Company.

None of the other Directors, Key Managerial Personnels of the Company and their relatives except Mr. Amitabh Chaturvedi and Mrs. Minal Amitabh Chaturvedi, are, in any way, concerned or interested, financially, or otherwise, in the said resolution.

NOTICE OF 31st ANNUAL GENERAL MEETING

ITEM NO. 5:

This Explanatory Statement is provided as per Section 102 of the Act.

Based on the recommendations of Nomination and Remuneration Committee, the Board of Directors have re-appointed Mr. Rajeev Deoras as the Executive Director of the Company for a period of 3 (three) years w.e.f. 01st July, 2025, subject to approval of the Shareholders in General Meeting on the same terms and conditions as his original appointment. Further, it is recommended to increase his remuneration from ₹1,00,00,000/- (Rupees One Crore Only) to ₹1,12,00,000/- (Rupees One Crore Twelve Lakh Only) per annum, with effect from 01st October, 2025, subject to the approval of the Shareholders of the Company.

Mr. Rajeev Deoras has been part of the Company since inception, he has been deeply involved in mentoring the team, building the organizational culture, and establishing the key policies and risk frameworks that define us today. Purple Finance Limited is built on strong people and well-thought-out practices and he has played a foundational role in shaping both. We now stand at an inflection point. With all building blocks in place, we are entering a high-growth phase. While growth remains a key focus, it is equally critical to maintain a sharp vigil on portfolio quality, preserve our strong culture of risk, and stay aligned with regulatory expectations. As we prepare ourselves for the next phase—with ambitions of eventually becoming a Small Finance Bank—his continued involvement will help ensure we scale with discipline, uphold the trust of all stakeholders, and remain fully compliant with all regulatory frameworks including those of the RBI, SEBI, and others. It would be therefore in the interest of the Company to re-appoint Mr. Rajeev Deoras as the Executive Director of the Company.

As per the requirements of Section 196 and 197 of the Companies Act, 2013 and the provisions of Schedule V thereto, the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent of the net profits of the company and if there is more than one such director, remuneration shall not exceed ten per cent of the net profits to all such directors and manager taken together without approval of the Shareholders in the General Meeting by Special Resolution.

Further, as per the provisions of Section 197 of the Companies Act, 2013 read with Section II of Part II of Schedule V, in case of absence or inadequacy of profits, the remuneration to be paid in excess of the limits specified in Section II of Part II of Schedule V has to be approved by the Members by way of a Special Resolution. While the Company remains in its early growth phase and have not yet achieved profitability, the Financial Year has been successful by the measures that matter most for long-term value creation: expanding our footprint, deepening borrower trust, building a resilient lending infrastructure, and maintaining a disciplined approach.

Mr. Rajeev Deoras has confirmed that he fulfils all the conditions given under Section 196(3) and Schedule V of the Act for being eligible for their re-appointment and he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. He has also confirmed that he is not debarred from holding the office of Director by virtue of any order by SEBI or any other authority.

The additional detailed information as per Section – II of Part II of Schedule V to the Companies Act, 2013 is attached herewith as **Annexure B**.

NOTICE OF 31st ANNUAL GENERAL MEETING

In view of the above, the Board of Directors recommends re-appointment of Mr. Rajeev Deoras as the Executive Director and increase in his remuneration thereof as mentioned at Item no.5 of the notice as as Special Resolution. The details of his remuneration are set out in the Resolution itself. Prescribed details of Mr. Rajeev Deoras is attached herewith as **Annexure A**.

The other relatives of Mr. Rajeev Deoras may be deemed to be interested in the said resolution at Item No. 5 of the Notice to the extent of their shareholding, if any, in the Company.

None of the other Directors, Key Managerial Personnels of the Company and their relatives except Mr. Rajeev Deoras, are, in any way, concerned or interested, financially, or otherwise, in the said resolution.

ITEM No. 6:

This Explanatory Statement is provided as per Section 102 of the Act.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company on April 09, 2025 have appointed Mr. Rajan Bhat (DIN: 02467868) as an Additional Director in the capacity of Independent Director of the Company. Pursuant to Section 161(1) of the Companies Act, 2013 read with Regulation 17 of Listing Regulation ('Act') and Articles of Association of the Company, Mr. Rajan Bhat shall be appointed within three months from the date of appointment or next general meeting whichever is earlier, excluding the period required for obtaining the statutory approval

The Board of Directors at their Meeting held on May 15, 2025 have appointed Mr. Bhat as the Independent Director for a period of 3 (three) years w.e.f. April 09, 2025 subject to the approval of the Shareholders of the Company. Mr. Rajan Bhat has also confirmed that he is not debarred from holding the office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority and he meets the criteria of independence as provided under Section 164 of the Companies Act, 2013.

Mr. Rajan Bhat is a seasoned business leader with extensive experience in the financial services and consulting sectors. Over a career spanning several decades, he has held leadership roles in major organizations including American Express, Tata Capital, Western Union, FCH Centrum Direct, NKGSB Co-operative Bank Ltd and Goldratt Consulting. His areas of expertise include travel and forex services, business development, strategic alliances, compliance, risk management, and profit center management. He currently serves as a Director at Goldratt Consulting India Private Limited. He has received multiple awards from American Express for quality, customer service, and leadership, as well as launching successful financial products in line with regulatory guidelines.

In view of the above, the Board of Directors recommends the resolution as mentioned at Item no.6 of the notice as Special Resolution. The prescribed details of Mr. Rajan Bhat is attached herewith as **Annexure A**.

None of the other Directors, Key Managerial Personnels of the Company and their relatives except Mr. Rajan Bhat, are, in any way, concerned or interested, financially, or otherwise, in the said resolution.

NOTICE OF 31st ANNUAL GENERAL MEETING

ITEM No. 7:

This Explanatory Statement is provided as per Section 102 of the Act.

Mr. Amitabh Chaturvedi is the Founder and Promoter of the Company. He has put in place the critical foundation of Purple Finance required to build a large institution & set the organization in motion. Under Mr. Chaturvedi's guidance, the Company has not only secured successful fund raising by way of Private Placement, Rights Issue, etc. but also achieved the milestone of being listed on BSE Limited and the Calcutta Stock Exchange Limited. Additionally, the expansion of our Company to 37 branches and significant workforce of 335 employees reflect the strength and vitality that he has fostered in our Company.

On the recommendations of the Nomination and Remuneration Committee, the Board of Directors in their Meeting held on April 21, 2025 have approved the increase in remuneration of Mr. Amitabh Chaturvedi from Rs. 2,60,00,000/- (Rupees Two Crores Sixty Lacs Only) to Rs. 2,90,00,000/- (Rupees Two Crores Ninety Lakhs Only) w.e.f. October 01, 2025 till September 30, 2026.

As per the requirements of Section 196 and 197 of the Companies Act, 2013 and the provisions of Schedule V thereto, the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent of the net profits of the company and if there is more than one such director, remuneration shall not exceed ten per cent of the net profits to all such directors and manager taken together without approval of the Shareholders in the General Meeting by Special Resolution.

Further, as per the provisions of Section 197 of the Companies Act, 2013 read with Section II of Part II of Schedule V, in case of absence or inadequacy of profits, the remuneration to be paid in excess of the limits specified in Section II of Part II of Schedule V has to be approved by the Members by way of a Special Resolution. While the Company remains in its early growth phase and have not yet achieved profitability, the Financial Year has been successful by the measures that matter most for long-term value creation: expanding our footprint, deepening borrower trust, building a resilient lending infrastructure, and maintaining a disciplined approach.

In order to suitably remunerate Mr. Amitabh Chaturvedi, keeping in view his entitlement and existing remuneration, as also the competitive market practices, the approval of the Members is sought for increase in remuneration to Mr. Chaturvedi as set out in the Resolution at item no. 5 of the Notice as a Special Resolution. The details of his remuneration are set out in the Resolution itself.

The additional detailed information as per Section – II of Part II of Schedule V to the Companies Act, 2013 is attached herewith as **Annexure B**.

Mrs. Minal Amitabh Chaturvedi, Non- Executive Director is the spouse of Mr. Amitabh Chaturvedi and is hence interested in the said resolution. The other relatives of Mr. Amitabh Chaturvedi may be deemed to be interested in the said resolution at Item No. 7 of the Notice to the extent of their shareholding, if any, in the Company.

None of the other Directors, Key Managerial Personnels of the Company and their relatives except Mr. Amitabh Chaturvedi and Mrs. Minal Amitabh Chaturvedi, are, in any way, concerned or interested, financially, or otherwise, in the said resolution

NOTICE OF 31st ANNUAL GENERAL MEETING

ITEM NO. 8:

This Explanatory Statement is provided as per Section 102 of the Act.

Mr. Sabyasachi Rath is one of the co-founders of the Company and also the Chief Executive Officer (CEO) of the Company since inception. Mr. Sabyasachi Rath is responsible for handling the Business, Collections, Technology, Operations and Human Resource Department of the Company. In his term as the Chief Executive Officer of the Company, his exceptional executorial skills have been instrumental in driving the remarkable growth of the Company. Owing to his perseverance, the Company has expanded to 37 branches with about 335 employees with presence in 5 states across India and achieved an AUM of INR 100 crore.

On the recommendations of the Nomination and Remuneration Committee, the Board of Directors in their Meeting held on April 21, 2025 have approved the increase in remuneration of Mr. Sabyasachi Rath from Rs. 95,00,000 /- (Rupees Ninety Five Lacs Only) to Rs. 1,10,00,000/- (Rupees One Crore Ten Lakhs Only) w.e.f. October 01, 2025 till September 30, 2026.

As per the requirements of Section 196 and 197 of the Companies Act, 2013 and the provisions of Schedule V thereto, the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent of the net profits of the company and if there is more than one such director, remuneration shall not exceed ten per cent of the net profits to all such directors and manager taken together without approval of the Shareholders in the General Meeting by Special Resolution.

Further, as per the provisions of Section 197 of the Companies Act, 2013 read with Section II of Part II of Schedule V, in case of absence or inadequacy of profits, the remuneration to be paid in excess of the limits specified in Section II of Part II of Schedule V has to be approved by the Members by way of a Special Resolution. While the Company remains in its early growth phase and have not yet achieved profitability, the Financial Year has been successful by the measures that matter most for long-term value creation: expanding our footprint, deepening borrower trust, building a resilient lending infrastructure, and maintaining a disciplined approach.

The additional detailed information as per Section – II of Part II of Schedule V to the Companies Act, 2013 is attached herewith as **Annexure B**.

In order to suitably remunerate Mr. Sabyasachi Rath, keeping in view his entitlement and existing remuneration, as also the competitive market practices, the approval of the Members is sought for increase in remuneration to Mr. Rath as set out in the Resolution at item no. 8 of the Notice as a Special Resolution. The details of his remuneration are set out in the Resolution itself.

The other relatives of Mr. Sabyasachi Rath may be deemed to be interested in the said resolution at Item No. 7 of the Notice to the extent of their shareholding, if any, in the Company.

None of the other Directors, Key Managerial Personnels of the Company and their relatives except Mr. Sabyasachi Rath, are, in any way, concerned or interested, financially, or otherwise, in the said resolution.

NOTICE OF 31st ANNUAL GENERAL MEETING

ITEM NO. 9 & 10:

This Explanatory Statement is provided as per Section 102 of the Act.

The Company had allocated ESOPs to Co-founders including Mr. Rajeev Deoras and Mr. Sabyasachi Rath on February 29, 2024. The allocation is as under:

Sr. No.	Name and Designation	No. of shares offered
1.	Rajeev Deoras, Executive Director	1,00,000
2.	Sabyasachi Rath, CEO	1,00,000
	Total	2,00,000

The Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated February 15, 2024, has approved the Scheme of Merger by Absorption of Canopy Finance Limited by Purple Finance Limited ("Reverse Merger") and their respective Shareholders and Creditors. Pursuant to the aforementioned merger, the equity shares of the Company have been listed on BSE Limited w.e.f. June 14, 2024, and on The Calcutta Stock Exchange Limited w.e.f. June 18, 2024.

Pursuant to the approval of the Reverse Merger, all the existing Shareholders of the Company (except for AIFs) were classified as a part of the Promoter Group. This also included the above mentioned Co-founders. It may be noted that as per provisions of Companies Act, 2013 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, Promoter/Promoter Group are not eligible for ESOPs and hence ESOPs cannot be granted to them.

As the grant of ESOPs happened after the Hon'ble NCLT order, the ESOPs were cancelled. This was noted in the NRC Meeting dated October 25, 2024.

However, the Company still wishes to reward them for their contribution towards the exponential growth of the Company.

It is proposed to give them an amount equal to the 1,00,000 shares multiplied by the closing price of Rs. 48.73 as on April 17, 2025 i.e. Thursday. The said amount of Rs. 48,73,000/- will be paid to them in 3 equal annual instalments and the manner of payment shall be as follows.

Particulars	Amount (in Rs.)	Date when payment will be due
I Installment	16,24,000/-	Post the completion of the proposed Rights Issue
II Installment	16,24,000/-	1 year from the date of I installment
III Installment	16,24,000/-	2 years from the date of I installment

As per the requirements of Section 196 and 197 of the Companies Act, 2013 and the provisions of Schedule V thereto, the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent of the net profits of the company and if there is more than one such director, remuneration shall not exceed ten per cent of the net profits to all such directors and manager taken together without approval of the Shareholders in the General Meeting by Special Resolution.

NOTICE OF 31st ANNUAL GENERAL MEETING

Further, as per the provisions of Section 197 of the Companies Act, 2013 read with Section II of Part II of Schedule V, in case of absence or inadequacy of profits, the remuneration to be paid in excess of the limits specified in Section II of Part II of Schedule V has to be approved by the Members by way of a Special Resolution. While the Company remains in its early growth phase and have not yet achieved profitability, the Financial Year has been successful by the measures that matter most for long-term value creation: expanding our footprint, deepening borrower trust, building a resilient lending infrastructure, and maintaining a disciplined approach.

In view of the above, the Board of Directors on the recommendation of the Nomination and Remuneration Committee recommends the resolution as mentioned at Item no.9 & 10 of the notice as Special Resolution.

None of the other Directors, Key Managerial Personnels of the Company and their relatives except Mr. Rajeev Deoras and Mr. Sabyasachi Rath, are, in any way, concerned or interested, financially, or otherwise, in the Item No. 9 & 10 respectively.

ITEM NO. 11:

This Explanatory Statement is provided as per Section 102 of the Act.

The present Authorised Share Capital of the Company is Rs. 55,60,00,000 (Rupees Fifty Five Crores Sixty Lac Only) divided into 5,56,00,000 (Five Crore Fifty Six Lac) Equity shares of Rs. 10/- (Rupees Ten Only) each. Your Company is an NBFC engaged in the business of granting secured loans to MSMEs and being in its growth stage, requires funds regularly. The funds are raised through various forms including issuance of Equity Shares, Debentures, borrowings, etc.

To meet the capital requirements of the Company, the Board of Directors at their Meeting held on May 15, 2025 have approved the increase in Authorised Share Capital to Rs. 60,00,00,000 (Rupees Sixty Crores Only) divided into 6,00,00,000 (Six Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each. Pursuant to the provisions of Section 13, 61 and 64 of the Companies Act, 2013, approval of the Members is required for increasing the Authorised Share Capital of the Company and alteration in the Memorandum of Association of the Company.

Accordingly, the Board recommends the Ordinary Resolution set out in Item No. 11 seeking approval of the Members for increasing the Authorised Share Capital of the Company and consequential alteration of the Memorandum of Association of the Company as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise in the said resolutions.

ITEM NO. 12:

This Explanatory Statement is provided as per Section 102 of the Act.

As you are aware, the Hon'ble NCLT, Mumbai Bench vide its Order dated February 15, 2024, have approved the Scheme of Merger by Absorption of Canopy Finance Limited by Purple Finance Limited and their respective Shareholders and creditors. Pursuant to the aforementioned merger, the Equity Shares of the Company were listed on BSE Limited w.e.f. June 14, 2024, and on The Calcutta Stock Exchange Limited w.e.f. June 18, 2024.

NOTICE OF 31st ANNUAL GENERAL MEETING

In order to bring existing AOA of the Company in line with the provisions of the Act and SEBI Regulations and to allow the Company to issue different kind of securities, the Company is required to carryout numerous changes in the existing AOA and hence it is considered desirable to adopt a comprehensive new set of Articles of Association of the Company ("New Articles") in substitution of and to the exclusion of the existing AOA.

Accordingly, the Board at its Meeting held on April 21, 2025 approved and recommended, subject to approval of the Shareholders of the Company, the adoption of new set of Articles of Association of the Company in substitution of existing AOA to make it consistent and align it with the provisions of the Act and the Rules made thereunder and SEBI Regulations, as set out in the Special Resolution at item no. 12 of this Notice.

As per the provisions of Section 14 and other applicable provisions, if any, of the Act read with the Companies (Incorporation) Rules, 2014, approval of the Members of the Company by way of a Special Resolution is required for adoption of new AOA in substitution of existing AOA. A copy of the proposed set of new Articles of Association of the Company would be available for inspection for the members at the Corporate Office of the Company during the office hours on any working day, except Saturdays and Sundays, between 10.00 a.m. to 5.00 p.m. till the conclusion of the Annual General Meeting.

The Board recommends passing of the resolution set out at Item No. 12 for the approval of the Shareholders of the Company by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are in anyway, concerned or interested, financially or otherwise, either directly or indirectly in passing of the said Special Resolution, save and except to the extent of their respective interest as shareholders of the Company.

ITEM NO. 13, 14 & 15:

This Explanatory Statement is provided as per Section 102 of the Act.

The Board of Directors ("Board") of the Company at their Meeting held on September 17, 2022 and the Members of the Company at their Meeting held on September 19, 2022, approved the adoption of the Purple Finance Limited - Employee Stock Option Scheme 2022 ("ESOP Scheme") for the benefit of the eligible employees of the Company which entitles them to the stock options of the Company.

The ESOP Scheme has been formulated with an aim to encourage and motivate employees of the Company in strengthening and improving their performance, thereby contributing to the overall growth of the Company.

NOTICE OF 31st ANNUAL GENERAL MEETING

The Nomination and Remuneration Committee and the Board of Directors at their Meeting held on April 21, 2025 have recommended and approved a few changes in the ESOP Scheme to align it with the regulatory requirements under the SEBI SBEB Regulations. The key alterations made to the ESOP Scheme are given below:

I. Clause 5

Option and Share Limits

The aggregate maximum number of options that may be granted to the Eligible Employees under this Scheme in one or more tranches, from time to time shall not exceed 34,53,293 options which in aggregate exercisable into not more than equivalent number of shares, with each such option conferring a right upon employees to apply for one equity share of the face value of Rs.10/- each in the Capital of the Company in accordance with the terms and conditions as may be decided under the plan.

The number of options that may be offered to any specific employee in any financial year and in aggregate under the Scheme may be more than 1% of the issued share capital (excluding outstanding warrants and conversions, if any) of the Company at the time of grant of options under the scheme.

II. Clause 6 (ii)(6)

Powers of the Committee

Construe and interpret this Scheme and any agreements defining the rights and obligations of the Company and eligible Employees under this Scheme, further define the terms used in this Scheme and prescribe, amend and rescind rules and regulations relating to the administration of the Scheme including permitting the acceleration of the vesting period of the ESOPs granted to the Employees. However, it shall be ensured re-pricing, if any, shall not be detrimental to the interest of Employees.

III. Clause 9 (v)

Grant of Options

This sub-clause has been deleted.

IV. Clause 16(vi)

Lapse of Options

In the event of resignation of the Grantee all options not vested as on that date shall expire. The Grantee shall be entitled to exercise options vested with him within a period of 90 days from the last working date of the Grantee. All vested Options, not exercised within the above specified period shall lapse.

NOTICE OF 31st ANNUAL GENERAL MEETING

V. Clause 23

Dispute

Any disputes or differences of any nature arising under the Scheme shall be referred to the Committee and its decision shall be final and binding in all respects. The Courts of Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this PFL ESOP Scheme 2022.

VI. Clause 28

Accounting Policy

In respect of PFL ESOP Scheme 2022, the Company shall follow the accounting requirements including the disclosure requirements of the SBEB Regulations, Accounting Standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time.

VII. Clause 29

Certificate from Auditors

The Board shall at each annual general meeting place before the Shareholders a certificate from the secretarial auditors of the Company that the Scheme has been implemented in accordance with the SEBI SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

VIII. Clause 30

Confidentiality

Employees must keep the details of the ESOP and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Confidentiality Clause, the Company has undisputed right to terminate any Agreement and all unexercised options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Confidentiality Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this clause, the Committee will have the authority to deal with such cases as it may deem fit.

The Nomination and Remuneration Committee shall administer the ESOP Scheme and implement the ESOP Scheme in accordance with the applicable laws. The ESOP Scheme pool holds 34,53,293 equity shares of the Company.

In terms of Regulation 12(1) of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"), no company is permitted to make any fresh grant which involves allotment or transfer of shares to its employees under an employee stock option scheme formulated prior to listing of its shares unless such scheme is in conformity with the SEBI SBEB Regulations and is ratified by its Members after the listing of the shares of the Company. Approval of the Members is being sought for ratification of the ESOP Scheme and the issue of employee stock options ("ESOPs") to the eligible employees as may be determined by the Nomination and Remuneration Committee in accordance with the ESOP Scheme.

NOTICE OF 31st ANNUAL GENERAL MEETING

The disclosures as required by the applicable law are as follows:

Sr. No.	Particulars	Details
(a)	A brief description of the Scheme	<p>The Scheme seeks to reward eligible employees by way of granting options, which when exercisable results in equivalent equity shares of the Company, with a view to reward their association and loyalty which has resulted in corporate growth and value creation over a long period of time.</p> <p>The Scheme is instrumental in making such eligible employees as co-owners with appropriate vesting period, which would motivate them for ensuring higher corporate growth and creation of value for all stakeholders.</p> <p>The Nomination and Remuneration Committee ("Committee") shall supervise and undertake the general administration of the Scheme.</p> <p>All questions of interpretation of the Scheme shall be determined by the Committee and such determination shall be final and binding upon all persons.</p>
(b)	The total number of options to be offered and granted.	The total number of options approved in the ESOP Scheme (ESOP Pool) is 34,53,293 options.
(c)	Identification of classes of employees entitled to participate and be beneficiaries in the Scheme	<p>(i) an employee as designated by the company, who is exclusively working in India or outside India; or</p> <p>(ii) a Director of the Company, whether a whole-time Director or not, including a Non-Executive Director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or</p> <p>(iii) an employee as defined in sub-clauses (i) or (ii), of any of its subsidiaries or its associate company in India or outside India, or of a holding company of the company, but does not include—</p> <ul style="list-style-type: none"> an employee who is a promoter or a person belonging to the promoter group; or a Director who, either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company

NOTICE OF 31st ANNUAL GENERAL MEETING

(d)	Requirements of vesting and period of vesting	Vesting schedule shall not commence before the expiry of one year from date of grant and may extend upto such period from the date of each individual grant as may be decided by the Committee.
(e)	The maximum period within which the options shall be vested	The Committee shall have the discretion to decide upon the Vesting Period, number of options vesting during Vesting Period, Vesting Conditions in respect of any Grantee in accordance with the Companies Act and SEBI SBEB Regulations.
(f)	Exercise price or pricing formula	Exercise Price for the purpose of grant of options is to be decided by the NRC, subject to a minimum of the face value per share.
(g)	Exercise period/ offer period and process of exercise / acceptance of offer	<p>The exercise period may commence from the date of vesting and the vested options would be eligible to be exercised on the vesting date itself or any time after vesting in terms of the Scheme and the grant letter.</p> <p>The options are exercisable by the employees by a written application to the Company to exercise the options and full payment of the exercise price for the options sought to be exercised, in such manner, and on execution of such documents, as may be prescribed by the NRC from time to time. The options are to lapse if not exercised within the specified exercise period.</p> <p>However, in case of death, all vested options outstanding on the date of death of an option grantee may be exercised by the nominees or legal heir(s) of the deceased Option Grantee within 12 months from the death of such deceased Option Grantee; provided however that the legal heir(s) and nominees shall be required to provide indemnities in favour of the Company. Further, legal heirs shall produce all documents as may be required by the Company to prove the succession of the assets of the deceased Option Grantee</p>
(h)	The appraisal process for determining the eligibility of employees for the Scheme	Appraisal process for determining the eligibility of the Employees will be based on designation, criticality, high potential, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

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(i)	Maximum number of options, SARs, shares, as the case may be, to be offered and issued per employee and in aggregate, if any;	<p>The maximum quantum of ESOPs per employee as per the ESOP Scheme is 1% of the total issued capital of the Company (excluding conversion and warrants).</p> <p>If the maximum quantum of Option to any employee exceeds 1% of the total issued capital of the Company (excluding conversion and warrants) during any year, then the grant to such employee shall be subject to the SEBI SBEB Regulations and the approval of the Shareholders of the Company.</p>
(j)	Maximum quantum of benefits to be provided per employee under a scheme(s)	The maximum quantum of benefits that will be provided to any employee under the Scheme will be the difference between the market value of Company's equity shares on the Stock Exchanges as on the date of exercise of options and the exercise price paid by the employee.
(k)	Whether the ESOP scheme is to be implemented and administered directly by the company or through a trust	The ESOP Scheme is to be implemented and administered directly by the Nomination and Remuneration Committee.
(l)	Whether ESOP Scheme involves new issue of shares by the company or secondary acquisition by the trust or both	The Plan contemplates fresh issue of shares by the Company.
(m)	The amount of loan to be provided for implementation of ESOP Scheme by the company to the trust, its tenure, utilization, repayment terms, etc	Not Applicable, as the ESOP Scheme is being implemented through Direct Route.
(n)	Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of ESOP Scheme	Not Applicable, as the ESOP Scheme is being implemented through Direct Route

NOTICE OF 31st ANNUAL GENERAL MEETING

(o)	A statement to the effect that the company shall conform to the accounting policies specified in Regulation 15	<p>The Company shall follow the requirements including the disclosure requirements and IND AS 102 on Share-based payments and/ or any relevant accounting standards as may be prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 or any other appropriate authority, from time to time, including any guidance note on Accounting for employee share-based payments issued in that regard from time to time and the disclosure requirements prescribed therein, in compliance with relevant provisions of Regulation 15 of SEBI SBEB Regulations.</p> <p>The Company shall make disclosures to the prospective Plan Grantees containing statement of risks, information about the Company and salient features of the Plan in a format as prescribed under SEBI SBEB Regulations.</p> <p>The Company shall disclose details of Grant, Vest, Exercise, and lapse of the ESOPs in the Directors' Report or in an annexure thereof as prescribed under SEBI SBEB Regulations or any other Applicable Laws as in force,</p>
(p)	The method which the company shall use to value its options	Black Scholes method or any other method which the may be decided by the Nomination and Remuneration Committee.
(q)	Period of Lock in	The Shares issued upon Exercise shall be freely transferable and shall not be subject to any lock in period restriction after such issue except as required under the Applicable Laws including that under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, or code of conduct framed, if any, by the Company after Listing under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.
(r)	Terms & conditions for buyback, if any, of specified securities covered under these regulations	Subject to the provisions of the then prevailing applicable laws, the NRC shall determine the procedure for buy-back of Options granted under the Plan if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.
(s)	The condition under which option vested in employees may lapse e.g in case of termination of employment for misconduct	The condition under which options vested in employees may lapse is detailed in the ESOP Scheme.

NOTICE OF 31st ANNUAL GENERAL MEETING

(t)	The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employees	<p>If the Grantee's employment is terminated for reasons other than death, permanent disability, superannuation, cause, resignation, or long leave, they may exercise their Vested Option within 30 days of termination.</p> <p>Upon resignation, all unvested options shall expire, and the Grantee may exercise vested options within 90 days from their last working day.</p> <p>All vested Options, not exercised within the above specified period shall lapse.</p>
(u)	Declarations	In case, the Company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

Further, the Company was listed on BSE Limited on June 14, 2024 and The Calcutta Stock Exchange India Limited on June 18, 2024. In compliance with the regulatory framework under the SEBI SBEB Regulations, any grant of stock options to an employee or key managerial personnel (KMP) exceeding 1% of the issued share capital (excluding outstanding warrants and conversions) of the Company requires prior approval of the shareholders by way of a special resolution, post-listing.

At its meeting held on 17th September, 2022 and 19th September, 2022 the Board of Directors and the Shareholders, respectively approved the implementation of the PFL ESOP Scheme 2022 and also approved the grant of stock options in accordance with the terms of the Scheme to certain eligible employees and KMPs.

Among the grants approved under the Scheme, the Company granted stock options to the following Employees/KMPs where the individual grant equaled or exceeded 1% of the issued share capital of the Company at the time of the grant:

Sr. No.	Name	Designation	No. of ESOPs granted	Date
1.	Mr. Rajeev Deoras	Executive Director	5,30,000	19.09.2022
2.	Mr. Sabyasachi Rath	Chief Executive Officer	5,85,000	19.09.2022

NOTICE OF 31st ANNUAL GENERAL MEETING

The approval of the Shareholders is now being sought by way of a special resolution for the ratification and confirmation of these grants in accordance with the requirements of the SEBI SBEB Regulations and the Companies Act, 2013.

Save and except the above, none of the Directors/ Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 14 of the Notice.

The Directors (other than the Independent Directors) and other Key Managerial Personnel of the Company are deemed to be concerned or interested, to the extent of Options to be granted pursuant to the ESOP Scheme and to the extent of their shareholding in the Company, if any.

The Board recommends the resolutions set out at Item No. 14 of the Notice for your approval as a Special Resolution.

ITEM NO. 16:

This Explanatory Statement is provided as per Section 102 of the Act.

The provisions of the SEBI LODR Regulations, as amended from time to time, mandates prior approval of Shareholders by means of an Ordinary Resolution for all material Related Party Transactions and subsequent material modifications as defined by the Audit Committee, even if such transactions are in the ordinary course of business of the concerned Company and at an arm's length basis.

Pursuant to Regulation 23 of the SEBI LODR Regulation, a transaction with a related party shall be considered as material if the transaction(s) to be entered into, either individually or taken together with previous transactions during a financial year, whether directly and/or through its subsidiary(ies), exceed(s) INR 1,000 crore (Rupees One Thousand Crore Only) or 10% (ten percent) of the annual consolidated turnover as per the last Audited Financial Statements of the listed entity, whichever is lower, and such material related party transactions exceeding the limits, would require prior approval of Shareholders by means of an Ordinary Resolution.

Based on current applicable threshold for determining the Related Party Transactions that require prior Shareholders approval and to facilitate seamless contracting and rendering/availing of product and services between the Company and "related parties", the Company seeks the approval of the Shareholders to approve entering into contracts/arrangements within the thresholds and conditions mentioned in the resolution.

Further pursuant to the provisions of Section 188 of The Companies Act, 2013 ("the Act"), read with The Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules"), the Company is required to obtain consent of the Audit Committee, Board of Directors and also prior approval of the Shareholders by way of Ordinary Resolution, in case certain transactions with related parties exceeds such sum as specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and also on arm's length basis.

NOTICE OF 31st ANNUAL GENERAL MEETING

The Audit Committee and Board of Directors at their Meeting on the basis of relevant details provided by the Management, as required by the law, held on March 20, 2025, reviewed and approved the said transaction(s), subject to approval of the Members, while noting that such transaction shall be on arms' length basis and in the ordinary course of business of the Company.

The Shareholders may note that as per the provisions of the SEBI LODR Regulations, all related parties (whether such related party is a party to the above-mentioned transactions or not), shall not vote to approve the resolution set out at Item No. 15.

The Shareholders' approval sought for the Material Related Party Transactions to be entered during Financial Year 2025-26 as given in Item No. 15 shall be valid up to the date of next AGM.

As per the SEBI LODR Regulations, all related parties of the Company, whether a party to the proposed transaction(s) or not, shall abstain from voting on the said resolution. Further, in accordance with Section 188 of the Companies Act, 2013, no members of the Company shall vote on such resolutions, to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

Information required to be disclosed in the Explanatory Statement for Item Nos. 16 pursuant to the SEBI Master Circular No. SEBI/ HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

Sr. No.	Particulars	Amitabh Chaturvedi	Minal Amitabh Chaturvedi	Abhishek Chaturvedi	Abhidev Consultancy Services Private Limited	Anil Kumar	Sanjeev Kumar	M. K. Investment Consultancy Private Limited
1	Nature of Relationship with the Company	Promoter	Promoter	Promoter	Promoter	Promoter Group	Promoter of M. K. Investment Consultancy Private Limited	Promoter Group
2.	Type, material terms and particulars of the proposed transaction	Borrowings in any form, Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company is operating in.						
3.	Tenure of proposed transaction	One Financial Year i.e. 2025-26						

NOTICE OF 31st ANNUAL GENERAL MEETING

4.	Value of Proposed Transaction	Upto Rs. 10 crores individually
5.	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year, that is represented by the value of the proposed transaction	Value of the proposed transaction represents 67.34% of the consolidated turnover of the Company for Financial Year 2024-25.
6.	<p>a) Details of the source of funds in connecting with the proposed transaction</p> <p>b) Where any financial indebtedness is incurred to make or give loans, inter- corporate deposits, advances or investment Nature of indebtedness</p> <p>c) Applicable terms including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured</p> <p>d) Purpose for which fund is utilised</p>	Not applicable, as the transaction does not relate to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary.
7.	Justification as to why the RPT is in the interest of the Company	<p>Our Company is a non-deposit taking NBFC that commenced limited lending activities in October, 2022 focusing on secured MSMEs lending. As our business grows, we may need to borrow funds from related parties, which we consider as a last resort.</p> <p>The Board believes that the proposed related party transactions are in the ordinary course of business, at arm's length, and vital for our growth. Given our NBFC nature, access to funds is crucial. The related party transactions will help meet our liquidity requirements, benefitting the Company.</p> <p>In the past, we have borrowed Tier I and Tier II capital from these related parties, which has supported our operations. We expect these transactions to continue playing a significant role in our business growth.</p>

NOTICE OF 31st ANNUAL GENERAL MEETING

8.	Details about valuation, arm length and ordinary course of business	The Proposed borrowing will happen at market prevalent rate and the said transactions shall be on arm's length basis and in the ordinary course of business
9.	Valuation or other external report, if any relied upon by the listed entity in relation to the the proposed transaction	Not Applicable
10.	Any other information that may be relevant	Not Applicable

Accordingly, your Company is required to obtain approval by passing Ordinary Resolution in General Meeting.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives except Mr. Amitabh Chaturvedi, Mrs. Minal Amitabh Chaturvedi and their relatives, are, in any way, concerned or interested, financially or otherwise, in the proposed resolution, save and except to the extent of their respective interest as the Shareholders of the Company.

The Board recommends the Ordinary Resolution set out at Item No. 15 of the Notice for approval by the Shareholders.

ITEM NO. 17 & 18:

This Explanatory Statement is provided as per Section 102 of the Act.

Keeping in view the Company's growing business activities and consequently the increasing existing and future funds requirement for the business, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit or through, whether in India or abroad, and whether by way of cash credit, advance, deposits, loans, or bill discounting, issue of debentures, commercial papers, long or short term loan(s), syndicated loans, either in rupees and/or such other foreign currencies as may be permitted by law from time to time, and hence it was proposed to increase the maximum borrowing limits of the company to INR 400,00,00,000/- (Indian Rupees Four Hundred Crore Only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any time except with the consent of the members of the Company in a general meeting.

Further, the borrowings are required to be secured by way of mortgage, hypothecation, pledge and/ or charge on all or any of the movable and/ or immovable properties of the Company (both present and future) and/or any other assets or properties of the Company and/ or the whole or part of any of the undertaking of the Company, in favour of lender(s) from time to time. Therefore, the Members of the Company in the same Annual General Meeting have proposed to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013 to create mortgage, hypothecation, pledge and/ or charge on the movable and/or immovable properties of the Company towards the borrowings availed or to be availed by the Company under said provisions up to Rs. 400 crore.

Accordingly, the Board of Directors recommends the resolution as set out at Item No. 17 and 18 of the Notice, for the approval of the members by way of a Special Resolution.

NOTICE OF 31st ANNUAL GENERAL MEETING

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are in anyway, concerned or interested, financially or otherwise, either directly or indirectly in passing of the said Special Resolutions, save and except to the extent of their respective interest as the Shareholders of the Company.

ITEM NO. 19:

This Explanatory Statement is provided as per Section 102 of the Act.

Pursuant to Section 42, 71, 179 and other applicable provisions of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the issuance of Non-Convertible Debentures requires a prior approval of the Shareholders by way of Special Resolution, once in a year for all the offers or invitations to be made for such NCDs during the year. In view of growing business activities and consequently the increasing funds requirement for the business, your Board of Directors in their Meeting held on May 15, 2025 approved to raise the funds aggregating to Rs. 150,00,00,000 (Rupees One Hundred and Fifty Crore only) by issue of secured/ unsecured/ rated/ unrated/ listed/ unlisted/ redeemable non-convertible debentures (NCDs) (the "Debenture Issue") on a private placement basis to any persons, entities, bodies corporate, companies, banks, financial institutions and any other categories of eligible investors including international lenders permitted to invest in such Debentures under applicable laws (collectively termed as "Investors") who would be willing to invest in or subscribe to such Debentures, at such time or times and on such terms and conditions as may be agreed between the Company and such Investors in one or more offering(s)/ tranche(s).

Further, the disclosures with respect to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, are mentioned below:

Particulars of the offer including the date of passing the Board resolution	May 15, 2025
Kinds of securities offered and price at which security is being offered	Non-Convertible Debentures. The Board (including any Committees of the Board as may be authorized by the Board) shall determine specific terms and conditions of the offer at the time of issuance of respective series/ tranche of the Debentures.
Basis or justification for the price (including the premium, if any) at which the offer or invitations is being made	Price for each offer/issuance of Non-Convertible Debentures will be determined and approved by the Board (including any Committees of the Board as may be authorized by the Board) based on the market conditions.
Name and address of valuer who performed Valuation	Not applicable
Amount which the company intends to raise by way of such securities	Not exceeding INR 150 Crores on private placement basis, in one or more tranches.

NOTICE OF 31st ANNUAL GENERAL MEETING

Material terms of raising such securities	Material terms of each offer/issuance of non- convertible debenture will be determined and approved by the Board (including any Committees of the Board as may be authorized by the Board).
Proposed time schedule	Time schedule of each offer/issue of non- convertible debenture will be determined and approved by the Board (including any Committees of the Board as may be authorized by the Board).
Purpose or objects of offer	Purpose or objects of each offer/issue of non- convertible debenture will be determined and approved by the Board (including any Committees of the Board as may be authorized by the Board).

It may be noted that the previous Special Resolution was passed by the members at Extraordinary General Meeting held on August 21, 2024, and the period of one year expires on August 20, 2025.

Accordingly, your Company is required to obtain approval by passing Special Resolution in General Meeting. The Board recommends the Special Resolution set out at Item No. 18 of the Notice for approval by the Shareholders.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are in anyway, concerned or interested, financially or otherwise, either directly or indirectly in passing of the said Special Resolution, save and except to the extent of their respective interest as the Shareholders of the Company.

ANNEXURE-A

PROFILE OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THIS 31st ANNUAL GENERAL MEETING

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings]

Name	Mrs. Minal Amitabh Chaturvedi (DIN: 05315800)	Mr. Amitabh Chaturvedi (DIN: 00057441)
Date of Birth/ Age	05/05/1965, 60 years	08/04/1968, 57 years
Date of first appointment	28/12/2013	09/03/2022
Qualifications	Bachelors of Commerce	Chartered Accountant

NOTICE OF 31st ANNUAL GENERAL MEETING

Brief Resume	<p>She is a commerce graduate with 15 years' experience in the corporate lending and syndication. She was earlier responsible for business development. She's a commerce graduate from Mumbai University. Apart from this, Mrs. Chaturvedi is also renowned yoga practitioner, who holds several certifications in therapeutic yoga.</p>	<p>Mr. Amitabh Chaturvedi is the Founder and Promoter of the Company. Further, he is Chartered Accountant, with over 30 years of proven experience in the BFSI domain with strategic expertise in Banking, Asset Management, Insurance, Lending and Wealth Management functions. Before his brief stint with Karvy for two years, he also served as the Managing Director of Essel Finance Ltd, a part of the multibillion-dollar Essel Group.</p> <p>He has put in place the critical foundation of Purple Finance required to build a large institution & set the organization in motion. His exceptional leadership and vision has been instrumental in driving the remarkable growth of the Company. Under Mr. Chaturvedi's guidance, the Company has not only secured successful fund raising by way of Private Placement, Rights Issue, etc. but also achieved the milestone of being listed on BSE Limited and the Calcutta Stock Exchange Limited. Additionally, the expansion of our Company to 37 branches and significant workforce of 335 employees reflect the strength and vitality that he has fostered in our Company. His dedication to creating opportunities and building a supportive work environment has a direct impact on the success of both the Company and its employees.</p>
Expertise in Specific functional areas	Finance	Banking and Financial Service Sector
Terms and Conditions for appointment/re-appointment	Re-appointment as the Non-Executive Director of the Company	Re-appointment as the Executive Chairman and Executive Director of the Company for a period of 5 (five) years
Remuneration last drawn	N.A.	INR 2,60,00,000/-

NOTICE OF 31st ANNUAL GENERAL MEETING

Remuneration sought to be paid	N.A.	INR 2,60,00,000/- till September 30, 2025 INR 2,90,00,000/- w.e.f. 01st October, 2025
Directorships held in other listed Companies	NIL	NIL
Membership in Committees	1. Nomination and Remuneration Committee 2. Finance Committee	1. Audit Committee 2. Stakeholders Relationship Committee 3. Risk Management Committee 4. Finance Committee
Listed Entities from which the Director has resigned in the last 3 (three) years	NIL	NIL
Directorships held in other companies	Jigsaw Financial Technology Private Limited	NIL
Memberships/ Chairmanships of committees across other companies	NIL	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mrs. Minal Amitabh Chaturvedi is the spouse of Mr. Amitabh Chaturvedi, Executive Chairman.	Mr. Amitabh Chaturvedi is the spouse of Mrs. Minal Amitabh Chaturvedi, Non-Executive Director.
Number of Meetings of the Board of Directors attended during the year	Nine (9)	Nine (9)
Shareholding in the Company (including shareholding as a beneficial owner)	1.85%	22.35%
Skills and capabilities required for the role and the manner in which the proposed Director meets such requirements (applicable for appointment of Independent Directors)	N.A.	N.A.

NOTICE OF 31st ANNUAL GENERAL MEETING

Name	Mr. Rajeev Deoras (DIN: 02879519)	Mr. Rajan Bhat (DIN: 02467868)
Date of Birth/ Age	22/09/1959, 65 years	20/03/1958, 67 years
Date of first appointment	09/03/2022	Appointed as Additional Independent Director on 09/04/2025
Qualifications	Bachelors in Engineering	<ol style="list-style-type: none"> 1. M. Com (Major – Cost & Management Accountancy) from University of Mumbai 2. B. Com (Major – Advanced Accountancy & Audit) from University of Mumbai 3. A.I.C.W.A (inter) & C.A.I.I.B (Part I)
Brief Resume	<p>Mr. Rajeev Deoras has been part of the Company since inception, he has been deeply involved in mentoring the team, building the organisational culture, and establishing the key policies and risk frameworks that define us today. Purple Finance Limited is built on strong people and wellthought-out practices- and he has played a foundational role in shaping both. We now stand at an inflection point. With all building blocks in place, we are entering a high-growth phase. While growth remains a key focus, it is equally critical to maintain a sharp vigil on portfolio quality, preserve our strong culture of risk, and stay aligned with regulatory expectations. As we prepare ourselves for the next phase—with ambitions of eventually becoming a Small Finance Bank—his continued involvement will help ensure we scale with discipline, uphold the trust of all stakeholders, and remain fully compliant with all regulatory frameworks including those of the RBI, SEBI, and others.</p>	<p>Mr. Rajan Bhat is a seasoned business leader with extensive experience in the financial services and consulting sectors. Over a career spanning several decades, he has held leadership roles in major organizations including American Express, Tata Capital, Western Union, FCH Centrum Direct, NKGSB Co-operative Bank Ltd and Goldratt Consulting. His areas of expertise include travel and forex services, business development, strategic alliances, compliance, risk management, and profit center management. He currently serves as a Director at Goldratt Consulting India Private Limited. He has received multiple awards from American Express for quality, customer service, and leadership, as well as launching successful financial products in line with regulatory guidelines. The Management is of the opinion that his addition to the Board as an Independent Director will be a great asset to the Company.</p>

NOTICE OF 31st ANNUAL GENERAL MEETING

Expertise in Specific functional areas	Banking, Corporate Governance and Risk Management	Financial Service and Consulting Sector
Terms and Conditions for appointment/re-appointment	Re-appointment as the Executive Director of the Company for a period of 3 (three) years	Regularisation of appointment as an Independent Director for a period of 3 (three) years w.e.f. April 09, 2025
Remuneration last drawn	INR 1,00,00,000	NA
Remuneration sought to be paid	INR 1,00,00,000 till September 30, 2025 INR 1,12,00,000 w.e.f. October 01, 2025	NA
Directorships held in other listed Companies	NIL	NIL
Membership in Committees	1. Stakeholders Relationship Committee 2. Risk Management Committee 3. Finance Committee	NIL
Listed Entities from which the Director has resigned in the last 3 (three) years	NIL	NIL
Directorships held in other companies	Fino Paytech Limited	Goldratt Consulting India Private Limited
Memberships/ Chairmanships of committees across other companies	1. Fino Paytech Limited a. Audit Committee (Chairman) b. Nomination and Remuneration Committee (Member) c. Stakeholders Relationship Committee (Member)	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL	NIL
Number of Meetings of the Board of Directors attended during the year	Nine (9)	NA

NOTICE OF 31st ANNUAL GENERAL MEETING

Shareholding in the Company (including shareholding as a beneficial owner)	1.12%	NIL
Skills and capabilities required for the role and the manner in which the proposed Director meets such requirements	N.A.	<p>An Independent Director is expected to possess strong financial and regulatory expertise, a sound understanding of corporate governance practices, and the ability to exercise independent judgment. Key capabilities include knowledge of RBI guidelines, NBFC operations, risk management, legal and compliance frameworks, and strategic oversight. The role also requires high ethical standards, leadership qualities, and relevant industry experience.</p> <p>The proposed Independent Director, Mr. Rajan Bhat, meets these requirements through extensive experience in the financial services sector, including board-level roles that demonstrate a deep understanding of regulatory compliance, governance, and strategic decision-making. With a proven track record in risk oversight and industry insight, he is well-equipped to contribute effectively as an Independent Director of the Company.</p>

NOTICE OF 31st ANNUAL GENERAL MEETING

ANNEXURE-B

ADDITIONAL DETAILED INFORMATION AS PER SECTION – II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013

I. General Information:	Amitabh Chaturvedi	Rajeev Deoras	Sabyasachi Rath
(a) Nature of industry	Service Sector		
(b) Date or expected date of commencement of commercial production.	Business commenced on November 09, 1993 and since the Company is into service sector, hence there is no date of commercial production.		
(c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not applicable		
(d) Financial performance based on given indicators.	Gross Revenue (operations): INR 1472 lakhs Profit after Tax: INR (1554.82) Lakhs		
(e) Foreign investments or collaborators, if any	The Company has not made any foreign investments and neither entered any foreign collaborations		
II. Information about the appointee:			
(a) Background details	Mr. Amitabh Chaturvedi is the Founder and Promoter of the Company. Further, he is Chartered Accountant, with over 30 years of proven experience in the BFSI domain with strategic expertise in Banking, Asset Management, Insurance, Lending and Wealth Management functions. Before his brief stint with Karvy for two years, he also served as the Managing Director of Essel Finance Ltd, a part of the multibillion-dollar Essel Group.	Mr. Rajeev Deoras is a seasoned banker with close to 40 years of work experience spread across the banking and financial services space. He spent his initial years with the country's leading bank—State Bank of India. For close to a decade, he was a part of the bank in multiple roles, followed by ICICI Bank Ltd., as one of its initial recruits entrusted with setting up the bank franchise.	Mr. Sabyasachi Rath has over 28 years of experience in entire spectrum of lending in Corporate, SME and Retail. Mr. Sabyasachi Rath has performed varied Leadership roles in large Financial Institutions & was responsible for all the Organizational functions

NOTICE OF 31st ANNUAL GENERAL MEETING

(b) Past remuneration	INR 2,60,00,000 till September 30, 2025	INR 1,00,00,000 till September 30, 2025	INR 95,00,000 till September 30, 2025
(c) Recognition or awards	Nil	Nil	Nil
(d) Job profile and his suitability	<p>Mr. Chaturvedi has put in place the critical foundation of Purple Finance required to build a large institution & set the organization in motion. His exceptional leadership and vision has been instrumental in driving the remarkable growth of the Company. Under Mr. Chaturvedi's guidance, the Company has not only secured successful fund raising by way of Private Placement, Rights Issue, etc. but also achieved the milestone of being listed on BSE Limited and the Calcutta Stock Exchange Limited. Additionally, the expansion of our Company to 37 branches and significant workforce of 335 employees reflect the strength and vitality that he has fostered in our Company. His dedication to creating opportunities and building a supportive work environment has a direct impact on the success of both the Company and its employees.</p>	<p>Mr. Rajeev Deoras has been part of the Company since inception, he has been deeply involved in mentoring the team, building the organizational culture, and establishing the key policies and risk frameworks that define us today. Purple Finance Limited is built on strong people and well-thought-out practices—and he has played a foundational role in shaping both. We now stand at an inflection point. With all building blocks in place, we are entering a high-growth phase. While growth remains a key focus, it is equally critical to maintain a sharp vigil on portfolio quality, preserve our strong culture of risk, and stay aligned with regulatory expectations. As we prepare ourselves for the next phase—with ambitions of</p>	<p>Mr. Sabyasachi Rath has been one of the co-founders of the Company and also the Chief Executive Officer (CEO) of the Company since inception. Mr. Sabyasachi Rath is responsible for handling the Business, Collections, Technology, Operations and Human Resource Department of the Company. In his term as the Chief Executive Officer of the Company, his exceptional executional skills have been instrumental in driving the remarkable growth of the Company. Owing to his perseverance, the Company has expanded to 37 branches with about 335 employees with presence in 5 states across India and achieved an AUM of INR 100 crore.</p>

NOTICE OF 31st ANNUAL GENERAL MEETING

		eventually becoming a Small Finance Bank—his continued involvement will help ensure we scale with discipline, uphold the trust of all stakeholders, and remain fully compliant with all regulatory frameworks including those of the RBI, SEBI, and others.	
(e) Remuneration proposed	<p>INR 2,60,00,000 till September 30, 2025</p> <p>INR 2,90,00,000 w.e.f. October 01, 2025</p>	<p>INR 1,00,00,000 till September 30, 2025</p> <p>INR 1,12,00,000 w.e.f. October 01, 2025</p>	<p>INR 95,00,000 till September 30, 2025</p> <p>INR 1,10,00,000 w.e.f. October 01, 2025</p>
(f) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Considering the profile and the responsibility shouldered by him, his extensive experience, proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses.	Considering the profile and the responsibility shouldered by him, his extensive experience, proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses.	Considering the profile and the responsibility shouldered by him, his extensive experience, proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses.
(g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	N.A.	N.A.	N.A.

NOTICE OF 31st ANNUAL GENERAL MEETING

III. Other information:	
(a) Reasons of loss or inadequate profits	The Company has started its operations since October, 2022. The Company is in its early growth phase and currently making loss, but the Company is investing in the future growth. Every rupee spent today is laying the foundation for scale, sustainability, and social impact. The Company's investments in technology, talent, and customer acquisition are already yielding results, in stronger borrower retention, improved portfolio quality, and greater operational scalability.
(b) Steps taken or proposed to be taken for improvement	During these initial years, the Company has scaled well and is on the way to exponential growth and would gradually increase its profitability. The Company is taking adequate steps to expand its business, investing in marketing activities and increasing its product line to increase its revenues.
(c) Expected increase in productivity and profits in measurable terms	Barring unforeseen circumstances, the Company hopes to increase the revenue and profits in next 3-4 years.

Directors Report

BSE SCRIP ID	PURPLEFIN
BSE SCRIP CODE	544191
CSE SCRIP CODE	26505
CIN	L67120MH1993PLC075037
REGISTERED OFFICE	Room No. 11, 1st Floor, Indu Chamber 349/353, Samuel Street, Vadgadi, Masjid Bunder (West), Mumbai- 400003, Maharashtra, India.
CORPORATE OFFICE	705/706, 7th Floor, Hallmark Business Plaza Opposite Gurunak Hospital, Bandra East, Mumbai- 400051, Maharashtra, India,
BOARD OF DIRECTORS	
Mr. Amitabh Chaturvedi	Executive Chairman
Mr. Rajeev Deoras	Executive Director
Mrs. Minal Amitabh Chaturvedi	Non-Executive Director
Mr. Ajay Kumar Pandey	Independent Director
Ms. Sumeet Sandhu	Independent Director
Mr. Amit Sonawala	Independent Director
Mr. Rajan Bhat	Additional Director designated as Independent Director
KEY MANAGERIAL PERSONNEL	
Mr. Sabyasachi Rath	Chief Executive Officer
Ms. Meghana Lale	Chief Financial Officer
Ms. Ruchi Nishar	Company Secretary and Compliance Officer
MANAGEMENT TEAM	
Mr. Souvik Dasgupta	Chief Business Officer
Ms. Sonal Vira	Head- Internal Audit
Ms. Mrinalini Sahai	Head- Legal & Compliance
Mr. Vinay Patel	Head- Operations
Mr. Prashant Pandey	Chief Technology Officer
Mr. Saurabh Lall	Head- Credit
Mr. Asim Padhi	Head- Product and Policy
Ms. Gunjan Mishra Browne	Head- Human Resources
BOARD COMMITTEES	
AUDIT COMMITTEE	
Mr. Ajay Kumar Pandey	Chairman
Mr. Amitabh Chaturvedi	Member
Ms. Sumeet Sandhu	Member
Mr. Amit Sonawala	Member
NOMINATION AND REMUNERATION COMMITTEE	
Ms. Sumeet Sandhu	Chairperson
Mr. Ajay Kumar Pandey	Member
Mr. Amit Sonawala	Member
Mrs. Minal Amitabh Chaturvedi	Member
STAKEHOLDERS RELATIONSHIP COMMITTEE	
Mr. Ajay Kumar Pandey	Chairman
Mr. Amitabh Chaturvedi	Member
Mr. Rajeev Deoras	Member
Ms. Sumeet Sandhu	Member
RISK MANAGEMENT COMMITTEE	
Mr. Rajeev Deoras	Chairman
Mr. Amitabh Chaturvedi	Member
Ms. Sumeet Sandhu	Member
FINANCE COMMITTEE	
Mr. Amitabh Chaturvedi	Chairman
Mr. Rajeev Deoras	Member
Mr. Amit Sonawala	Member
Mrs. Minal Amitabh Chaturvedi	Member
Registrar and Share Transfer Agents:	Purva Sharegistry (India) Private Limited Address: 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg Lower Parel (East), Mumbai- 400011, Maharashtra, India.
Statutory Auditors:	Jogin Raval & Associates Address: B 101/102, Shri Sai tower CHS Limited, Sodawala Lane, Nutan Nagar, Borivali West, Mumbai-400092.
Bankers:	IDFC First Bank Limited

Directors Report

To the Members,

The Board has the pleasure in presenting the 31st Annual Report and the Audited Financial Statements of the Company for the Financial Year ("FY") ended March 31, 2025.

1. **BACKGROUND**

The Company was originally incorporated on November 09, 1993, under the Companies Act, 1956, as a Private Limited Company under the name *Devipura Balaji Securities & Investments Private Limited*. Subsequently, the Company was converted into a Public Limited Company and renamed *Devipura Balaji Securities & Investments Limited*.

In pursuit of strategic expansion, the Company acquired *K. K. Financial Services Private Limited* on September 13, 2013, with the objective of undertaking the business of a non-banking financial institution (NBFC) without accepting public deposits. Following the said acquisition, the Company applied for a change of name and was granted a Certificate of Registration by the Registrar of Companies, Mumbai, changing its name to *Purple Finance Limited*, effective January 06, 2014.

In a significant development during the year, the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench, approved the Scheme of Absorption for the merger of *Canopy Finance Limited with Purple Finance Limited* on February 15, 2024. This merger marks an important milestone in the Company's growth trajectory and enhances its operational footprint.

Pursuant to the successful completion of the merger and in line with its strategic vision, the Company achieved a major capital markets milestone by getting listed on *BSE Limited (BSE)* effective June 14, 2024, and on *The Calcutta Stock Exchange Limited (CSE)* effective June 18, 2024 [hereinafter collectively referred to as the "Stock Exchange(s)"].

As part of our unwavering commitment to maintaining the highest standards of corporate governance, the Company has complied with the provisions of the SEBI (*Listing Obligations and Disclosure Requirements*) Regulations, 2015. The Company ensures timely, accurate, and transparent disclosures to the Stock Exchange(s) and to our esteemed Shareholders. We remain resolute in our efforts to uphold all applicable SEBI Regulations and to foster investor confidence through proactive and responsible communication.

2. **NATURE OF THE COMPANY'S BUSINESS**

The Company is registered with the Reserve Bank of India (RBI) as a Non-Systemically Important Non-Deposit Taking Non-Banking Financial Company – Investment and Credit Company (NBFC-ND-NSI-ICC). It is engaged in the business of providing secured loans to micro and small enterprises.

These loans are typically extended for purposes such as:

- Business expansion,
- Purchase of assets,
- Construction or renovation of business or residential premises, and
- Meeting working capital requirements.

The Company's lending model is focused on promoting financial inclusion by catering to the funding needs of underserved yet creditworthy small business owners.

The Company's operations are built on three core pillars that form the foundation of its business strategy and execution:

Directors Report

a. Differentiated Market Entry and Operational Strategy:

The Company adopted a focused approach by entering the market with a single, well-defined product. This deliberate strategy enabled a faster understanding of customer needs and streamlined operational processes. As a result, the Company has successfully established a presence across five key states in India—Maharashtra, Gujarat, Madhya Pradesh, Uttar Pradesh, and Odisha—laying the groundwork for deeper market penetration and scalable expansion.

b. Technology as an Enabler of Lean and Agile Operations:

The Company has embraced technology to enhance operational efficiency and customer experience. The customer on-boarding process is fully digitalized, enabling a decisive loan approval or rejection ("go/no-go") within five hours. This agile decision-making, supported by a user-friendly interface, ensures timely and seamless service delivery to customers.

c. Robust Risk Management and Governance for Long-Term Sustainability:

The Company has established a comprehensive risk and governance framework to support sustainable and profitable growth. A clearly defined organizational structure ensures effective planning, monitoring, and execution of daily operations, while also embedding strong risk oversight across all functional levels.

3. FINANCIAL RESULTS

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

(₹ in lacs)

Particulars	2024-25	2023-24
Revenue from Operations	1472.00	442.24
Other Income	13.00	1.98
Total Income	1485.00	444.22
Less: Expenditure	3537.30	1770.04
Profit before exceptional and extraordinary items & tax	-2052.20	-1325.82
Less: Exceptional items	-	-
Profit before Tax	-2052.20	-1325.82
Current Tax	-	-
Deferred Tax	-497.48	-564.55
Provision for Income Tax	-	-
Profit after Tax	-1554.82	-761.27
Earnings Per Share (of ₹10/- each)	-	-
Basic & Diluted	-4.02	-2.27

Directors Report

The Company's revenue from operations has increased from ₹442.24 lakhs for the F.Y. 2023-24 to ₹1472.00 lakhs for the F.Y. 2024-25. During the year under review, the Company has incurred a loss of ₹1554.82 lakhs against the loss of ₹761.27 lakhs for the Previous Year.

During the year under review, the Company continued to operate in an investment-led phase, which has resulted in a temporary loss-making position. Every rupee we spend today is laying the foundation for scale, sustainability, and social impact. Our investments in technology, talent, and customer acquisition are already yielding results, in stronger borrower retention, improved portfolio quality, and greater operational scalability.

We remain confident that these initiatives will yield significant long-term value for our Stakeholders and contribute meaningfully to the Company's mission and financial health.

4. SHARE CAPITAL

During the year under review, the Authorised Share Capital of the Company increased from ₹ 50,60,00,000/- (Rupees Fifty Crores Sixty Lacs Only) divided into 5,06,00,000 (Five Crore Six Lac) Equity Shares of ₹10/- (Rupees Ten Only) each to ₹ 55,60,00,000/- (Rupees Fifty-Five Crores Sixty Lacs Only) divided into 5,56,00,000 (Five Crore Fifty-Six Lac) Equity Shares of ₹10/- (Rupees Ten Only) each.

The Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2025 was ₹ 44,81,99,390/- (Rupees Forty-Four Crores Eighty One Lacs Ninety Nine Thousand Three Hundred and Ninety Only) divided into 4,48,19,939 (Four Crores Forty Eight Lacs Nineteen Thousand Nine Hundred and Thirty Nine) Equity Shares at a face value of ₹ 10/- (Rupees Ten Only) each fully paid up. The Shareholders of the Company consist of Individuals and Body Corporates.

During the year under review, the Paid-up Share Capital of the Company has increased from ₹33,61,49,540/- to ₹44,81,99,390/- pursuant to issue and allotment of 1,12,04,985 Equity Shares having face value of ₹10/- each issued at a price of ₹40/- per Equity Share including a premium of ₹30/- per Right Equity Share on right basis on October 16, 2024.

The Shares were issued at a ratio of 1:3 i.e., 1 (one) Equity Share having face value of ₹10/- each for every 3 (Three) fully paid-up Equity Shares of the Face value of ₹ 10/- each held by the Eligible Equity Shareholders.

5. DIVIDEND

As the Company has made a loss in the Financial Year, the Board of Directors have not recommended any dividend for the year.

6. RESERVE

No amount is transferred to reserves on account of loss in the Company.

7. REVIEW OF OPERATIONS OF THE COMPANY

As on March 31, 2025, the Company was operating through a network of 32 (thirty two) branches across Maharashtra, Gujarat, Madhya Pradesh, Uttar Pradesh and Odisha, enabling a strong and growing presence in its chosen geographies. The Company focuses on providing small-ticket loans backed by self-occupied residential or commercial properties, addressing the credit needs of borrowers with limited access to formal financial services.

Directors Report

As on March 31, 2025 the Company has on boarded approximately 1849 retail customers and employed 334 personnel. The Company continues to leverage technology as a key enabler across its operations. By partnering with third-party technology providers, the Company has implemented advanced platforms for customer onboarding, credit underwriting, and loan disbursement. These systems are fully operational and have enhanced the Company's speed to market, agility in customer acquisition and overall portfolio monitoring capabilities.

The technology infrastructure is built with controls to safeguard customer data and ensure operational resilience. In parallel, the Company has adopted a Human Resource Management Software (HRMS) to effectively monitor, engage, and support its employees across the branch network.

To ensure the integrity of its lending operations, the Company has established strong risk management practices and fraud control frameworks aimed at minimizing credit and operational risks.

Pursuant to the Scheme of Absorption of Canopy Finance Limited, two legacy loan accounts amounting to ₹ 7.34 lakhs which were recognized as Non-Performing Assets (NPAs) and transferred to the Company's books as on 31 March, 2024 was recovered from the borrower during the year. As on 31 March, 2025 the Company has AUM of ₹ 103.05 crores and recognized ₹ 61.32 lakhs as NPAs which remains outstanding as on the date of this report. The Company is actively pursuing recovery of the outstanding dues.

The Company remains committed to upholding the highest standards of corporate governance through well-defined internal policies, compliance practices, and ethical conduct across all levels of the organization.

8. CHANGE IN THE NATURE OF BUSINESS

The Company confirms that there has been no change in its business activities during the Financial Year. The operations have remained aligned with the objectives set forth in the Company's Memorandum of Association.

9. RISK MANAGEMENT

In today's dynamic and highly competitive business environment, having a well-defined risk mitigation strategy is critical to achieving the Company's growth objectives. The Company acknowledges that risk is an inherent component of any business activity and remains committed to managing risks in a proactive, structured and efficient manner.

To this end, the Company has implemented a comprehensive Risk Management System, supported by a framework of clearly articulated policies and robust internal monitoring mechanisms. This framework is designed to ensure long-term business sustainability, operational stability, and timely identification and mitigation of risks across all functional areas.

The Risk Management framework promotes a culture of proactive risk awareness and accountability. It enables the Company to evaluate potential risks in a timely manner and to implement appropriate mitigation strategies. The objective is to establish a structured and disciplined approach to risk identification, assessment, monitoring, and resolution, thereby supporting informed decision-making at all levels.

Through this integrated risk management approach, the Company seeks to safeguard stakeholders' interests and strengthen its ability to respond to emerging challenges while continuing on its path of sustainable growth.

Directors Report

RISKS & CONCERNS:

The Company acknowledges that risk is an inherent component of any business activity and remains committed to managing risks in a proactive, structured, and efficient manner.

The Company is exposed to specific risks that are intrinsic to its business model and the broader environment in which it operates. These include:

- **Market Risk:** The Company does not invest in market instruments therefore has limited exposure to market risk.
- **Credit Risk:** Credit risk arises from the potential default or failure of borrowers to meet their financial obligations, including the repayment of principal and interest. It represents a key area of focus for the Company, as non-recovery of loans can lead to financial loss and impact overall portfolio quality. The Company has instituted a robust credit appraisal and approval process with appropriate risk oversight mechanisms. Client selection is governed by well-defined criteria, and each borrower's repayment capability is rigorously assessed. A significant portion of the Company's loan book is secured against self-occupied residential or commercial properties. These assets are independently valued, and a conservative Loan-to-Value (LTV) ratio is maintained, thereby significantly mitigating the risk of non-recoverability in the event of a default. To proactively monitor credit quality and identify early signs of portfolio stress, the Company proposes to implement advanced analytical tools including portfolio analytics, bounce rate analysis, month-on-book analysis, early vintage performance tracking, and net flow forward analysis. These indicators will enable the Company to detect adverse trends in a timely manner. Findings from these analytics will be periodically reviewed by the senior management and the Risk Management Committee. Where necessary, corrective actions will be undertaken to safeguard asset quality and maintain a stable risk profile.
- **Liquidity and Interest Rate Risk:** The Company is exposed to liquidity risk primarily due to the potential mismatch between the maturity profiles of its lending and investment activities and the timing of its funding sources. This risk arises when the Company is unable to meet its short-term financial obligations due to an imbalance in cash inflows and outflows. To manage liquidity risk effectively, the Company adopts a prudent approach to resource management. The Company also maintains a balance between short-term and long-term funding to ensure liquidity requirements are met without compromising on business growth. Furthermore, the Company continually assesses its cash flow needs and adjusts its financing strategies to ensure stability and financial resilience.
- **Regulatory Risk:** As a financial services entity, the Company is subject to stringent regulations imposed by various Indian governmental authorities, including the Reserve Bank of India (RBI). These regulations include, but are not limited to, asset classification, capital adequacy requirements, solvency standards, and liquidity norms, all of which govern the Company's operations and financial stability. Changes in the regulatory environment or in the enforcement of existing laws could have a material impact on the Company's performance. The Company is vigilant about potential shifts in the regulatory landscape, as such changes could affect its ability to comply with prescribed requirements or require significant adjustments in its operational strategy. It is important to note that the entire financial services sector is sensitive to such regulatory risks. Any adverse regulatory changes or increased enforcement would not be isolated to the Company but could affect all industry players, thereby influencing market conditions, business practices, and financial results across the sector.

Directors Report

- **Macro-economic Risk:** The Company's growth is subject to external macroeconomic conditions, including unfavorable economic environments, political instability, and changes in government policies. A slowdown in the Indian economy, particularly in the financing and lending sector, could adversely affect the Company's business operations and performance. While the Company acknowledges that such macroeconomic challenges may impact its growth trajectory, it also recognizes that the rural economy, which forms a significant part of its target
- **Operational Risk:** The Company is exposed to various operational risks arising from factors such as human resources, internal controls, processes, technology, infrastructure, and other external influences. These risks can impact the Company's ability to deliver services efficiently and effectively, thereby affecting overall business performance. To mitigate these operational risks, the Company has implemented a 'maker-checker' rule across all key processes, ensuring that all actions are subject to dual verification for accuracy and compliance. In addition, the Risk Management Committee closely monitors operational processes to identify and address potential risks in a timely manner. The Company is committed to continuously strengthening its risk management framework, internal controls, and portfolio quality. By doing so, it aims to enhance operational efficiency, reduce the likelihood of errors, and build a stable and resilient business franchise.

Access to capital and funding, both in the short term and long term, as well as managing asset-liability mismatches, are key challenges faced by all players in the Non-Banking Financial Company (NBFC) sector, regardless of their size. Managing growth while maintaining asset quality is another ongoing challenge that impacts the sector as a whole.

Your Company is no exception to these challenges. However, we continue to address them through a strong focus on investment in people, processes, technology, and systems. Our approach includes robust credit underwriting processes, early warning checks, and comprehensive portfolio analytics to minimize portfolio delinquency and ensure asset quality remains intact.

These ongoing efforts are aimed at maintaining a balance between growth and risk mitigation, ensuring that the Company remains on a sustainable growth path without compromising financial stability or customer trust.

10. INTERNAL FINANCIAL CONTROLS:

The Management has established a comprehensive set of standards, processes, and organizational structures to implement effective internal financial controls across the Company, particularly with respect to the preparation and accuracy of financial statements. These controls are designed to be adequate and are operating effectively to ensure transparency, compliance, and operational efficiency.

The Company has developed and maintained a system of internal financial controls that is commensurate with the nature and size of its business operations. This system is intended to meet the following objectives:

- Ensuring the effectiveness and efficiency of operations, minimizing risks and optimizing performance.
- Efficient use and safeguarding of resources, protecting the Company's assets and ensuring that they are used appropriately.
- Ensuring compliance with internal policies, procedures, and applicable laws and regulations, thereby reducing regulatory and legal risks.
- Accurate and timely recording and reporting of transactions, ensuring the integrity and reliability of financial information.
- Monitoring expenditures and operations against budgeted amounts, with a budgetary control system that allows for ongoing review and timely corrective action if required.

Through these measures, the Company ensures that its financial operations are conducted with the highest standards of integrity, control, and transparency, providing a strong foundation for sustainable growth and risk management.

Directors Report

11. CORPORATE SOCIAL RESPONSIBILITY

The provisions of the Companies Act, 2013 for CSR are not applicable to the Company for the FY 2024-25.

12. COMPLIANCE

The Company is registered with the Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) under the category of NBFC-ND-NSI, classified as an ICC (Investment and Credit Company). The Company has consistently complied with all applicable laws, rules, circulars, and regulations governing its operations. This includes adherence to the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("RBI Master Directions"), as amended from time to time.

As per the RBI Master Directions, the Company is categorized as a Base Layer NBFC and fully complies with the prescribed norms for such entities. This includes meeting the regulatory requirements set forth by the RBI for capital adequacy, asset classification, and other prudential norms to ensure sound financial health and operational sustainability.

The Company remains committed to maintaining the highest standards of regulatory compliance and continuously monitors developments in RBI regulations to ensure ongoing adherence.

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

The details of Loans and Investments and Guarantees covered under the provisions of Section 186 of the Act are given in the Notes to the Financial Statements forming part of Annual Report.

14. DIRECTORS

The Board of the Company has been duly constituted in accordance with the provisions of the Companies Act, 2013. At the end of the Financial Year, the Company comprises of the following Directors:

Sr. No.	Name	Designation	DIN
1	Mr. Amitabh Chaturvedi\$	Executive Chairman	00057441
2	Mr. Rajeev Deoras\$	Executive Director	02879519
3	Mrs. Minal Amitabh Chaturvedi	Non-Executive Director	05315800
4	Mr. Ajay Kumar Pandey	Independent Director	00065622
5	Ms. Sumeet Sandhu	Independent Director	10119062
6	Mr. Amit Sonawala	Independent Director	01790348

Directors Report

\$The Board of Directors on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Shareholders have recommended:

- a. *Re-appointment of Mr. Amitabh Chaturvedi (DIN: 00057441) as the Executive Chairman and Executive Director of the Company for a period of 5 (five) years from March 22, 2025 till March 21, 2030.*
- b. *Re-appointment of Mr. Rajeev Deoras (DIN: 02879519) as the Executive Director of the Company for a period of 3 (three) years from July 01, 2025 till June 30, 2028.*

**Mr. Rajan Bhat has been appointed as an Additional Director designated as Independent Director of the Company on April 09, 2025 and shall be appointed as an Independent Director of the Company subject to the approval of the Shareholders in the Annual General Meeting of the Company.*

#Mr. Sabyasachi Rath has been proposed to be appointed as an Additional Director designated as Executive Director on April 09, 2025, subject to the approval of the Reserve Bank of India.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations).

In compliance with Companies Act, 2013 and pursuant to the Articles of Association of the Company, Mrs. Minal Amitabh Chaturvedi, Non- Executive Director retires by rotation and being eligible has offered herself for re-appointment. The Board recommends the same for the approval of the Shareholders.

The necessary resolution for re-appointment of Mrs. Minal Amitabh Chaturvedi forms part of the Notice convening the Annual General Meeting. The profile and particulars of experience that qualify Mrs. Minal Amitabh Chaturvedi for Board membership, are disclosed in the said Notice.

15. NUMBER OF MEETINGS OF BOARD

The Board of Directors of the Company meets at regular intervals to review and discuss the Company's business policy, strategy, and other key matters concerning its operations. In addition to the strategic discussions, the Board ensures strong operational oversight through regular presentations and updates in its quarterly meetings.

To facilitate effective participation and preparation, all Board and Committee meetings are pre-scheduled well in advance, allowing Directors to plan their schedules accordingly. In cases of special or urgent business, the Board's or Committee's approval may be sought through resolutions passed by circulation, or by calling meetings at short notice, as permitted by law.

The agenda for each Board and Committee meeting is comprehensive and includes detailed notes on the items to be discussed, enabling Directors to make well-informed decisions during the meetings.

During the Financial Year 2024-25, the Board of Directors met 9 (Nine) times, and the gap between meetings did not exceed 120 days, in compliance with the relevant provisions of the Companies Act, 2013, and the rules made thereunder. The details of the Board Meetings, along with the attendance of Directors, can be found in the Corporate Governance Report, which forms part of this Annual Report.

Directors Report

16. COMMITTEES OF THE BOARD:

As required under the Act, the SEBI LODR Regulations and RBI Master Directions, the Company has constituted the following statutory committees: 1) Audit Committee 2) Nomination and Remuneration Committee 3) Stakeholders Relationship Committee. The Company also has certain non-mandatory committees viz. Finance Committee and Risk Management Committee. Details of all the statutory committees such as terms of reference, composition and Meetings held during the year under review are provided in the Report on Corporate Governance which forms part of this Annual Report.

In addition to the above, the Company has Committee of Executives' viz. Management Committee, Information Technology (IT) Committee, Human Resource (HR) Executive Committee, Executive Risk Management Committee, Asset Liability Management Committee and Operations Management Committee to review specific business, operational matters and other items that the Board may decide to delegate.

17. EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by the SEBI LODR Regulations, the Board of Directors has conducted its annual evaluation of the performance of the Board, its Committees, and Individual Directors. The evaluation process involved seeking inputs from all Directors and Committee Members, as applicable, to ensure a comprehensive and fair assessment.

The criteria for the evaluation process were developed in consultation with and as approved by the Nomination and Remuneration Committee. The evaluation of the Board as a whole was based on key parameters such as:

- Board Structure;
- Board Meetings and Frequency;
- Board Functions and Effectiveness;
- Board and Management Interaction.

The evaluation of Individual Directors focused on factors including:

- Knowledge and Competency;
- Fulfilment of Roles and Responsibilities;
- Ability to Collaborate and Function as Part of a Team.

For Board Committees, the evaluation covered areas including:

- Mandate and Composition;
- Effectiveness and Contribution of the Committee;
- Committee Structure and Meeting Frequency.

In the opinion of the Board, the Independent Directors possess integrity and bring a wealth of relevant expertise and experience to the Company, including their proficiency in corporate governance, strategy, risk management, and compliance.

18. MEETING OF INDEPENDENT DIRECTORS:

A separate meeting of the Independent Directors without the presence of the Chairman or other Non-Independent Director(s) or any other Management Personnel was held on Thursday, March 20, 2025.

The Independent Directors of the Company conducted a thorough review of the performance of the Non-Independent Directors, the Committees of the Board, and the Board as a whole. This evaluation also included an assessment of the performance of the Chairman of the Company.

Directors Report

Additionally, the Independent Directors assessed the quality, quantity, and timeliness of the flow of information between the Management and the Board, ensuring that the necessary information is provided to enable the Board to effectively and reasonably discharge its duties.

This review process ensures that the Board operates in a transparent, accountable, and effective manner, fostering strong governance practices and informed decision-making at all levels.

19. POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY OF THE COMPANY

In accordance with the applicable provisions, the Board of Directors have adopted a Nomination and Remuneration Policy ("NRC Policy").

The NRC Policy plays a crucial role in developing the competency requirements of the Board, based on the Company's industry, strategy, and long-term objectives. The Committee recommends the reconstitution of the Board, as and when necessary, to ensure alignment with the Company's evolving needs.

In line with its responsibilities, the NRC Policy also emphasizes the importance of appointing Directors who have an exemplary personal and professional reputation. The Committee conducts thorough reference checks and due diligence on all potential Directors before recommending them to the Board for appointment. Additionally, the NRC Policy ensures that new Directors are well-acquainted with the operations of the Company and strives to provide relevant training to keep them informed about the Company's strategies, operations, and governance frameworks.

Furthermore, the NRC Policy extends to the Directors, Key Managerial Personnel (KMPs), and all other employees of the Company. The policy is aligned with the Company's broader commitment to fostering a culture of leadership built on trust, accountability, and performance. It aims to ensure that the compensation levels for Directors, KMPs, and all employees are fair, reasonable, and competitive, enabling the Company to attract, retain, and motivate top talent necessary for its success.

The salient features of the Remuneration Policy, inter alia, include:

- **Independent Directors and Non-Executive Directors:** Remuneration, in the form of sitting fees and commission, is paid to Independent Directors and Non-Independent Non-Executive Directors in accordance with the provisions of the Companies Act, 2013 and as approved by the Nomination and Remuneration Committee (NRC) and the Board.
- **Executive Directors, KMPs, and Employees:** Remuneration to the Executive Directors, Key Managerial Personnel (KMPs), and all other employees is designed to be reasonable and sufficient to attract, retain, and motivate competent individuals for key roles. The remuneration structure is aligned with industry standards and comprises a defined mix of fixed and performance-linked components.
- **Remuneration for Professional Services:** No additional remuneration is payable to Directors for services rendered in any other capacity unless such services are of a professional nature, and the NRC/Board is satisfied that the concerned Director possesses the requisite qualification. Where required, prior approval from the Central Government is obtained for such payments.

In addition to the above, the Company has adopted a 'Fit and Proper' Policy in accordance with the RBI Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023, for evaluating the 'fit and proper' status of Directors at the time of their appointment and on a continuing basis. This policy ensures that Directors meet the prescribed integrity, competence, and financial soundness criteria, thereby reinforcing prudent governance practices. The NRC Policy is available on the website of the Company at <https://www.purplefinance.in/policies/>

Directors Report

20. REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:

Your Company is committed to upholding the highest standards of corporate governance, which is integral to sustaining long-term stakeholder trust and value creation. In line with this commitment, the Company has adopted a comprehensive Corporate Governance Code, which sets out detailed guidelines and governance practices to be followed in the decision-making processes across the organization.

We consider it our fundamental responsibility to ensure timely and accurate disclosure of information relating to the Company's operations, financial performance, leadership, and governance framework. Transparency, accountability, and ethical business conduct are the cornerstones of our governance philosophy.

Pursuant to the SEBI LODR Regulations, 2015, the following have been provided as part of this Annual Report:

- Management Discussion and Analysis Report; and
- Corporate Governance Report.

In addition, a Certificate from M/s VKMG & Associates LLP, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as prescribed under the SEBI LODR Regulations, is annexed to this Report.

21. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

The provisions of Regulation 34(2)(f) of the SEBI LODR Regulations are not applicable to the Company.

22. PERFORMANCE BASED VARIABLE PAYMENTS:

In accordance with the resolution passed by the Shareholders of the Company at the Annual General Meeting held on September 17, 2022, the Company is authorized to make performance-based variable payments to Mr. Amitabh Chaturvedi, Executive Chairman and Executive Director of the Company, upon the achievement of certain key performance milestones by the Company. These milestones include:

- Net Worth reaching ₹800 Crores;
- Gross Advances reaching ₹2,500 Crores; and
- Profit Before Tax (PBT) reaching ₹100 Crores.

The variable compensation payable is linked to the market performance of the Company's equity shares. Specifically, the variable pay shall be computed as the difference between the last traded price of the Company's equity shares in the immediate preceding financial year and a base price of ₹33/-, multiplied by 8,00,000 equity shares allocated for this purpose.

The total amount thus determined shall be disbursed in three equal annual instalments, subject to a maximum limit of ₹10 Crores per instalment.

Additionally, in line with the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on February 29, 2024 has approved that an incentive of ₹25,00,000 (Rupees Twenty-Five Lakh Only) is payable to Mr. Amitabh Chaturvedi upon successful completion of fund raising of ₹80 crore, in recognition of his contribution, as he is not eligible for ESOPs.

Furthermore, the Company had allocated 1,00,000 ESOPs each to Mr. Rajeev Deoras, Executive Director and Mr. Sabyasachi Rath, Chief Executive Officer on February 29, 2024. However, pursuant to the Order dated February 15, 2024, passed by the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench, approving the Scheme of Merger by Absorption of Canopy Finance Limited by Purple Finance Limited ("Reverse Merger"), all existing shareholders, excluding AIFs, were reclassified under the Promoter Group, including Mr. Rajeev Deoras and

Directors Report

Mr. Sabyasachi Rath. As per the Companies Act, 2013 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, members of the Promoter Group are not eligible to receive ESOPs. Consequently, the grant of ESOPs to Mr. Deoras and Mr. Rath were cancelled, as noted in the NRC meeting held on October 25, 2024. In recognition of their significant contributions to the Company's growth, and in line with the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its Meeting held on April 21, 2025, has approved a cash compensation equivalent to the value of the cancelled ESOPs, amounting to ₹48,73,000/- each. This value is computed based on 1,00,000 shares, multiplied by the closing price of ₹ 48.73 as on April 17, 2025 (Thursday), totalling to ₹48,73,000/-. The compensation will be disbursed in three equal annual instalments as follows: ₹16,24,000/- post completion of the proposed Rights Issue, ₹16,24,000/- one year from the first instalment, and ₹16,24,000/- two years from the first instalment.

23. DECLARATION OF INDEPENDENCE

The Company has received the declarations from all the Independent Directors as per Section 149(7) of the Act and Regulation 16 (1) (b) of the SEBI LODR Regulations and the Board is satisfied that all the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Act and Regulation 16 (1) (b) of the SEBI Listing Regulations. Further, declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended by Ministry of Corporate Affairs ("MCA") vide its Notification dated October 22, 2019, regarding the requirement relating to enrollment in the data bank created by MCA for Independent Directors, had been received from all Independent Directors.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

24. DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company and the audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2024-25.

Accordingly, pursuant to Section 134(3)(c) and 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual accounts for the Financial Year ended March 31, 2025, the applicable accounting standards have been followed and there are no material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- they have taken proper and sufficient care for the 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 fraud and other irregularities;

Directors Report

- d. they have prepared the Annual Accounts for the Financial Year ended March 31, 2025 on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

25. KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Act, Mr. Sabyasachi Rath, Chief Executive Officer, Ms. Meghana Lale, Chief Financial Officer and Ms. Ruchi Nishar, Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company.

During the year under review, Ms. Sonal Vira has resigned from the post of Chief Financial Officer of the Company w.e.f. February 03, 2025 and Ms. Meghana Lale has been appointed as the Chief Financial Officer of the Company w.e.f. February 03, 2025.

26. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism for its Directors and Employees to report their concerns or grievances. The said mechanism, inter alia, encompasses the Whistle Blower Policy, the mechanism for reporting of ethical concerns and it provides for adequate safeguards against victimization of persons who use it. The Policy is available on the website of the Company <http://www.purplefinance.in>.

27. DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. A 'Prevention of Sexual Harassment' Policy, which is in line with the statutory requirements, along with a structured reporting and redressal mechanism, including the constitution of Internal Complaints Committee in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("the POSH Act"), is in place.

During FY 2024-25, under the provisions of the POSH Act, no complaints were received.

28. STATUTORY AUDITORS

M/s. Jogin Raval & Associates, Chartered Accountants (FRN: 128586W) were appointed as the Statutory Auditors of the Company at the Annual General Meeting held on May 15, 2023 of the Company to hold office till the conclusion of the Annual General Meeting of the Company for the Financial Year 2027-28. M/s. Jogin Raval & Associates, Chartered Accountants have provided the financial statements of the Company for the Financial Year 2024-25 which forms part of this Annual Report. The Statutory Auditors have submitted an unmodified opinion on the audit of financial statements for the Financial Year 2024-25 and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Directors Report

29. COMMENTS OF THE BOARD OF DIRECTORS ON QUALIFICATIONS, RESERVATIONS MADE BY THE STATUTORY AUDITORS

The Auditor report is self-explanatory and there is no observation, qualification or adverse remarks or disclaimer made by the Auditor in their report.

30. COMMENTS OF THE BOARD OF DIRECTORS ON QUALIFICATIONS, RESERVATIONS MADE BY THE SECRETARIAL AUDITORS

In terms of Section 204 of the Act and Rules made there under, VKMG & Associates LLP, Company Secretaries, has been appointed as the Secretarial Auditor of the Company. The report of the Secretarial Auditor for the Financial Year 2024-25 is enclosed as Annexure IV to this report.

The report is self-explanatory, and wherever there are qualifications or adverse remarks, the management has provided suitable explanations and responses.

Further, the Company has received certificate of Non- Disqualification of Directors from VKMG & Associates LLP, Company Secretaries. The same is enclosed as Annexure V to this report.

31. INFORMATION ON MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes or commitments that could affect the financial position of the Company between the end of the Financial Year to which the Financial Statements relate and the date of this report.

32. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

33. VOLUNTARY DELISTING OF EQUITY SHARES FROM THE CALCUTTA STOCK EXCHANGE LIMITED

In compliance with SEBI (Delisting of Equity Shares) Regulations, 2021, the Board of Directors in their Meeting held on October 25, 2024 have approved the voluntary delisting of the Equity Shares of the Company from CSE. The Company has further applied for voluntary delisting of the Equity Shares of the Company to CSE and the application is still pending for approval.

34. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts or arrangements or transactions entered by the Company with the Related Parties during the Financial Year were in compliance with the applicable provisions of the Act and the SEBI Listing Regulations. All such contracts or arrangements, were entered into in the ordinary course of business and at arm's length basis and approved by the Audit Committee.

The details of the Material Related Party Transactions are mentioned in the Form AOC-2 as Annexure III which forms part of this Annual Report.

The Related Party Transactions policy is available at the website of the Company at <https://www.purplefinance.in/policies/>.

Directors Report

35. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNING AND OUTGO

Conservation of energy, technology absorption is not applicable as the Company is not engaged in the manufacturing activity. No foreign exchange was earned during the period.

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

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid in the year under review.

37. REPORTING OF FRAUDS

There were no instances of frauds during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or the Board under Section 143(12) of the Act and the rules made thereunder.

38. ANNUAL RETURN

In accordance with the provisions of Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the companies are required to publish a copy of the Annual Return on its website. The Extract of Annual Return is available on our website www.purplefinance.in.

39. RBI GUIDELINES

The Company is registered with Reserve Bank of India ("RBI"), as a non-deposit accepting NBFC ("NBFC-ND-NSI") under Section 45-IA of the RBI Act, 1934. As per Non-Banking Finance Companies RBI Directions, 1998, the Directors hereby report that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

40. POLICIES OF THE COMPANY

The Board of Directors has formulated the several policies which are available on website of the Company www.purplefinance.in.

41. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiaries, Joint Ventures and Associate Companies as on March 31, 2025.

Directors Report

42. SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

43. EMPLOYEE STOCK OPTION SCHEME:

The Company currently has implemented the “Purple Finance ESOP Scheme 2022” wherein Stock options are granted to the eligible employees and KMPs of the Company. The details of the Employee Stock Option Scheme as per Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are as follows:

Sr. No.	Particulars	Purple Finance ESOP Scheme 2022 (for the Financial Year 2024-25)
1	Options Granted	4,95,000
2	Options Vested	5,00,000
3	Options Exercised	-
4	The total number of shares arising as a result of exercise of option	-
5	Options Lapsed	-
6	The exercise price	-
7	Variation of terms of options	-
8	Money realized by exercise of options	-
9	Total number of options in force	-
10	Employee wise details of options granted to	
	a. Key Managerial Personnel*	1,00,000
	b. 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.	-
	c. 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;	-

KMP includes managerial personnel as per Companies Act, 2013 only.

Disclosure in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is forming part of this annual report which is available on the website of the Company at the following link:

Annual Report 2024-25

Directors Report

44. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

A. Information as per Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Requirement	Response
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Amitabh Chaturvedi: 1:62 Rajeev Deoras: 1:24
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Amitabh Chaturvedi - 58% Rajeev Deoras - 10% Meghana Lale - 0% Sabyasachi Rath - 22% Ruchi Nishar - 17%
3	The percentage increase in the median remuneration of employees in the financial year	2.40%
4	The number of permanent employees on the rolls of company;	332 on-roll employee as on March 31, 2025 (excluding Directors)
5	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;	(7%) average percentile change made in the salaries of other than managerial personnel in the last financial year in comparison with (37%) increase in the managerial remuneration. Increase in the managerial remuneration is due to increments made and replacement of a CFO for FY 24-25.
6	Affirmation that the remuneration is as per the remuneration policy of the company.	We hereby confirm that the remuneration is as per the remuneration policy of the company.

Directors Report

B. Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The statement containing particulars of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available at the registered office of the Company. The said statement is open for inspection at the registered office of the Company. Any member interested in obtaining these particulars will be provided with the same, upon receipt of a written request delivered at the registered office of the Company.

45. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

During the year, no application was made or any proceeding was pending under the Insolvency and Bankruptcy Code, 2016 during the year ended March 31, 2025.

46. HUMAN RESOURCES

Your Company regards its human capital as one of its most valuable assets. We are committed to creating a work environment that fosters professional growth, innovation, and performance excellence. Accordingly, the Company continues to invest in talent acquisition, development, and retention through structured initiatives and employee engagement programs.

Recognizing that a capable and motivated workforce is fundamental to sustainable growth, the Company follows a philosophy of recruiting the most suitable talent for each role, empowering them with the necessary tools and authority to perform, and providing a conducive environment for learning and career progression.

A well-defined on boarding and induction process is in place, facilitated through a comprehensive Human Resource Management System (HRMS). This system ensures a seamless experience for new employees and supports the management of various HR functions digitally and efficiently.

The Company places strong emphasis on continuous learning and development. Regular training programs are conducted across various verticals such as customer service, credit underwriting, collections, business processes, and compliance, ensuring that employees are well-equipped to meet evolving business and regulatory requirements.

As on March 31, 2025, the Company had 335 permanent employees, all of whom play a pivotal role in achieving the organization's strategic goals.

Directors Report

47. GENERAL

- i. The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.
- ii. There are no instances of fraud reported by the Auditors under Section 143(12) during the financial year ended March 31, 2025.
- iii. The Company has not issued any shares with differential voting rights as per the Act.
- iv. The Company has not issued any sweat equity shares under the Act.
- v. There were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
- vi. The Company has not accepted any fixed deposits and no amount of principal or interest is outstanding during the year ended 31st March, 2025.

48. ACKNOWLEDGEMENT

The Board of Directors places on record its sincere appreciation and gratitude to all business associates, lenders, shareholders, consultants, and various regulatory and government authorities for their continued trust, support, and guidance.

The Board also extends its heartfelt thanks to the executive team, employees, and staff of the Company for their dedicated efforts, commitment, and contribution throughout the year, which have been instrumental in driving the Company's progress and performance.

Date: May 15, 2025

Place: Mumbai

**For and on behalf of the Board of Director/s
PURPLE FINANCE LIMITED**

**Sd./-
Amitabh Chaturvedi
Executive Chairman
DIN: 00057441**

**Sd./-
Rajeev Deoras
Executive Director
DIN: 02879519**

DECLARATION REGARDING CODE OF CONDUCT OF THE COMPANY

(Regulation 34(3) read with schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Board of Directors
Purple Finance Limited.

I, Sabyasachi Rath, Chief Executive Officer, Purple Finance Limited, hereby affirm that the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended March 31, 2025.

For Purple Finance Limited

Sd/-
Sabyasachi Rath
Chief Executive Officer

Date: May 15, 2025

Management Discussion and Analysis Report

ANNEXURE – I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

FORWARD LOOKING STATEMENTS:

Statements in this Management Discussion and Analysis of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward – looking statements, on the basis of any subsequent developments, information, or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include determination of tariff and such other charges and levies by the regulatory authority, changes in government regulations, tax laws, economic developments within the country and other factors affecting the operations of the business of the Company.

The Financial Statements are prepared under historical cost convention, on accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 (the "Act") and comply with the Accounting Standards notified under section 133 of the Act and SEBI guidelines. The Management of Purple Finance Limited ("PFL") has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, to reflect the true and fair view of the state of the affairs of the Company and profit for the year.

Unless otherwise stated or the context otherwise require all reference herein to "we", "us", "our", "your", "the Company", "PFL" or "Purple Finance" are to be taken as "Purple Finance Limited".

Business Overview

Purple Finance Limited was originally incorporated as a Private Limited Company under the name of "Devipura Balaji Securities & Investments Private Limited" under the provisions of the Companies Act, 1956 on November 09, 1993 issued by the Registrar of Companies, Mumbai, Maharashtra. The Company was subsequently converted into Public Limited Company as "Devipura Balaji Securities & Investments Limited" vide fresh Certificate of Incorporation dated July 20, 1998. The Company was registered under section 45-IA of The Reserve Bank of India Act, 1934 and received the certificate of registration from Reserve Bank of India ("RBI") dated July 20, 1999, having Registration no. 13.01268 to commence/ carry on the business of non-banking financial institution without accepting deposits. Our Company is registered with RBI as a Base Layer Non-Systemically Important Non-Deposit taking Non-Banking Finance Company (NBFC-ND-ICC). Devipura Balaji Securities & Investments Limited acquired K K Financial Services Private Limited on September 13, 2013. Pursuant to the aforesaid acquisition, the Company applied for name change to Registrar of Companies, Mumbai and received a Certificate of Registration approving change in name to 'Purple Finance Limited' vide Certificate of Incorporation dated November 26, 2013.

Further, the Hon'ble NCLT, Mumbai Bench on February 15, 2024 has approved the Scheme of Merger by Absorption of Canopy Finance Limited by Purple Finance Limited. Pursuant to the merger of the Company with Canopy Finance Limited, the equity shares of the Company have been listed on BSE w.e.f. June 14, 2024 and on CSE w.e.f. June 18, 2024.

Management Discussion and Analysis Report

Overview of our Company Operations

PFL ventured into retail MSME secured lending in October 2022 and operates in tier II, III & tier IV cities, offering loans to micro and small entrepreneurs in a ticket size between ₹3 lakh to ₹30 lakh. PFL leverages technology to make its processes more efficient. It has built a robust tech platform for underwriting that enables seamless and paperless loan approvals. PFL has opened 37 branches has empowered more than 2000 lives through best of technology adoption and giving them access to affordable, adequate and timely credit. In an era where MSMEs are the backbone of Indian economy, PFL's role as a lending Company has never been more critical. PFL has not only provided financial support but also served as a guiding force for several small entrepreneurs, helping them turn their dreams into thriving businesses. PFL intends to become a new age digital NBFC inter- alia currently engaged in the business of offering small size secured business loans across India predominantly in tier II, III & tier IV cities. PFL with its superior technology platform aspires to simplify the existing processes in the mortgages segment and is confident of making a difference to the MSME borrowers with simplified funding options and timely loan disbursements.

Significant Factors Affecting our Results of Operations and Financial Conditions

We believe that the following factors may have significant impact on our results of operations and financial condition during the period under review and may continue to affect our results in the future:

1. **Credit Risk:** Purple Finance Limited faces the risk of loss resulting from borrowers or counterparties failing to meet their financial or contractual obligations. This could be due to various factors such as insolvency, default, inability to repay loans or deterioration of external environment.
2. **Operational Risk:** The Company is exposed to the risk of loss due to internal factors such as human error, inadequate processes or controls, or system failures. This includes reliance on the accuracy of information provided by customers and third-party service providers, which may affect creditworthiness assessments and the valuation of collateral. Any failure or significant weakness of our internal processes or systems could cause operational errors or incidents of fraud, which would adversely affect our business, profitability and reputation.
3. **Asset Quality Risk:** Higher levels of Non-Performing Assets (NPAs) can adversely impact the quality of Purple Finance's loan portfolio. Inability to effectively manage NPAs could lead to financial losses and negatively affect the company's business operations and profitability.
4. **Capital Risk:** Purple Finance requires substantial capital to operate its business. Any disruption in its sources of capital could have adverse effects on its business, results of operations, and financial condition. This includes challenges in raising adequate funds for lending activities and meeting regulatory capital requirements.
5. **Interest Rate Risk:** As an NBFC, Purple Finance is particularly vulnerable to interest rate risk. Volatility in interest rates could impact its net interest income and margin, affecting overall profitability and cash flows. This risk arises from both lending and treasury operations and could have an adverse effect on our net interest income and net interest margin, thereby affecting our results of operations and cash flows.
6. **Liquidity Risk:** The Company is exposed to liquidity risk principally because of lending and investment for periods which may differ from those of its funding sources. In case of overall economic growth being muted, Purple Finance Limited may face challenge for fresh funding from Banks and Mutual Funds. In such an event, Purple Finance Limited may face refinancing challenges.

Management Discussion and Analysis Report

7. **Fraud Risk:** Your Company is exposed to fraud risk because of possible frauds perpetuated by customers, employees, vendors etc. The Company has a detailed fraud check procedure while on boarding employees, vendors and customers etc.
8. **Regulatory Risk:** As an entity in the financial services sector, the Company is subject to regulations by Indian governmental authorities, including the Reserve Bank of India. Their laws and regulations impose numerous requirements on the Company, including asset classification and prescribed levels of capital adequacy, solvency requirements and liquid assets. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect the Company's performance.

As an NBFC, we are subject to periodic inspections by the RBI. Non-compliance with regulatory compliances and observations made by the RBI during these inspections could expose us to penalties and restrictions.

9. **Macro-economic Risk:** Any unfavorable economic conditions, unstable political environment and changes in Government policies could impact the growth of the company. Any slowdown in the Indian economy and in particular the financing business could adversely affect the Company's business. Also increase in competition in MSME funding and competitors taking aggressive posture can have impact on the business of the company.

Change in Accounting Policies in Previous 3 Years

The Company has adopted Ind AS notified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2023 and the effective date of such transition is April 01, 2022 due to the approval of the Scheme of Merger by Absorption of Canopy Finance Limited by Purple Finance Limited by Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') on February 15, 2024. For periods up to and including the year ended March 31, 2023, the Company had prepared and presented its financial statements in accordance with the erstwhile Generally Accepted Accounting Principles in India (Indian GAAP). In order to give effect to the transition to Ind AS these financial statements for the year ended March 31, 2024, together with the comparative financial information for the previous year ended March 31, 2023 and the transition date balance sheet as at April 1, 2022 have been prepared under Ind AS.

The transition to Ind AS, has involved changes in the Company's policies and processes relating to financial reporting. Further, the management has also exercised judgement (wherever applicable) in giving effect to various principles of Ind AS in its first-time adoption.

1. MACRO ECONOMIC OVERVIEW

(a) Global Economy

The global economy is holding steady, although the degree of grip varies widely across countries. Global GDP growth in the third quarter of 2024 was 0.1 percentage point below that predicted in the October 2024 WEO, after disappointing data releases in some Asian and European economies. Growth in China, at 4.7 percent in year-over-year terms, was below expectations. Faster-than-expected net export growth only partly offset a faster-than-expected slowdown in consumption amid delayed stabilization in the property market and persistently low consumer confidence. Growth in India also slowed more than expected, led by a sharper-than-expected deceleration in industrial activity.

Management Discussion and Analysis Report

Global growth is expected to remain stable, albeit lackluster. At 3.3 percent in both 2025 and 2026, the forecasts for growth are below the historical (2000–19) average of 3.7 percent and broadly unchanged from October. Global headline inflation is expected to decline to 4.2 percent in 2025 and to 3.5 percent in 2026, converging back to target earlier in advanced economies than in emerging market and developing economies.

In emerging market and developing economies, growth performance in 2025 and 2026 is expected to broadly match that in 2024. With respect to the projection in October, growth in 2025 for China is marginally revised upward by 0.1 percentage point to 4.6 percent. This revision reflects carryover from 2024 and the fiscal package announced in November largely offsetting the negative effect on investment from heightened trade policy uncertainty and property market. For other emerging markets in 2026, growth is projected mostly to remain stable at 4.5 percent, as the effects of trade policy uncertainty dissipate and the retirement age increase slows down the decline in the labor supply. In India, growth is projected to be solid at 6.5 percent in 2025 and 2026, as projected in October and in line with potential.

An intensification of protectionist policies, for instance, in the form of a new wave of tariffs, could exacerbate trade tensions, lower investment, reduce market efficiency, distort trade flows, and again disrupt supply chains. Growth could suffer in both the near and medium term, but at varying degrees across economies.

The risk of renewed inflationary pressures could prompt central banks to raise policy rates and intensify monetary policy divergence. Higher-for-even-longer interest rates could worsen fiscal, financial, and external risks. A stronger US dollar, arising from interest rate differentials and tariffs, among other factors, could alter capital flow patterns and global imbalances and complicate macroeconomic trade-offs. In addition to risks from economic policy shifts, geopolitical tensions could intensify, leading to renewed spikes in commodity prices. The conflicts in the Middle East and Ukraine could worsen, directly affecting trade routes as well as food and energy prices. Commodity-importing countries may be particularly affected, with the stagflationary impact of higher commodity prices compounded by an appreciating dollar.

On the upside, global economic activity may enjoy a bounce if incoming governments can renegotiate existing trade agreements and forge new deals. This could relieve uncertainty faster and be much less disruptive to growth and inflation. By boosting confidence, such cooperative outcomes could even support investment and medium-term growth prospects. Momentum on other policy fronts could also lift growth. Many countries may embrace structural reforms to prevent divergence from their better-performing peers from becoming entrenched. Efforts to increase labor supply, reduce misallocation, enhance competition, and support innovation could raise medium-term growth.

Source: World Economy Outlook by International Monetary Fund Forecast published in January 2025

Management Discussion and Analysis Report

(b) Indian Economy

Domestically, macroeconomic fundamentals remain strong, and economic growth is poised to sustain momentum driven by robust domestic demand, steady investment activity, and ongoing policy-driven infrastructure development along with a pick-up in government spending. Headline inflation has moderated significantly from above 6 per cent in October 2024 to 3.6 per cent in February 2025. Robust kharif production, better rabi sowing coupled with higher reservoir levels and seasonal winter correction in vegetable prices augur well for food inflation, although volatility in commodity prices and weather anomalies remain potential upside risks to the overall inflation outlook. While facing challenges from weakening global trade and tariff uncertainty, India's external sector continues to find support from resilient services exports, which remain less affected by global disruptions. Going forward, India's structural strengths—sound fiscal policies, a well-calibrated monetary framework, and digital transformation initiatives—are expected to provide a strong foundation for long-term sustainable economic growth.

The Indian manufacturing sector saw a rise in purchasing activity and employment in February 2025. The services sector recorded a strong expansion in new businesses and employment. Sustained foreign portfolio outflows exerted significant pressures on domestic equity markets in February and engendered currency depreciation. Domestic investors have, however, increased their holdings, acting as a counterbalancing force, leading to a shift in ownership patterns.

India's financial landscape is also navigating these external risks manifested through various channels while addressing domestic funding needs. The Reserve Bank has remained agile, swiftly tackling liquidity shortages triggered by government tax flow dynamics, currency leakages and foreign portfolio investor (FPI) outflows. The Reserve Bank has deployed a strategic mix of interventions, including open market operations (OMO), daily variable rate repo (VRR) auctions, and dollar/rupee buy-sell swap auctions. These proactive measures have helped stabilise market liquidity conditions, ensuring financial resilience in an unpredictable global environment.

Headline CPI inflation moderated to a seven month low of 3.6 per cent in February 2025 as food prices, especially vegetables, recorded a sharp decline driven by the arrival of winter crops in the market. Core (CPI excluding food and fuel) inflation, however, increased to 4.1 per cent. The decline in overall inflation is expected to further support recovery in consumption and bolster macroeconomic strength, which would act as a bulwark to ward off the myriads of external challenges.

Source: RBI Monetary Policy Statement dated June 21 2024

2. NBFC SECTOR OVERVIEW

As per CRISIL projection NBFC credit to grow at 12%-14% between Fiscal 2023 and Fiscal 2025. The credit growth will be driven by the retail vertical, including housing, auto, MSME and microfinance segments. Rapid revival in the economy is expected to drive consumer demand in Fiscal 2024, leading to healthy growth for NBFCs. Moreover, organic consolidation is underway with larger NBFCs gaining share with some of the merger and acquisition in the NBFC space.

Management Discussion and Analysis Report

The retail credit market in India stood at Rs 60 trillion as of fiscal 2023 and is rapidly growing at a CAGR of 14.3% during Fiscals 2018 and 2023. Retail credit growth in Fiscal 2020 was around approximately 16.3% which came down to approximately 9.5% in Fiscal 2021. However, post- pandemic, retail credit growth revived back to reach approximately 11.3% in Fiscal 2022. In Fiscal 2023, retail credit has grown at approximately 19-20% year on year basis. The Indian retail credit market is expected to further grow at a CAGR of 13-15% between fiscal 2023 to fiscal 2025 and reach a size of Rs 77 trillion by FY 2025. Moreover, the increasing demand and positive sentiments in the Indian retail credit market, presents an opportunity for both banks and NBFCs to broaden their investor base. Share of NBFC credit in the overall systemic credit remained @ 18% in Fiscal 2023.

In terms of the credit to GDP ratio, India has a low credit penetration compared with other developing countries, such as, China, indicating a significant untapped potential. Similarly, in terms of credit to households as a proportion of GDP as well, India lags other markets.

Rural India accounts for about half of GDP, but only about 8% of total credit and 9% of total deposits. Rural India under penetration and untapped market presents a huge opportunity for growth. Credit to metropolitan areas has decreased over the past few years with its share decreasing from 66% as at March 31, 2018 to 62% as at June 30, 2023. Between the same period, credit share has witnessed a marginal rise in rural and urban areas.

Asset quality for NBFCs is influenced by various factors such as economic cycle, target customer segment, geographical exposure, and local events. Within the NBFC universe itself, it is observed that various asset classes tend to exhibit heterogeneous behaviour. For example, the asset quality in small business loans and personal loans tends to be highly correlated with the macroeconomic environment. On the other hand, microfinance loans have shown lower historic correlation with macroeconomic cycles. This is because asset quality is more influenced by local factors, events that have wide ranging repercussions such as demonetisation and COVID-19 and relative leverage levels amongst borrowers.

It is estimated that the GNPA's for NBFCs to have reduced significantly at the end of Fiscal 2023. The gross NPAs for NBFCs have reduced to 5.8% in FY 22 and expected to be around 4.8% in FY 23. It is expected the same will further reduce by at least 50 bps in FY 24.

The share of disbursements for NBFCs in unsecured loans and MSME finance, the non-traditional segments, has increased over the past 1.5 years. In the first half of this fiscal, ~35% of incremental disbursements were for unsecured loans. Small business loans grew at a fast pace, registering a CAGR of 15% over Fiscal 2018 and 2023. It is estimated that outstanding small business loans given out by banks and NBFCs to be around Rs 11.7 trillion as of March 2023.

The LAP portfolio NPAs have reduced from 4.7% in March 21 to 4.3% in March 22. With increasing branch network, customer acquisition and credit penetration, share of MSME loans is also expected to increase. Number of branches have grown at 16% CAGR over Fiscals 2017 and 2023 and is around 6638 branches.

Source: 1) CII-KPMG Report for NBFC: February 2024; 2) NBFC Report by CRISIL & ASSOCHAM; 3) Market Intelligence and Analytics for NBFCs by CRISIL and Northern Arc: December 2023

Management Discussion and Analysis Report

3. FINANCIAL PERFORMANCE AND BUSINESS OVERVIEW

The following table presents the financial results of the Company's operations for the year ended March 31, 2025 and year ended March 31, 2024:

(Rs. in Lakhs)		
Particulars	FY 2024-25	FY 2023-2024
Gross income	1,485.00	444.22
NPA & other provisions (ECL Provisions)	20.66	4.81
Other expenses	610.18	378.12
Profit / (loss) before tax	(2,052.30)	(1325.82)
Current Tax	-	-
Deferred Tax	(497.48)	(564.55)
Provision for tax	-	-
Net Profit / (loss) after tax	(1,554.82)	(761.27)

* Previous year figures have been regrouped / rearranged wherever necessary.

The Company incurred a loss before tax of INR 2,052.30 lakhs during the year ended March 31, 2025 as compared to loss before tax of INR 1325.82 lakhs for the FY 2023-24. The loss is primarily on account of Company foraying into retail lending business in October 2022. The Company is in the build- up phase, and now has the Senior Management team in place. The Company has opened 32 branches till March 31, 2025 marking its presence in 5 different states across India. This has led to investments in human resources and technology which will start giving results going forward. This involved substantial investment in building branch network, implementing IT systems, hiring manpower and other operational expenses with a view to increase disbursements and become an institution of size in the future engaged in MSME secured lending. Your Company will continue to expand in this segment with new branches, investment in technology and hiring additional manpower to increase distribution foot print. The management has a view to build a large institution in retail lending in coming years backed by strong governance, compliance, risk metrics and would do substantial investment in technology to improve operational efficiency and reduce cost.

SHAREHOLDERS' FUNDS

As of March 31, 2025, the Shareholders' funds of the Company amounted to Rs. 77,12,92,052/- as compared to Rs. 48,32,95,657.46/-as on March 31, 2024.

Management Discussion and Analysis Report

4. OUTLOOK AND OPPORTUNITIES

Purple Finance Limited is into MSME lending which is very large and untapped market to tap into. Micro, Small and Medium Enterprise sector has been recognized as the backbone of the Indian economy for the past several decades expected to drive the country's growth and employment generation. The government envisages MSMEs to contribute USD 2 trillion to the target of becoming USD 5 trillion economy by 2026. In August 2021, MSME Ministry announced a target to boost MSME contribution to the GDP to 50% by 2025. India has approximately 6.3 crore MSMEs and the number of registered MSMEs stood at 80.16 lakh units as on March 31, 2022, indicating that 88% of enterprises still exist in the informal sector. Micro sector accounts for more than 99% of total estimated number of MSMEs and around 97% of total employment in the sector. Out of the estimated 633.88 million MSMEs, 324.88 lakh (51.25%) are in rural areas, while 309 lakh (48.75%) are in urban areas. The credit gap to MSMEs is estimated around INR 20-25 trillion as per Government estimate.

Hence this is a huge opportunity for Purple Finance Limited to address this untapped MSME lending market through secured product offering.

5. CHALLENGES

NBFCs also have their share of challenges. One of the biggest challenges facing NBFCs in India is access to funding. Unlike banks, which have access to low-cost deposits, NBFCs must rely on borrowing from banks or issuing bonds to raise funds. This can make it difficult for NBFCs to compete with banks on interest rates. The dependence on banks have increased cost of funds for NBFCs. In Fiscal 2023, NBFCs borrowings from banks witnessed high growth resulting in an increase in share to 36% of total funding up from 29% at the end of Fiscal 2022. Share of bank's lending to NBFCs have almost doubled during last 10 years. As per a CRISIL report there is a need of around Rs 10 trillion funding by NBFCs to cater to their growth in Fiscal 2024 to 2026. There must be alternate avenues like NCDs, Bonds, Securitisation etc. which will augment this funding requirement of NBFCs apart from bank funding. New NBFCs especially unrated one will continue facing challenge in raising funding.

The second challenge is competition from banks. Looking at the attractive segment of MSME lending many banks, Fintech companies and several large and small NBFCs have become active lately in MSME segment. Purple Finance Limited must stay competitive through superior customer service, quick disbursal, and technology enhancement to stay relevant. Also as mentioned above this challenge is partially mitigated because of large untapped MSME market.

6. INTERNAL CONTROL SYSTEMS

The Company has adequate systems of internal control in place which are commensurate with its size and the nature of operations. The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations. The company also monitors various activities through defined policies, process, and SOPs. The company has strong corporate governance framework and the same continuously reviewed through various committees like Board of Directors, Management Committee, Risk Management Committee, IT Committee, HR committee etc.

Management Discussion and Analysis Report

7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company disbursed loans amounting to ₹78.66 crore in FY 2024–25, a significant increase of 156% compared to ₹30.68 crore in FY 2023–24. This growth in disbursements contributed to a rise in gross income, which jumped by 234% from ₹4.44 crore to ₹14.85 crore over the same period. Operational expansion played a key role in this growth. The number of branches increased from 19 to 32, and the workforce grew to 335 employees as of March 31, 2025. Consequently, operating expenses rose, with staff costs contributing to an increase in total expenses from ₹3.78 crore to ₹6.1 crore. While the Company reported a higher year-on-year loss due to ongoing investments in infrastructure and talent acquisition, the loss narrowed in the last quarter of the financial year—indicating a positive trend. These strategic investments are expected to drive continued growth in business volumes and pave the way toward profitability. As of March 31, 2025, the Company's Assets under Management (AUM) stood at ₹103.05 crore.

8. RISKS & CONCERNS

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The Company recognizes that risk is an integral part of business and is committed to managing the risk in proactive and efficient manner. The Company had adopted risk management system through framework of different policies and creating a robust internal monitoring process to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the system establishes a structured and disciplined approach to Risk Management.

The Company is exposed to specific risks that are particular to its business and the environment within which it operates. This includes market risk, credit risk, liquidity and interest rate risk, regulatory risk, macro-economic risk, etc.

- **Market Risk:** The Company does not invest in market instruments therefore has limited exposure to market risk.
- **Credit Risk:** Credit risk is the risk arising out of default or failure on the part of borrowers in meeting their financial obligations towards repayment of loans. Thus, credit risk is a loss as a result of non-recovery of funds lent both on principal and interest counts. There is robust credit process with the risk oversight. The client selection is clearly defined, capability of repayment is rigorously assessed to reduce the defaults and since most of the loans are secured against assets which are valued by independent agencies and the loan to value ratio is restricted, chances of non-recoverability in case of default are minimized. The Company proposes to use various tools like portfolio analytics, bounce analysis, month on board analysis, early vintage analysis and net flow forward analysis to monitor early stress in the portfolio. These will be reported to senior management through Risk Management Committee periodically and if required course correction is undertaken.
- **Liquidity and Interest Rate Risk:** The Company is exposed to liquidity risk principally, as a result of lending and investment for maturity period which may differ from those of its funding sources. The Company will manage this risk by prudent management of resources including long term loans.

Management Discussion and Analysis Report

- **Regulatory Risk:** As an entity in the financial services sector, the Company is subject to regulations by Indian governmental authorities, including the Reserve Bank of India. Their laws and regulations impose numerous requirements on the Company, including asset classification and prescribed levels of capital adequacy, solvency requirements and liquid assets. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect the Company's performance. All the players are sensitive to this risk and any adverse effect is not isolated to the Company.
- **Macro-economic Risk:** Any unfavourable economic conditions, unstable political environment and changes in Government policies could impact the growth of the Company. Any slowdown in the Indian economy and in particular the financing business could adversely affect the Company's business. The rural economy is resilient and market is also very large, therefore any slowdown will have only temporary effect.
- **Operational Risk:** The Company is exposed towards various operational risks in the course of its business relating to people, internal controls, processes, technology, infrastructure and other external factors. Towards minimizing operational risks, the Company has created 'maker-checker' rule in all processes. The Risk Management Committee monitors the operation processes. The Company believes its efforts to continuously strengthen its risk framework and portfolio quality will help it build a stable business franchise.

Access to capital and funds, both short term and long term, managing asset-liability mismatches and managing growth without compromising asset quality are some of the challenges faced by all the players, big and small, in the NBFC sector. Your Company is no exception to this. However, we constantly invest in people, processes, technology and systems to manage and mitigate these challenges. Strong credit underwriting processes, early warning checks, strong portfolio analytics to minimise portfolio delinquency are on-going efforts.

9. GEO-POLITICAL RISK

India is currently emerging as a powerful economic entity on the global stage. However, it is particularly vulnerable to the effects of political tensions within its borders and with neighbouring countries. The tensions, which arise from enduring territorial disputes, political turmoil, or economic clashes with neighbouring countries, pose a direct threat to India's financial systems and economic stability. The geopolitical events mentioned have a profound impact on more than just diplomatic relations. They have far-reaching effects on trade policies, foreign investments, interest rates, inflation and the overall confidence in the market. As India solidifies its prominent position on the global stage, it is crucial to comprehend and address the effects of these specific geopolitical dynamics in order to maintain its growth trajectory and ensure its economic future. Additionally, the trade tariffs imposed by USA on other countries also have effect on overall economy and consumption.

The growing base of consumer markets, the expansion of the industrial base, and increased integration with the global supply chain has made India vulnerable to the above geo political uncertainty. Also, as a key economic player, it commands a sizeable economic and geopolitical importance in South Asia which provided India with greater diplomatic and political engagement with other economies.

Management Discussion and Analysis Report

Any escalation in geo political issues which includes escalation of hostilities with neighbouring countries or additional protectionism trade tariffs can have profound impact on Indian economy. This can lead to private equity investors being more risk averse on the country, banks and other lenders becoming risk averse and increasing risk premium and hence increase in rate of interest, increasing inflation because of higher spending in defence and money supply being constrained and resultant increase in interest rate and effectively increasing cost of borrowing, volatility in equity market resulting in difficulty in raising capital and erosion of valuation, lower demand for loans because of uncertainty, increasing delinquency because of lower disposable income etc.

PFL being a listed entity and into the space of lending can have adverse impact because of above events. However, to partially mitigate these risks the company will adjust portfolio strategy, pace of lending, tighten credit parameters and increase the efforts on collection as and when the situation demands. PFL also has adequate BCP for IT systems which can enable critical employees to work from alternate location in case of severe hostilities arising because of cross border tensions.

10. HUMAN CAPITAL

Your company recognizes that Human capital is one of the most critical assets of any business enterprise. Guided by this very philosophy the Company ensures recruitment of the most suitable manpower, trains them to handle their respective roles, empowers them to discharge their duties well and provide an enabling environment for their professional growth. The company has a well-defined on-boarding process and well-structured post joining induction process. The company also has deployed a digitally advanced Human Resource Management System (HRMS) to automate most of the HR processes and controls. Currently the company employs around 335 people.

11. DETAILS OF PERFORMANCE AND SIGNIFICANT CHANGES

Particulars	2024-25	2023-24	% Movement	Remarks
Debtors Turnover	NA	NA		Note 1
Inventory Turnover	NA	NA		Note 1
Interest Coverage Ratio	NA	NA		Note 2
Current Ratio	NA	NA		Note 3
Debt Equity Ratio	0.93	0.46	103.84	Note 4
Operating Profit Margin (%)	-99.61	-275.02	-63.78	Note 5
Net Profit Margin (%) or sector-specific equivalent ratios,as applicable.	-104.70	-171.37	-38.90	Note 5
Return on Networth %	- 20.16	- 15.75	27.98	Note 6

Management Discussion and Analysis Report

Note 1 – Debtors Turnover Ratio = Net Credit Sales / Average Accounts Receivable and Inventory Turnover = Cost of goods sold / Average inventory

Since company is in the business of SME lending, debtor turnover ratio and Inventory Turnover ratio is not applicable.

Note 2 – Interest Coverage Ratio= Earnings Before Interest and Taxes (EBIT) / Interest expense

Since EBIT of the company is negative (Loss), Interest coverage ratio cannot be calculated.

Note 3 – Current Ratio = Current Assets/ Current Liabilities

NBFCs emphasize Asset-Liability Management (ALM) to ensure that their assets and liabilities are appropriately matched in terms of maturity profiles. This approach is more relevant for assessing liquidity and solvency than the Current Ratio thus it is not applicable.

Note 4 – Debt Equity Ratio = Debt / Equity

In the fiscal year under review, the Company experienced a significant increase in its Debt-to-Equity (D/E) ratio, rising from 0.46 in the previous year to 0.93. This change reflects a significant contribution of debt portion in our capital structure to support our AUM growth

Note 5 – Operating Profit Margin = EBIT / Total Income and Net Profit Margin = Net Profit / Total Income

Since Company has not yet achieved positive EBIT, the operating profit margin is compared as % of loss to Total Income of the company. Reduction in ratio from -275% in the previous year to -99% signifies improvement in the ratio. Also, net profit margin improved from -171% in the previous year to -105%.

This positive shift reflects the effectiveness of our strategic initiatives aimed at enhancing operational efficiency and cost management. The Company experienced an increase in revenue, driven by higher sales volumes and successful market expansion efforts. This growth provided a stronger base to absorb fixed costs, thereby improving the operating margin.

Note 6 – Return on Networth = Profit after tax / Networth

Company is still not in profits so return on Networth is still negative which has increased from -15.75% to -20.16% due to increase in the volume and operations of the company.

12. CAUTIONARY STATEMENT

The statements made in Management Discussion and Analysis describing the Company's expectations and estimations may be forward looking within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectation of future events. The actual results may differ from those expressed or implied in this report due to the influence of factors beyond the control of the Company. The Company assumes no responsibility in respect of forward-looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events. Readers are cautioned not to place undue reliance on the forward-looking statements.

Company's Philosophy on Corporate Governance

At Purple Finance Limited, we are committed to maintaining the highest standards of corporate governance, rooted in the principles of transparency, integrity, and accountability. Our governance framework is designed to promote ethical conduct, sound decision-making, and effective oversight across all levels of the organization.

The Company has established comprehensive policies and procedures that support a robust compliance framework, including well-defined internal audit mechanisms. Our governance practices are aimed at safeguarding the interests of all stakeholders, enhancing shareholder value, and ensuring sustained business performance.

The Board of Directors of Purple Finance Limited comprises three Independent Directors, ensuring autonomy and diversity in oversight. The Board functions independently of executive management and exercises its responsibilities through various specialized committees. These committees oversee critical aspects of our operations, including audit, risk management, nominations and remuneration, and stakeholder relations, thereby enabling informed and balanced decision-making.

Corporate governance at Purple Finance Limited is not merely about regulatory compliance; it is a reflection of our core values and organizational culture. It acts as a guiding compass that shapes our policies, relationships, and long-term strategy. Integrity and transparency are the cornerstones of our governance model—principles we regard as fundamental to building and maintaining stakeholder trust.

We constantly evaluate and strengthen our corporate governance framework to ensure alignment with evolving best practices and regulatory expectations. This includes periodic reviews of Board processes, governance practices, and management systems, fostering a culture of accountability, responsibility, and ethical leadership.

This report is prepared in compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') and outlines the corporate governance structure, systems, and practices followed by Purple Finance Limited during the financial year.

BOARD OF DIRECTORS

The Board of Directors of Purple Finance Limited hold a fiduciary responsibility to ensure that the Company's objectives are aligned with the principles of sustainable growth and long-term value creation. The Board fosters a culture of ethical leadership and strategic oversight, providing a long-term vision and policy framework that enhances the overall quality of corporate governance.

The Board acts in the best interest of the Company and its stakeholders and is committed to steering the Company toward sustained excellence and stakeholder value enhancement.

Board Composition and Structure

The policy governing the composition of the Board is to maintain a balanced and diverse structure with an appropriate mix of Executive, Non-Executive, Independent, and Women Directors. This blend ensures a rich pool of experience, expertise, and independence, fostering objective judgment and high-quality decision-making. The structure also enables a clear demarcation between the governance and management functions.

Company's Philosophy on Corporate Governance

As of March 31, 2025, the composition of the Board is in accordance with the requirements of Regulation 17 of the SEBI LODR Regulations, 2015 and Section 149 of the Companies Act, 2013. The Board includes:

- Four Non-Executive Directors, of which three are Independent Directors, including one Independent Woman Director.
- Two Executive Directors, comprising the Executive Chairman and one Executive Director.

The Chairman of the Board is an Executive Director. In line with SEBI LODR Regulations, 50% of the Board comprises Non-Executive Independent Directors, ensuring the required level of independence in oversight.

Compliance with Governance Norms

All Directors comply with the statutory requirements regarding Board and Committee memberships:

- No Director holds Directorship in more than 20 companies, including a maximum of 10 public companies.
- No Director is a member in more than 10 Board Committees or acts as Chairperson in more than 5 Committees across all listed companies in which they serve.
- None of the Directors hold Directorships in more than 7 listed entities, and no Independent Director serves in more than the permissible number of listed entities.
- The Executive Chairman does not serve as an Independent Director in any listed entity.
- All Non-Executive Non-Independent Directors are subject to retirement by rotation.
- The Independent Directors of the Company fulfill the conditions as specified in the SEBI LODR Regulations and are independent of the management.

Board Meetings

During the Financial Year 2024–25, the Board met nine (9) times. The meetings were held on the following dates:

- April 08, 2024
- April 20, 2024
- June 20, 2024
- June 27, 2024
- July 29, 2024
- October 25, 2024
- January 19, 2025
- February 28, 2025
- March 20, 2025

The gap between any two consecutive meetings was within the prescribed limit under the Companies Act, 2013 and SEBI LODR Regulations.

Company's Philosophy on Corporate Governance

Details of Directors as on March 31, 2025

The details of the Directors, including their category, number of Directorships in other companies, Committee positions held, and shareholding in the Company as of March 31, 2025, are as follows:

DIN	Name of the Directors	Category of Director	No. of Directorship #	No of other Committee Membership(s) / Chairmanship(s) held #		No. of Equity Shares held (Including convertible instruments)	Directorship in other listed entity (Category of Directorship)
				As Chairperson	As Member		
00057441	Mr. Amitabh Chaturvedi	Executive Chairman	NIL	NIL	NIL	6,566,174	NIL
02879519	Mr. Rajeev Deoras	Executive Director	1	1	1	500,000	NIL
05315800	Mrs. Minal Amitabh Chaturvedi	Non-Executive Director	1	NIL	NIL	733,334	NIL
00065622	Mr. Ajay Kumar Pandey	Non-Executive Independent Director	2	2	1	NIL	Nelco Limited – Independent Director
10119062	Ms. Sumeet Sandhu	Non-Executive Independent Director	NIL	NIL	NIL	NIL	NIL
01790348	Mr. Amit Sonawala	Non-Executive Independent Director	1	NIL	NIL	NIL	NIL

Excluding Purple Finance Limited

2. Pursuant to Regulation 26(1)(b) of the SEBI LODR Regulations, only two committees viz, Audit and Stakeholders Relationship Committees, have been considered for this purpose.

3. Directors namely Mr. Amitabh Chaturvedi & Mrs. Minal Amitabh Chaturvedi are related to each other under the Act read with the Rules made thereunder. Except as disclosed above, none of our Directors, Key Managerial Personnel and Senior Management Personnel are related to each other.

Skills / expertise/ competencies of the Board of Directors: -

In terms of requirement of SEBI LODR Regulations, following is the list of core skills /competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members: -

Company's Philosophy on Corporate Governance

Particulars	Category of Director	Area of Skills/Expertise/Competence
Mr. Amitabh Chaturvedi	Promoter & Executive Chairman	Banking and Financial Service Sector
Mr. Rajeev Deoras	Executive Director	Banking, Corporate Governance and Risk Management
Mrs. Minal Amitabh Chaturvedi	Promoter & Non-Executive Director	Finance
Mr. Ajay Kumar Pandey	Non-Executive Independent Director	Finance, Corporate Governance and Strategy
Ms. Sumeet Sandhu	Non-Executive Independent Director	Financial Service Sector
Mr. Amit Sonawala	Non-Executive Independent Director	Corporate Governance and Regulatory Compliance

Attendance of Directors at the Board Meetings during the period April 01, 2024 to March 31, 2025 and at the last Annual General Meeting ('AGM').

Name of Director	Board meetings entitled to attend	Number of Meetings attended	Attendance at the last AGM held on August 02, 2024
Mr. Amitabh Chaturvedi	9	9	Yes
Mr. Rajeev Deoras	9	9	Yes
Mrs. Minal Amitabh Chaturvedi	9	9	Yes
Mr. Ajay Kumar Pandey	9	9	Yes
Ms. Sumeet Sandhu	9	9	Yes
Mr. Amit Sonawala	9	9	Yes

Code of Conduct for Directors and Senior Management

The Board of Directors of Purple Finance Limited has adopted a comprehensive Code of Conduct ("the Code") applicable to all Executive Directors, Non-Executive Directors and Senior Management Personnel of the Company. The Code is a reflection of the Company's commitment to uphold the highest standards of ethical conduct, corporate integrity and fiduciary responsibility.

All members of the Board and Senior Management have affirmed compliance with the Code for the financial year ended March 31 2025. A declaration to this effect, duly signed by the Chief Executive Officer, forms part of this Corporate Governance Report and is appended at the end.

The Code outlines principles related to ethical behavior, conflict of interest, confidentiality, compliance with laws and responsibilities toward stakeholders. Its adoption reinforces the commitment of the Directors and Senior Management to act in good faith and in the best interests of the Company and its stakeholders.

The Code of Conduct for Board Members and Senior Management is available on the Company's website and can be accessed at the following link: <https://www.purplefinance.in/policies/>.

Compliance Reports

In accordance with the provisions of Regulation 17(8) of the SEBI LODR Regulations, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company provide a quarterly certification to the Board of Directors at each meeting held for the approval of financial results.

Company's Philosophy on Corporate Governance

This certification confirms the accuracy of the financial statements and compliance with applicable laws and regulations. It also includes a confirmation regarding the maintenance of internal controls for financial reporting and disclosure, ensuring accountability and transparency in the Company's financial practices.

These certifications reinforce the Company's commitment to strong corporate governance and regulatory compliance.

Board Effectiveness Evaluation

In accordance with the provisions of the Companies Act, 2013 and the applicable provisions of the SEBI LODR Regulations an annual evaluation of the performance of the Board of Directors, its Committees, and individual Directors, including the performance of the Chairman of the Board, was conducted during the year.

The evaluation process was carried out through a structured mechanism designed to assess the functioning and effectiveness of the Board as a whole, the quality of deliberations at meetings, the performance of Committees in discharging their respective roles and responsibilities, and the individual contributions of Directors.

The feedback from the evaluation has been instrumental in identifying opportunities for improving Board dynamics, enhancing the effectiveness of governance practices, and fostering a culture of continuous improvement.

Web link of Familiarization Programme imparted to Independent Directors: -

In compliance with the provisions of Regulation 25(7) of the SEBI LODR Regulations, the Company has implemented a structured Familiarisation Programme for its Independent Directors.

This Programme is designed to provide Independent Directors with insights into the Company's business operations, strategic priorities, industry dynamics, regulatory environment, and their roles, rights, and responsibilities under applicable laws. It enables them to contribute effectively in Board and Committee deliberations.

The details of the Familiarisation Programme conducted during the year are available on the Company's website and can be accessed at the following link: <https://www.purplefinance.in/policies/>.

COMMITTEES OF THE BOARD

The Board of Directors of Purple Finance Limited has constituted various Committees to oversee specific functions and ensure focused governance in critical areas. These Committees play an essential role in supporting the Board's responsibilities and enhancing overall Board effectiveness.

Each Committee operates under a defined charter approved by the Board and performs its duties within the framework of applicable laws and the Company's internal policies. The Board reviews the performance and functioning of each Committee and is responsible for the actions taken by them. The minutes of Committee meetings are placed before the Board for noting and further direction, where required. Committees may also invite external experts or senior management personnel to their meetings, as deemed appropriate.

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

Company's Philosophy on Corporate Governance

Audit Committee

The Audit Committee of Purple Finance Limited is constituted in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI LODR Regulations as amended from time to time.

The Committee is entrusted with the responsibility of overseeing the Company's financial reporting process, disclosure of financial information, review of internal controls and audit functions, and ensuring compliance with statutory and regulatory requirements. The Committee also monitors the effectiveness of the internal audit function and the independence of the statutory auditor.

Composition and Meetings

The composition of the Audit Committee complies with the requirements of Regulation 18(1) of the SEBI LODR Regulations. As per applicable regulations, the quorum for an Audit Committee meeting is two members or one-third of the total strength, whichever is higher, with a minimum of two Independent Directors. This quorum requirement was met for all meetings held during the year.

The Company Secretary acts as the Secretary to the Audit Committee, and the minutes of each meeting are submitted to the Board for review.

During the financial year 2024–25, the Audit Committee met seven (7) times on the following dates:

- April 08, 2024;
- April 20, 2024;
- June 27, 2024;
- July 29, 2024;
- October 25, 2024;
- January 19, 2025;
- March 20, 2025.

The time gap between any two consecutive Audit Committee meetings did not exceed 120 days, in line with regulatory requirements.

Composition of Audit Committee

Name of the Directors	Position	Category of Director	Meetings entitled to attend	Attended
Mr. Ajay Kumar Pandey	Chairman	Non-Executive Independent Director	7	7
Mr. Amitabh Chaturvedi	Member	Executive Chairman	7	7
Ms. Sumeet Sandhu	Member	Non-Executive Independent Director	7	7
Mr. Amit Sonawala	Member	Non-Executive Independent Director	7	7

Company's Philosophy on Corporate Governance

Terms of Reference

The broad terms of reference include the following as is mandated in Part C of Schedule II of SEBI LODR Regulations as amended and Section 177 of the Act.

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions;
 - vii. modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Monitoring the end use of funds raised through public offers and related matters;
7. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement], and making appropriate recommendations to the board to take up steps in this matter;
8. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
9. approval or any subsequent modification of transactions of the listed entity with related parties;
10. scrutiny of inter-corporate loans and investments;
11. valuation of undertakings or assets of the listed entity, wherever it is necessary;
12. evaluation of internal financial controls and risk management systems;
13. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. discussion with internal auditors of any significant findings and follow up thereon;
16. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
17. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. to review the functioning of the whistle blower mechanism;
20. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Company's Philosophy on Corporate Governance

22. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
23. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
24. management discussion and analysis of financial condition and results of operations;
25. management letters / letters of internal control weaknesses issued by the statutory auditors;
26. internal audit reports relating to internal control weaknesses; and
27. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
28. statement of deviations:
 - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)
29. Any other responsibility as may be assigned by the Board from time to time.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) of Purple Finance Limited is constituted in accordance with the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the SEBI LODR Regulations as amended from time to time.

The NRC is responsible for formulating criteria for determining qualifications, positive attributes, and independence of Directors, and recommending to the Board policies on the appointment and remuneration of Directors, Key Managerial Personnel (KMP), and Senior Management. The Committee also oversees succession planning and evaluates Board diversity.

Composition and Meetings

The composition of the Nomination and Remuneration Committee complies with Regulation 19(1) of the SEBI LODR Regulations. The quorum for meetings, as required under the Regulations, is two members or one-third of the total strength, whichever is higher, with a minimum of one Independent Director in attendance. This requirement was duly met for all NRC meetings held during the year.

The Company Secretary of the Company acts as the Secretary to the Committee, and the minutes of each meeting are placed before the Board for its information.

During the financial year 2024–25, the Nomination and Remuneration Committee met four (4) times, on the following dates:

April 25, 2024
 October 25, 2024
 January 19, 2025
 March 20, 2025

Company's Philosophy on Corporate Governance

Composition of NRC

Name of the Directors	Position	Category of Director	Meetings entitled to attend	Attended
Ms. Sumeet Sandhu	Chairperson	Non-Executive Independent Director	4	4
Mr. Ajay Kumar Pandey	Member	Non-Executive Independent Director	4	4
Mr. Amit Sonawala	Member	Non-Executive Independent Director	4	4

Terms of Reference: -

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - i. use the services of an external agencies, if required;
 - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii. consider the time commitments of the candidates
4. formulation of criteria for evaluation of performance of Independent Directors and the board of Directors;
5. devising a policy on diversity of board of Directors;
6. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
7. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
8. recommend to the Board, all remuneration, in whatever form, payable to senior management.
9. To propose to the Board, the members that may form part of the Nomination & Remuneration Committee with the approval of the Board;
10. Any other responsibility as may be assigned by the Board from time to time.

Performance evaluation criteria for Independent Directors: -

The performance evaluation criteria for Independent Directors forms part of the Directors' Report.

Independent Directors Meeting:

The meeting of Independent Directors was held on March 20, 2025.

Company's Philosophy on Corporate Governance

Stakeholders Relationship Committee

The Stakeholders Relationship Committee (SRC) of Purple Finance Limited is constituted in accordance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the SEBI LODR Regulations as amended.

The primary role of the SRC is to oversee the redressal of shareholders' and investors' grievances, review the measures taken for effective investor service, and ensure timely and satisfactory resolution of complaints relating to share transfers, non-receipt of annual reports, dividend payments, and other investor-related matters.

Composition and Meetings

The composition of the Committee complies with the requirements of Regulation 20 of SEBI LODR Regulations. As on March 31, 2025, the Stakeholders Relationship Committee comprises:

- 2 Independent Directors;
- 2 Executive Directors.

The Chairperson of the Committee is an Independent Director, in line with the regulatory mandate.

The Company Secretary acts as the Secretary to the Committee, and the minutes of each meeting are placed before the Board of Directors for their information and records.

During the financial year 2024–25, the Stakeholders Relationship Committee met once, on January 19, 2025.

Composition of SRC

Name of the Directors	Position	Category of Director	Meetings entitled to attend	Attended
Mr. Ajay Kumar Pandey	Chairman	Non-Executive Independent Director	1	1
Mr. Amitabh Chaturvedi	Member	Executive Chairman	1	1
Mr. Rajeev Deoras	Member	Executive Director	1	1
Ms. Sumeet Sandhu	Member	Non-Executive Independent Director	1	1

Terms of Reference: -

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
2. Review of measures taken for effective exercise of voting rights by Shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Company's Philosophy on Corporate Governance

Status of Shareholders' Complaints (including SCORES complaints):

Complaints pending as on March 31, 2024	NIL
Number of complaints	
- received during the year	NIL
- resolved during the year	NIL
Complaints pending as on March 31, 2025	NIL

There are no complaints pending or unresolved to the satisfaction of shareholders.

Risk Management Committee

In line with the principles of good Corporate Governance and in compliance with Regulation 21 of the SEBI LODR Regulations as amended, the Company has constituted a dedicated Risk Management Committee (RMC).

The Committee is entrusted with the responsibility of framing, implementing, and monitoring the risk management framework of the Company. It reviews the Company's risk exposure, assesses key business risks—including strategic, financial, operational, and compliance-related risks—and ensures that appropriate risk mitigation measures are in place.

Composition and Meetings

The composition of the Risk Management Committee is in accordance with Regulation 21 of the SEBI LODR Regulations. As on March 31, 2025, the Committee consists of the following:

- Independent Director;
- Executive Directors.

The Chairperson of the Committee is an Executive Director.

The Company Secretary acts as the Secretary to the Committee, and the minutes of each meeting are placed before the Board for its review and guidance.

During the Financial Year 2024–25, the Risk Management Committee met once, on March 20, 2025.

Name of the Directors	Position	Category of Director	Meetings entitled to attend	Attended
Mr. Rajeev Deoras	Chairman	Executive Director	1	1
Mr. Amitabh Chaturvedi	Member	Executive Chairman	1	1
Ms. Sumeet Sandhu	Member	Non-Executive Independent Director	1	1

Company's Philosophy on Corporate Governance

Terms of Reference: -

1. Recommending overall Risk Management framework for the Company;
2. Approving product policies along with assessment methodologies and customer profiling;
3. Monitoring of the risk profile, performance and management of the Company's credit portfolio;
4. Formation and amending credit risk policies;
5. Approving delegation of appropriate credit limits to the executive management;
6. Enterprise Continuity management including but not limited to business continuity management, crisis management and disaster recovery;
7. Reviewing reports from management concerning the Company's annual insurance strategy, including the adequacy of coverage and limits of insurance policies;
8. Provision of reports on any material matters arising out of the insurance program during the year;
9. Reviewing the adequacy and effectiveness of the Compliance program established within the Company;
10. Reviewing any findings or notices received from any regulators viz. Reserve Bank of India, Registrar of Companies, etc. and actions taken by the Company to address the same and overall statutory reporting requirements pertaining to regulators;
11. Reviewing the processes in place for ensuring that new and changed legal and regulatory requirements are identified and reflected in Company's processes;
12. Reviewing nature and effectiveness of action plans implemented to address identified compliance weaknesses.
13. To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
14. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
15. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
16. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
17. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
18. The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee.

Finance Committee

In addition to the statutory Committees, the Finance Committee has been constituted by the Board to facilitate the smooth and efficient day-to-day operations of the Company concerning investments, borrowings, and other financial decisions. The Committee ensures that the financial decisions align with the overall strategic goals of the Company and support its growth objectives.

Company's Philosophy on Corporate Governance

Composition and Meetings

The Finance Committee comprises the following members:

- 1 Independent Director
- 1 Non-Executive Director
- 2 Executive Directors

The Chairperson of the Finance Committee is an Executive Director.

The Company Secretary acts as the Secretary to the Committee, and the minutes of each meeting are presented for review at the next meeting of the Board.

During the financial year 2024–25, the Finance Committee met eleven (11) times on the following dates:

- May 31, 2024
- June 25, 2024
- July 03, 2024
- July 17, 2024
- August 21, 2024
- August 27, 2024
- September 20, 2024
- January 23, 2025
- March 06, 2025
- March 24, 2025
- March 29, 2025

Composition of Finance Committee

Name of the Directors	Position	Category of Director	Meetings entitled to attend	Attended
Mr. Amitabh Chaturvedi	Chairman	Executive Chairman	11	11
Mr. Rajeev Deoras	Member	Executive Director	11	10
Mrs. Minal Amitabh Chaturvedi	Member	Non- Executive Director	7	7
Mr. Amit Sonawala	Member	Non-Executive Independent Director	11	11

Terms of Reference: -

1. Reviewing the investment strategy, asset allocation, investment decision, benchmarking and other operating guidelines;
2. Providing financial analysis, advice, and oversight of the Company's budget;
3. Ensuring the organization is operating with the financial resources it needs to provide programs and services to the community.
4. All decision making for raising of funds by way of issuance of equity and/or debt and/ or hybrid instruments in the Company.

Company's Philosophy on Corporate Governance

5. To monitor the changing environment in the money market / capital market and accordingly, advise on any changes to the investment strategy;
6. Approval of opening of different Bank Accounts of the Company for various purposes;
7. Approve the annual budget and submit it to the Board for approval;
8. Ensuring the maintenance of an appropriate capital structure;
9. Developing an investment strategy where necessary;
10. Any modifications / exceptions to investment policy shall be recommended by the Finance Committee for approval by the Board in its next Meeting;
11. Noting the delegations provided by Executive Director, CEO and CFO;
12. Approving the allotment of shares under the ESOP Scheme pursuant to the approval for vesting by Nomination and Remuneration Committee;
13. Approving all the listing applications submitted to Stock Exchanges;
14. Any such other responsibility as the Board may deem fit from time to time.

Senior Management Team

The Senior Management Team comprises of the following:

Sr. No.	Name	Designation	Change during the FY 2024-25
1	Sabyasachi Rath	Chief Executive Officer	No change
2	Sonal Vira	Chief Financial Officer	Resigned on February 03, 2025
3	Sonal Vira*	Head- Internal Audit	Appointed on February 03, 2025
4	Souvik Dasgupta	Chief Business Officer	No change
5	Mrinalini Sahai#	Head- Legal and Compliance	No change
6	Meghana Lale	Chief Financial Officer	Appointed on February 03, 2025
7	Saurabh Lall	Head- Credit	No change
8	Vinay Patel	Head- Operations	No change
9	Asim Padhi	Head- Product & Policy	Appointed on May 15, 2024
10	Prashant Pandey	Chief Technology Officer	Appointed on August 22, 2024
11	Gunjan Mishra Browne	Head- Human Resource	No change
12	Ruchi Nishar	Company Secretary and Compliance Officer	No change

*Ms. Sonal Vira has tendered her resignation from the post of Head- Internal Audit on April 16, 2025 w.e.f. July 15, 2025.

#Ms. Mrinalini Sahai has tendered her resignation from the post of Head- Legal & Compliance on April 21, 2025 w.e.f. June 15 2025.

Remuneration Policy:

The Company has adopted a Remuneration Policy for its Directors, Key Managerial Personnel (KMP), and other employees in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy outlines the approach towards determining the remuneration of Directors and KMP, ensuring a balance between fixed and variable components, and aligning the compensation structure with the Company's long-term objectives and performance.

For more detailed information regarding the Remuneration Policy, please refer to the policy document available on the Company's website at the following link: <https://www.purplefinance.in/policies/>

Company's Philosophy on Corporate Governance

Remuneration to Directors:

A. Non-Executive Directors

The Non-Executive Directors of the Company do not receive any remuneration, except for sitting fees for attending the meetings of the Board and its Committees, in accordance with the provisions of the Companies Act, 2013.

The sitting fees are paid as per the criteria approved by the Board and are within the limits prescribed by the Act.

Details of Remuneration Paid to Non-Executive Directors for the Year Ended March 31, 2025

The following table provides a breakdown of the sitting fees paid to the Non-Executive Directors during the financial year 2024-25:

Name of the Directors	Sitting Fees Paid (Rs.)
Mrs. Minal Amitabh Chaturvedi	5,60,000
Mr. Ajay Kumar Pandey	7,30,000
Ms. Sumeet Sandhu	7,30,000
Mr. Amit Sonawala	8,00,000

During the year under review, none of the Non- Executive Directors of the Company has had any pecuniary relationship or transactions with the Company.

Criteria for making payments to Non-Executive Directors:

The payment of sitting fees to Non-Executive Directors is determined based on the following criteria, ensuring a fair and performance-driven compensation structure:

- **Selection Considerations:** The factors that led to the selection of the Director on the Board, including their expertise, experience, and alignment with the Company's strategic goals.
- **Contribution to the Board and Committees:** The extent of the Director's contributions to Board discussions, decision-making, and the effective functioning of Committees.
- **Attendance at Board and Committee Meetings:** Regular and active participation in Board and Committee meetings, ensuring a high level of engagement.
- **Impact on Board/Committee Performance:** The Director's influence on the overall performance and decision-making of the Board and its Committees.
- **Sharing Best Practices:** Instances where the Director has shared best practices, innovative ideas, or insights that have benefitted the Company.
- **Engagement with the Top Management:** Participation in discussions with the top management team of the Company, contributing to strategic decisions and performance reviews.
- **Participation in Strategy Meetings:** Active involvement in Board meetings focused on the Company's strategic direction and long-term growth plans.

This approach ensures that the remuneration is aligned with the Director's overall contribution to the Company's governance and success.

Company's Philosophy on Corporate Governance

B. Executive Directors

The remuneration paid to the Executive Directors is structured to be in line with industry standards and takes into account the individual responsibilities entrusted to them. The compensation is designed to ensure that the Executive Directors are rewarded fairly for their contributions to the Company's performance and growth.

The remuneration package is structured in accordance with the terms of appointment approved by the Members at the time of their appointment, and is aligned with the Company's compensation policies. The Executive Directors are also entitled to other benefits, including performance-linked incentives, in accordance with the approved terms and the Company's overall financial performance.

This ensures that the remuneration is not only competitive but also reflective of the Directors' roles, responsibilities, and the value they bring to the Company.

Details of Remuneration Paid to Executive Directors for the Year Ended March 31, 2025

Particulars of Remuneration	Mr. Amitabh Chaturvedi Executive Chairman (Rs in lakhs)	Mr. Rajeev Deoras Executive Director (Rs in lakhs)
1. Gross salary		
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	260	100
(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-
(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-
2. Stock Option	-	-
3. Sweat Equity	-	-
4. Commission - as % of profit	-	-
5 Others, please specify	-	-
Total	260	100
Service Contract	-	-
Notice period	90 days	90 days

Company's Philosophy on Corporate Governance

GENERAL BODY MEETINGS

Location and time of the last three Annual General Meetings (AGM) held

Date	Venue	Time	Special Resolutions Passed
June 07, 2022	Other audio visual means deemed to be held at the registered office of the Company	01:00 PM	1. Appointment of Mr. Rajeev Deoras as the Executive Director of the Company 2. Increase in remuneration of Mr. Amitabh Chaturvedi
May 15, 2023	Other audio visual means deemed to be held at the Corporate Office of the Company	04:30 PM	Adopting new set of Articles of Association
August 02, 2024	Other audio visual means deemed to be held at the Corporate Office of the Company	03:10 PM	1. Approval of creation of charge on the properties of Company under Section 180(1) (a) of the Companies Act, 2013. 2. Approval of borrowings powers of the Company under Section 180(1) (c) of the Companies Act, 2013.

Details of Special Resolutions passed in the last three financial years through Postal Ballot:

No Special Resolution was passed in the last three financial years through postal ballot.

Location and time of the Extra-Ordinary General Meetings (EGM) held during the Financial Year 2024-2025

Date	Venue	Time	Special Resolutions Passed
August 21, 2024	Other audio visual means deemed to be held at the corporate office of the Company	11.16 AM	1. Alteration of Articles of Association of the Company. 2. Approval for issuance of Non-Convertible Debentures under private placement basis.
March 24, 2025	Other audio visual means deemed to be held at the corporate office of the Company	11:00 AM	NIL

Company's Philosophy on Corporate Governance

OTHER DISCLOSURES

- i. Details of all the related party transactions during the year have been set out in the Annual Accounts and AOC-2. These are not having any potential conflict with the interests of the Company at large.
- ii. Laid down procedures for assessment and minimization of risk are being reviewed and updated periodically by the Board of Directors.
- iii. Certificate from the Chief Executive Officer and Chief Financial Officer in terms of Part B of Schedule II pursuant to Regulation 17(8) of the SEBI LODR Regulations for the Financial Year ended March 31, 2025 was placed before the Board of Directors of the Company at their Meeting held on May 15, 2025.
- iv. The Company has formulated a comprehensive code of conduct to regulate, monitor and report trading by insiders ('the Code') in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company. The Code clearly specifies, among other matters, that the Designated Persons of the Company can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is being closed during the time of declaration of results, dividend and other events, as per the Code.
- v. details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years: During the Financial Year 2024-25, there was no penalty or stricture imposed on the Company either by the stock exchanges or SEBI, or any other statutory authority for non-compliance of any matter related to capital markets except that on September 09, 2024, the Calcutta Stock Exchange Limited imposed a fine of Rs. 14, 160/- (inclusive of taxes) for late filing.
- vi. Mandatory requirements of corporate governance: The Company hereby confirms that it has complied with the corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) and (t) of Regulation 46(2) of SEBI Listing Regulations. Further, the non-mandatory requirements are dealt with under point 'Other Disclosures' section of this Report of Corporate Governance.
- vii. The policy for determining Material subsidiaries is available on the website of the Company at <https://www.purplefinance.in/policies/>.
- viii. The policy on dealing with Related Party Transactions is available on the website of the Company at <https://www.purplefinance.in/policies/>.
- ix. As required under the Act and as stipulated in SEBI LODR Regulations, the Company has formulated a Whistle Blower Policy for its Directors and permanent employees. Under the Policy, instances of any irregularity, unethical practice and / or misconduct can be reported to the Management for appropriate action. Further, it is affirmed that no personnel of the Company has been denied access to the Audit Committee.
- x. The Company has not granted any Loans and advances in the nature of loans to firms/companies in which Directors are interested.
- xi. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. An Internal Complaints Committee has been set up for the purpose. There were no Complaints filed, disposed of, or pending during the Financial Year ended March 31, 2025.
- xii. The total fees for all services paid by Purple Finance Limited to the statutory auditor is 6.25 lakhs for the Financial Year 2024-25.

Company's Philosophy on Corporate Governance

- xiii. As required under the Act and as stipulated in SEBI LODR Regulations the Company has formulated a Vigil mechanism/Whistle Blower Policy for its Directors, employees and stakeholders. Under the Policy, instances of any irregularity, unethical practice and / or misconduct can be reported to the management for appropriate action. Further, it is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is also posted on the website of the Company and can be accessed at <https://www.purplefinance.in/policies/>
- xiv. All the information as prescribed in Schedule II of SEBI LODR Regulations were placed before the Board as is.
- xv. Discretionary Requirements: (as per Part E of Schedule II of SEBI LODR Regulations)

Particulars	Status
a) Modified opinion(s) in audit report	During the Financial Year 2024-25, there was no audit qualification in the financial statements of the Company and Auditors have expressed an unmodified opinion on their report on the financial statements of the Company
b) Separate posts of Chairman and the Managing Director or the Chief Executive Officer	As on the date of this report, the Chairman of the Board is an Executive Director and his position is separate from that of the Chief Executive Officer. They are not related to each other.
c) Reporting of Internal Auditor	Internal Auditors of the Company present their findings/report to the Audit Committee on periodic basis.

- xvi. The Board has accepted all the mandatory recommendations of all the Committees.
- xvii. No agreement as specified in clause 5A of Para A of Part A of schedule III were entered by the Company.

MEANS OF COMMUNICATION

The Company is committed to transparency and accountability in its corporate governance practices. In compliance with the SEBI LODR Regulations the Company promptly discloses information on material corporate developments and other significant events that may affect the stakeholders, investors, and the market at large.

Timely and accurate disclosures are integral to the Company's governance philosophy and reflect its commitment to maintaining high standards of corporate governance. To ensure that stakeholders are well-informed, the Company utilizes multiple channels of communication, including:

- Online Portal of the Stock Exchanges: All relevant disclosures are made through the official portals of the Stock Exchanges, ensuring immediate access to important information.
- Press Releases: Key announcements, updates, and developments are communicated through timely press releases.
- Annual Reports: The Company's annual report provides comprehensive information on its performance, governance, and strategic direction.
- Company Website: Relevant and updated information is made available on the Company's website, offering transparency and easy access to stakeholders.

These communication practices ensure that stakeholders, including investors and regulators, receive accurate and up-to-date information on the Company's activities, fostering trust and promoting good governance.

Company's Philosophy on Corporate Governance

Quarterly Results	The Company's quarterly / half-yearly / annual Financial Results are filed with the Stock Exchanges and are available on their websites. They are also available on the website of the Company. The Financial Results of the Company are also published in the newspapers as prescribed under the SEBI LODR Regulations.
Newspapers wherein results normally published	Financial Express (English) and Mumbai Lakshdeep (Marathi)
Any website, where displayed	In compliance with Regulation 46 of the SEBI LODR Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, Annual Report, Quarterly/Half-yearly/Nine-months and Annual Financial Results along with the applicable policies of the Company i.e. www.purplefinance.in .
Whether it also displays official news releases and presentations made to institutional investors or to the analysts	The Company has not made any presentations to institutional investors or analysts till date. However, the investor presentation is available on the website of the Company and the Stock Exchanges.
Presentations made to institutional investors or to the analysts	The Company has not made any presentations to the institutional investors or to the analysts.

GENERAL SHAREHOLDER INFORMATION

- a. **AGM-date, time and venue:** Thursday, June 12, 2025, 11.00 a.m. through Video conferencing/ Other Audio Visual Means (OAVM)
- b. **Financial Year:** 2024-2025
- c. **Dates of book closure:** N.A.
- d. **Dividend Payment Date:** N.A.
- e. **Details of Stock Exchange(s):**
BSE Limited
 Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
The Calcutta Stock Exchange Limited
 7, Lyons Range, Kolkata, WB – 700001

Company's Philosophy on Corporate Governance

i. Shareholding pattern as on March 31, 2025

Category	No. of Equity shares held	Percentage (%)
Promoter & Promoter Group	2,71,52,046	60.58
Mutual Funds/ UTI	NIL	NIL
Banks, Financial Institutions, Insurance Companies	NIL	NIL
Foreign Portfolio Investors	NIL	NIL
Bodies Corporate, Limited Liability Partnership	13,88,311	3.10
Individuals	1,07,10,102	23.90
NBFCs registered with RBI	NIL	NIL
NRIs	1,04,493	0.23
Employee Benefit Trust	NIL	NIL
Any Other - Trust, Clearing Members, HUF, AIF -III	54,64,987	12.19

j. Distribution of Shareholding as on March 31, 2025:

Category of Shares	Number of Shareholders	Number of Shares held	% of Shareholding
1 - 5000	2669	14,90,218	3.33
5001 - 10000	152	11,20,792	2.50
10001 - 100000	198	62,69,574	13.99
100001 and above	51	3,59,39,355	80.18
TOTAL:	3070	4,48,19,939	100

k. Registrar and Share Transfer Agents:

Name	Purva Sharegistry (India) Private Limited
Address	9, Shiv Shakti Industrial Estate, J. R. Boricha Marg Lower Parel (East), Mumbai- 400011, Maharashtra, India.
Contacts:	Mr. Vinayak Karande
Telephone:	022 - 35700224
Email	support@purvashare.com
Website	www.purvashare.com

Company's Philosophy on Corporate Governance

Consolidation of folios and avoidance of multiple mailing in order to enable your Company to reduce costs and duplication of efforts for investor servicing, members who may have more than one folio in their individual name or jointly with other persons mentioned in the same order, are requested to consolidate all similar holdings under one folio. This would help in monitoring the folios more effectively. Members may write to the Registrar and Transfer Agent indicating the folio numbers to be consolidated. The address of RTA is given above.

1.Share transfer system/ payment of dividend and for any other query relating to shares, the shareholders may contact at the below address:

Purva Sharegistry (India) Private Limited, 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg Lower Parel (East), Mumbai- 400011, Maharashtra, India, support@purvashare.com

q. Outstanding GDR / ADRs / Warrants or any Convertible Instruments, Conversion date and likely impact on Equity

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on March 31, 2025.

r. Dematerialisation of shares: All the shares of the Company are held in demat form as on March 31, 2025.

s. The foreign exchange risk and hedging activities forms a part of the financial statements.

t. Commodity price risk or foreign exchange risk and hedging activities: -

The Company does not deal in any commodity and hence is not directly exposed to any commodity price risk.

u. Plant location: -

None

v. Address for correspondence: -

Registered Office	11, 1 st Floor, Indu Chamber 349/353, Samuel Street, Vadgadi, Masjid Bunder (West), Mumbai- 400003, Maharashtra, India
Corporate Office	705/706, 7 th Floor, Hallmark Business Plaza Opposite Gurunanak Hospital, Bandra East, Mumbai- 400051, Maharashtra, India
Contact Person:	Ms. Ruchi Nishar
Telephone	022-69165100
Email	compliance@purplefinance.in

Company's Philosophy on Corporate Governance

w. Certificate from Practicing Company Secretary on Non-Disqualification of Directors

Certificate from Practicing Company Secretary stating 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 is annexed as 'Annexure – II' forming part of this Report.

x. Disclosures with respect to demat suspense account/unclaimed suspense account

- a. aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year - 0
- b. number of shareholders who approached listed entity for transfer of shares from suspense account during the year - 0
- c. number of shareholders to whom shares were transferred from suspense account during the year – 0
- d. aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year
- There were 4,50,500 shares lying in unclaimed Demat Suspense Account and as unclaimed shares and there were 258 shareholders as on March 31, 2025.
- e. the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

y. Details of Utilisation of funds raised through Rights Issue:

During the year under review, the Company has raised Rs. 44,81,99,390/- (Rupees Forty Four Crore Eighty One Lakh Ninety Nine Thousand Three Hundred Ninety Only) by issuance of 1,12,04,985 (One Crore Twelve Lakh Four Thousand Nine Hundred and Eighty Five) Fully paid-up Equity Shares on October 16, 2024.

Date: May 15, 2025

Place: Mumbai

For and on behalf of the Board of Director/s
PURPLE FINANCE LIMITED

Sd./-
Amitabh Chaturvedi
Executive Chairman
DIN: 00057441

Sd./-
Rajeev Deoras
Executive Director
DIN: 02879519

CERTIFICATE ON CORPORATE GOVERNANCE

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
PURPLE FINANCE LIMITED
Room No.11, 1st Floor, Indu Chamber 349/353, Samuel Street,
Vadgadi, Masjid Bunder(West), Mumbai,
Maharashtra, India, 400003

We have examined the compliance of conditions of Corporate Governance by Purple Finance Limited ("the Company") for the year ended March 31, 2025 as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and Para C and D of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the management, our examination was limited to procedures and implementation thereof, adopted by Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the management, we certify that, the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended on March 31, 2025, except for Regulation 17, 18 and 23, the details of which are as under:

(a) Noting of Evaluation of Board as well as Independent Director as required as per Regulation 17(10) of SEBI LODR is missing in the minutes of the NRC Committee.

(b) As per Regulation 18 read with Part C of Schedule II of the SEBI (LODR) Regulations, 2015, the Audit Committee is required to review the matters to be included in the Director's Responsibility Statement under Section 134(3)(c) of the Companies Act, 2013 and also review and monitor the auditor's independence and performance, the effectiveness of the audit process, and the adequacy of internal control systems. However, no such review is evidenced in the Audit Committee minutes.

(c) The Company has not placed the information as required to be placed as per SEBI Circular dated SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, in Audit Committee and EGM Notice. and

(d) It is noted that a resolution has been passed for the ratification of a material Related Party Transaction (RPT). However, as per the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ratification of material RPTs is not permitted.

CERTIFICATE ON CORPORATE GOVERNANCE

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

For **VKMG & Associates LLP**
Company Secretaries
FRN: L2019MH005300

Anish Gupta
Partner
FCS-5733
CP-4092
PRN:5424/2024

Date: 15/05/2025
Place: Mumbai
UDIN: F005733G000352519

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
PURPLE FINANCE LIMITED

Room No.11, 1st Floor, Indu Chamber 349/353, Samuel Street,
Vadgadi, Masjid Bunder (West), Mumbai,
Maharashtra, India, 400003

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Purple Finance Limited having CIN L67120MH1993PLC075037 and having registered office at Room No.11, 1st Floor, Indu Chamber 349/353, Samuel Street, Vadgadi, Masjid Bunder(West), Mumbai, Maharashtra, India, 400003 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name of Directors	DIN	Date of Appointment
1.	Amitabh Jitendra Chaturvedi	00057441	09.03.2022
2.	Minal Amitabh Chaturvedi	05315800	20.12.2013
3.	Rajeev Deoras	02879519	09.03.2022
4.	Amit Jayvant Sonawala	01790348	29.02.2024
5.	Ajay Kumar Pandey	00065622	28.06.2023
6.	Sumeet Sandhu	10119062	28.06.2023

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

For **VKMG & Associates LLP**
Company Secretaries
FRN: L2019MH005300

Date: 15/05/2025

Place: Mumbai

UDIN: F005733G000352431

Anish Gupta
Partner
FCS-5733
CP-4092
PRN:5424/2024

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

Sr. No.	Particulars		
1.	Name(s) of the related party and nature of relationship	Anil Kumar (part of Promoter Group)	M. K. Investment Consultancy Private Limited (part of Promoter Group)
2.	Nature of contracts/ arrangements/ transactions	Issuance of 500 Non- Convertible Debentures having face value of INR 1,00,000	Issuance of 500 Non- Convertible Debentures having face value of INR 1,00,000
3.	Duration of the contracts/ arrangements/ transactions	18 months	150 Debentures for 18 months; 150 Debentures for 19 months; 200 Debentures for 20 months
4.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Unsecured Unlisted Redeemable Non-Convertible Debentures Value: INR 5 crore	Unsecured Unlisted Redeemable Non-Convertible Debentures Value: INR 5 crore
5.	Date(s) of approval by the Board, if any	June 29, 2024	July 16, 2024
6.	Amount paid as advances, if any	NA	NA

For Purple Finance Limited

Amitabh Chaturvedi
Executive Chairman
DIN: 00057441

Rajeev Deoras
Executive Director
DIN: 02879519

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2025

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

To,
The Members of
PURPLE FINANCE LIMITED
Room No.11, 1st Floor, Indu Chamber 349/353, Samuel Street,
Vadgadi, Masjid Bunder (West), Mumbai,
Maharashtra, India, 400003

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Purple Finance Limited ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

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

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

(i)	The Companies Act, 2013 ("the Act") and the rules made thereunder;
(ii)	The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
(iii)	The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv)	The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v)	The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"): -
(a)	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b)	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(c)	The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

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	(d)	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;
	(e)	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
	(f)	The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the Audit Period);
	(g)	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
	(h)	The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not Applicable to the Company during the Audit Period); and
	(i)	The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021

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

- Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
- Listing Agreements entered into by the Company with BSE Limited and Calcutta Stock Exchange Limited (CSE).

During the Audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except in respect of matters specified below:

Under SEBI LODR & Other Regulations

- The Company has not placed the information as required to be placed as per SEBI Circular dated SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 in Audit Committee and EGM Notice.*
- It is noted that a resolution has been passed for the ratification of a material Related Party Transaction (RPT). However, as per the provisions of Section 177 and 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ratification of material RPTs is not permitted.*
- As per the BSE Checklist and the provisions of Regulation 31A of the SEBI (LODR) Regulations, 2015, the outcome of shareholders' approval for reclassification of promoters is required to be intimated to the Stock Exchange within 24 hours. However, the shareholders' approval for reclassification was dated 02.08.2024, whereas the intimation to the Stock Exchange was made on 04.08.2024, beyond the prescribed timeline.*
- The Board Meeting Outcome dated 28.02.2025, relating to the approval of reclassification of promoters, does not include a copy of the Board Resolution, which is a mandatory requirement as per the BSE Checklist and the procedural guidelines under Regulation 31A of the SEBI (LODR) Regulations, 2015.*

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- (v) *The announcement was delayed in respect of the Alteration of Articles of Association under Regulation 30 of SEBI LODR, which was made on 23.08.2024, whereas the Board approved it on 29.07.2024 and shareholders on 21.08.2024. As per SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, such events must be disclosed within 30 minutes/12 hours of occurrence.*
- (vi) *As per SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, certain additional disclosures are mandated under Regulation 30 of SEBI LODR in cases of issuance of debt or non-convertible securities (e.g., issue size, tenure, coupon, security details, etc.). However, in the case of intimations dated 3rd July 2024 and 17th July 2024 regarding the issuance and allotment of NCDs, the above-mentioned details were not disclosed.*
- (vii) *As per SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, events such as issuance or allotment of securities, including Non-Convertible Debentures (NCDs), are considered material and are required to be disclosed to the Stock Exchange(s) within 30 minutes of the conclusion of the Board Meeting in which such decision is taken. However, in the present case, the allotment of NCDs approved on July 4, 2024 was intimated to the Stock Exchange only on July 5, 2024, beyond the prescribed timeline.*
- (viii) *As per Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee is required to review the statement of deviation(s) or variation(s) and ensure that such information is communicated to the Stock Exchange on a quarterly basis, along with the results. However, it has been observed that this practice is not being followed for funds received through Non-Convertible Debentures (NCDs) under private placement*
- (ix) *As per Regulation 29 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, prior intimation of the proposal for voluntary delisting by the listed entity from the stock exchange(s) must be given at least two working days in advance, excluding the date of intimation and the date of the meeting. However, the Company has not complied with this requirement under Regulation 29 of the SEBI (LODR) Regulations, 2015.*
- (x) *Pursuant to the intimation dated 19.01.2025, the Company approved a proposal for fund raising and disclosed the same to the Stock Exchange under a general disclosure. However as per SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, the intimation did not specify the type of securities or the mode of issuance.*
- (xi) *It has been noted that the Company's intimation dated 19th January 2025 disclosed the proposal for fund raising in general terms, without specifying the type of securities or mode of issuance. Furthermore, the trading window was reopened on 21st January 2025, while the detailed disclosure regarding the type of securities and mode of issuance was only provided on 28th February 2025. In light of the incomplete disclosure of unpublished price sensitive information (UPSI), the reopening of the trading window during the period from 21st January 2025 to 24th February 2025 may be viewed as a non-compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.*

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Under Companies Act and SS-1 & SS-2

- (i) *the Explanatory Statement annexed to the EGM Notice dated 29.07.2024, in respect of the approval for issuance of Non-Convertible Debentures (NCDs) on a private placement basis, does not contain the necessary details/information as required under Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014.*
- (ii) *As per the provisions of Section 108 of the Companies Act, 2013, read with Rule 20(4)(vii) of the Companies (Management and Administration) Rules, 2014, the cut-off date for determining the eligibility of members to vote by electronic means shall not be earlier than seven days prior to the date of the General Meeting. However, in respect of the Extraordinary General Meeting (EGM) held on 21st August 2024, it has been observed that the cut-off date for remote e-voting was fixed as 13th August 2024, which is more than seven days before the date of the meeting. This appears to be inconsistent with the aforementioned statutory provisions.*
- (iii) *Noting of Evaluation of Board as well as Independent Director as required as per Section 177 and Regulation 17(10) of SEBI LODR is missing in the minutes of the NRC Committee.*
- (iv) *It has been observed that the Company has not provided any records or evidence of reports being submitted by the Compliance Officer to the Board of Directors or to the Chairman of the Audit Committee (if constituted), as required under Schedule B of the SEBI (Prohibition of Insider Trading) Regulations, 2015. As per the said Regulations, the Compliance Officer is mandated to report to the Board of Directors and, in particular, provide reports to the Chairman of the Audit Committee or the Chairman of the Board at such frequency as may be stipulated by the Board or deemed appropriate by the Compliance Officer. The absence of such reporting may indicate non-compliance with the requirements intended to ensure effective monitoring and enforcement of the Insider Trading Regulations.*
- (v) *CAs per Regulation 18 read with Part C of Schedule II of the SEBI (LODR) Regulations, 2015, the Audit Committee is required to review the matters to be included in the Director's Responsibility Statement under Section 134(3)(c) of the Companies Act, 2013. However, no such review is evidenced in the Audit Committee minutes, indicating a deviation from the prescribed regulatory requirements.*
- (vi) *As per the role of the Audit Committee under SEBI LODR Regulations, the Committee is required to review and monitor the auditor's independence and performance, the effectiveness of the audit process, and the adequacy of internal control systems. However, no evidence of such review is found in the minutes of the Audit Committee meetings, indicating non-compliance with the prescribed responsibilities.*
- (vii) *It is noted that the Board, through a Circular Resolution dated 11th September 2024, approved the delegation of powers under Section 179 of the Companies Act, 2013. However, as per the provisions of Section 179(3), such delegation is required to be approved by a resolution passed at a duly convened meeting of the Board of Directors. In the absence of compliance with this requirement, the action may be viewed as not in line with the statutory provisions.*

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We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) Reserve Bank of India Act, 1934 and the rules, regulations, directions and orders made thereunder;

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

Adequate Notice is given to all Directors to schedule the Board and Committee meetings, the agenda and detailed notes on agenda were sent at least seven days in advance (except in cases where Meetings were convened at a shorter notice). In case agenda and detailed notes on agenda could not be sent at least seven days in advance, the Company has complied with applicable provisions of the Act and SS-1 in relation to shorter notice. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

We further report that during the audit period:

- (a) Pursuant to Scheme of Merger by Absorption of Canopy Finance Limited by Purple Finance Limited and their respective shareholders, the Company has been listed on BSE Limited on 14th June 2024 and Calcutta Stock Exchange Limited on 18th June, 2024.
- (b) The members of the Company have approved the creation of charge on the properties of Company under Section 180(1) (a) of the Companies Act, 2013 up to INR 200,00,00,000/- (Indian Rupees Two Hundred Crore Only).
- (c) The members of the Company have approved the borrowing powers of Company under Section 180(1) (c) of the Companies Act, 2013 up to INR 200,00,00,000/- (Indian Rupees Two Hundred Crore Only).
- (d) The members of the Company have approved the request received from persons belonging to the Promoter Group for reclassification from "Promoter Group" category to "Public" category.

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- (e) The members of the Company have approved the alteration of Clause 65 (Board of Directors) of Articles of Association of the Company.
- (f) The members of the Company have approved the issuance and allotment of Non-Convertible Debentures under private placement basis.
- (g) The Company has obtained the approval from members in respect of increase the Authorised Share Capital of the Company and subsequently alteration of Memorandum of Association of the Company.
- (h) The Company has filed application for voluntary delisting from the Calcutta Stock Exchange. The same is pending for approval by the Stock Exchange.

For **VKMG & Associates LLP**
Company Secretaries
FRN: L2019MH005300

Date: 15-05-2025

Place: Mumbai

UDIN: F005733G000352585

Anish Gupta
Partner
FCS-5733
CP-4092
PRN:5424/2024

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

Form No. MR-3

ANNEXURE A

To,
The Members of
PURPLE FINANCE LIMITED
Room No.11, 1st Floor, Indu Chamber 349/353, Samuel Street,
Vadgadi, Masjid Bunder (West), Mumbai,
Maharashtra, India, 400003

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

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

For **VKMG & Associates LLP**
Company Secretaries
FRN: L2019MH005300

Date: 15-05-2025

Place: Mumbai

UDIN: F005733G000352585

Anish Gupta
Partner
FCS-5733
CP-4092
PRN:5424/2024

Management Observations on the Secretarial Audit Report

EXPLANATION BY THE BOARD OF DIRECTORS ON SECRETARIAL AUDIT OBSERVATIONS AND COMPLIANCE STATUS

We wish to bring to the kind attention that the Company was listed on **BSE Limited on 14th June, 2024** and subsequently on **The Calcutta Stock Exchange on 18th June, 2024**. The transition from an unlisted to a listed entity entailed a significant shift in regulatory expectations, reporting timelines, and procedural obligations under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and other applicable SEBI circulars and Companies Act provisions.

Upon reviewing the Secretarial Auditor's Report, we note that most audit observations relate to disclosures and compliance requirements during the initial months (July and August 2024) following our Company's listing. As this was our first compliance cycle under the SEBI regulatory framework, our secretarial and compliance teams were adapting to the new requirements.

While the Company had made sincere efforts to comply with the regulatory requirements, certain inadvertent delays and procedural oversights occurred in this early stage, primarily due to:

1. **Transitional learning curve** with respect to timelines and formats specified by the stock exchanges.
2. **Interpreting recent SEBI circulars**, which introduced additional disclosure requirements.
3. **Real-time coordination across functions and stakeholders**, particularly in areas involving finance, legal, and board-level approvals.

We would like to emphasize that **by the end of the September 2024 quarter**, the secretarial team had significantly ramped up its capacity and compliance systems. Since then, the Company has been **ensuring timely, accurate, and complete regulatory disclosures** in accordance with the SEBI LODR Regulations and guidance issued by the stock exchanges.

Key steps undertaken include:

- Establishment of a **compliance calendar** synchronized with statutory and stock exchange requirements.
- Introduction of **internal review checkpoints** before any market disclosure is made.
- Conduct of **training sessions** for the Legal & Compliance team on compliance expectations and SEBI's disclosure regime.
- Deployment of **compliance tracking software/tools** to ensure real-time alerts and deadline tracking.
- Appointment of Secretarial Advisors (Makarand M. Joshi & Co.) to review the documents and guide us on the compliances.
- Implementation of compliance software (Complinty) to ensure timely disclosures are being done.

Management Observations on the Secretarial Audit Report

We acknowledge the importance of full and timely compliance with all applicable laws and recognize that robust governance and transparency are foundational to investor trust and market integrity.

Going forward, we **reaffirm our commitment** to maintaining the highest standards of compliance and corporate governance. The systems and processes now in place are designed to **ensure that such lapses do not recur**, and we remain vigilant in monitoring evolving regulatory expectations.

However, we place the Management's reply to the observations of the Secretarial Auditor.

Sr. No.	Audit Observation	Management Reply
1	The Company has not placed the information as required to be placed as per SEBI Circular dated SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 in Audit Committee and EGM Notice.	The omission was inadvertent. We have implemented internal controls and review mechanisms to ensure such oversights do not recur. However, we have placed the information before the Audit Committee in the Meeting held March 20, 2025.
2	It is noted that a resolution has been passed for the ratification of a material Related Party Transaction (RPT). However, as per the provisions of Section 177 and 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ratification of material RPTs is not permitted.	The omission was inadvertent. We have implemented internal controls and review mechanisms to ensure such oversights do not recur. However, for the F.Y. 2025-26 we are placing the same for prior approval in the ensuing AGM.
3	As per the BSE Checklist and the provisions of Regulation 31A of the SEBI (LODR) Regulations, 2015, the outcome of shareholders' approval for reclassification of promoters is required to be intimated to the Stock Exchange within 24 hours. However, the shareholders' approval for reclassification was dated 02.08.2024, whereas the intimation to the Stock Exchange was made on 04.08.2024, beyond the prescribed timeline.	The outcome of the Shareholders' meeting was filed with the Stock Exchange on 04.08.2024, in compliance with SEBI LODR Regulations well within the timelines. The Scrutinizer's Report was signed by Secretarial Auditor and was also submitted on the same day.
4	The Board Meeting Outcome dated 28.02.2025, relating to the approval of reclassification of promoters, does not include a copy of the Board Resolution, which is a mandatory requirement as per the BSE Checklist and the procedural guidelines under Regulation 31A of the SEBI (LODR) Regulations, 2015.	<p>The omission of the Board Resolution was inadvertent. We have implemented internal controls and review mechanisms to ensure such oversights do not recur. We have filed another application for re-classification and have ensured that all the necessary documents have been disclosed to the Stock Exchange.</p> <p>Further the Stock Exchange has given approval for the reclassification of Promoters and same shall be deemed as necessary compliance.</p>

Management Observations on the Secretarial Audit Report

5	<p>The announcement was delayed in respect of the Alteration of Articles of Association under Regulation 30 of SEBI LODR, which was made on 23.08.2024, whereas the Board approved it on 29.07.2024 and shareholders on 21.08.2024. As per SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, such events must be disclosed within 30 minutes/12 hours of occurrence.</p>	<p>The delay in disclosure was unintentional. The Company has since established stricter internal compliance protocols to ensure timely regulatory submissions.</p>
6	<p>As per SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, certain additional disclosures are mandated under Regulation 30 of SEBI LODR in cases of issuance of debt or non-convertible securities (e.g., issue size, tenure, coupon, security details, etc.). However, in the case of intimations dated 3rd July 2024 and 17th July 2024 regarding the issuance and allotment of NCDs, the above-mentioned details were not disclosed.</p>	<p>The Company submits that since the NCDs were unlisted, the specified disclosures were not made by the Company. However, the Company has since then ensured that additional disclosures are intimated to the Stock Exchanges.</p>
7	<p>As per SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, events such as issuance or allotment of securities, including Non-Convertible Debentures (NCDs), are considered material and are required to be disclosed to the Stock Exchange(s) within 30 minutes of the conclusion of the Board Meeting in which such decision is taken. However, in the present case, the allotment of NCDs approved on July 4, 2024 was intimated to the Stock Exchange only on July 5, 2024, beyond the prescribed timeline.</p>	<p>The delay in disclosure was unintentional. The Company has since established stricter internal compliance protocols to ensure timely regulatory submissions. However, we have complied with the necessary provisions with regards to the NCDs that were allotted on 19th July, 2024.</p>
8	<p>As per Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee is required to review the statement of deviation(s) or variation(s) and ensure that such information is communicated to the Stock Exchange on a quarterly basis, along with the results. However, it has been observed that this practice is not being followed for funds received through Non-Convertible Debentures (NCDs) under private placement.</p>	<p>All NCDs issued by the Company were unlisted. Therefore the specified disclosures were not made by the Company. However, as part of good corporate governance going forward we shall place the statement of deviation before the Audit Committee for unlisted NCDs.</p>

Management Observations on the Secretarial Audit Report

9	Pursuant to the intimation dated 19.01.2025, the Company approved a proposal for fund raising and disclosed the same to the Stock Exchange under a general disclosure. However as per SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, the intimation did not specify the type of securities or the mode of issuance.	The Board resolution dated 19.01.2025 was an enabling resolution and did not finalize the type, size, or mode of securities. Hence, detailed disclosure was not required at that stage. This transaction was executed under the guidance of Merchant Bankers and Legal Advisors and we have also consulted other Secretarial Advisors and have been informed that no such disclosure was required. We will take a written opinion from our current Secretarial Advisors on this in future for any such transactions.
10	It has been noted that the Company's intimation dated 19th January 2025 disclosed the proposal for fund raising in general terms, without specifying the type of securities or mode of issuance. Furthermore, the trading window was reopened on 21st January 2025, while the detailed disclosure regarding the type of securities and mode of issuance was only provided on 28th February 2025. In light of the incomplete disclosure of unpublished price sensitive information (UPSI), the reopening of the trading window during the period from 21st January 2025 to 24th February 2025 may be viewed as a non-compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.	The trading window was reopened on 21.01.2025 post the declaration of Q3 results. As the fundraising details were not finalized until 24.02.2025, no UPSI existed during the period from 21st January 2025 to 24th February 2025. The window was re-closed on 24.02.2025 once UPSI arose. We will take a written opinion from our current Secretarial Advisors on this in future for any such transactions.
11	The Explanatory Statement annexed to the EGM Notice dated 29.07.2024, in respect of the approval for issuance of Non-Convertible Debentures (NCDs) on a private placement basis, does not contain the necessary details/information as required under Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014.	The omission of the details was inadvertent. We have implemented internal controls and review mechanisms to ensure such oversights do not recur. However, this forms part of the Notice of the ensuing AGM.
12	As per the provisions of Section 108 of the Companies Act, 2013, read with Rule 20(4)(vii) of the Companies (Management and Administration) Rules, 2014, the cut-off date for determining the eligibility of members to vote by electronic means shall not be earlier than seven days prior to the date of the General Meeting.	Our interpretation is that "not earlier than 7 days" implies a minimum of 7 days before the meeting. We have since then sought further clarification and aligned with the interpretation accordingly. However, in the EGM held on 24th March, 2025 we have taken exact 7 days to determine the cut-off date.

Management Observations on the Secretarial Audit Report

	However, in respect of the Extraordinary General Meeting (EGM) held on 21st August 2024, it has been observed that the cut-off date for remote e-voting was fixed as 13th August 2024, which is more than seven days before the date of the meeting. This appears to be inconsistent with the aforementioned statutory provisions.	
13	Noting of Evaluation of Board as well as Independent Director as required as per Section 177 and Regulation 17(10) of SEBI LODR is missing in the minutes of the NRC Committee.	The evaluation was duly conducted and documented during the Independent Directors' meeting. We will ensure the NRC records also reflect such evaluations in the future. However, for the F.Y. 2024-25 the evaluation of the Board and Independent Directors was placed in the NRC Meeting held on 21st April, 2025.
14	It has been observed that the Company has not provided any records or evidence of reports being submitted by the Compliance Officer to the Board of Directors or to the Chairman of the Audit Committee (if constituted), as required under Schedule B of the SEBI (Prohibition of Insider Trading) Regulations, 2015. As per the said Regulations, the Compliance Officer is mandated to report to the Board of Directors and, in particular, provide reports to the Chairman of the Audit Committee or the Chairman of the Board at such frequency as may be stipulated by the Board or deemed appropriate by the Compliance Officer. The absence of such reporting may indicate non-compliance with the requirements intended to ensure effective monitoring and enforcement of the Insider Trading Regulations.	A compliance report was submitted to the Audit Committee at its Meeting held on 19.01.2025.
15	CAs per Regulation 18 read with Part C of Schedule II of the SEBI (LODR) Regulations, 2015, the Audit Committee is required to review the matters to be included in the Director's Responsibility Statement under Section 134(3)(c) of the Companies Act, 2013. However, no such review is evidenced in the Audit Committee minutes, indicating a deviation from the prescribed regulatory requirements.	The Company was listed on BSE and CSE only on 14th June 2024 and 18th June, 2024. LODR requirements were not applicable during FY 2023-24 even though the Director's Report was signed on 27th June 2024. However, due compliance has been done for 2024-25.

Management Observations on the Secretarial Audit Report

16	As per the role of the Audit Committee under SEBI LODR Regulations, the Committee is required to review and monitor the auditor's independence and performance, the effectiveness of the audit process, and the adequacy of internal control systems. However, no evidence of such review is found in the minutes of the Audit Committee meetings, indicating non-compliance with the prescribed responsibilities.	The Company was listed on BSE and CSE only on 14th June 2024 and 18th June, 2024. LODR requirements were not applicable during FY 2023-24. However, due compliance has been done for 2024-25.
17	It is noted that the Board, through a Circular Resolution dated 11th September 2024, approved the delegation of powers under Section 179 of the Companies Act, 2013. However, as per the provisions of Section 179(3), such delegation is required to be approved by a resolution passed at a duly convened meeting of the Board of Directors. In the absence of compliance with this requirement, the action may be viewed as not in line with the statutory provisions.	The Board has approved the borrowing upto INR 200 crores in its Meeting held on 27th June, 2024 and Shareholders approved the same on 2nd August, 2024. The Company has not approved borrowing by way of circular resolution. The Board has only given authority to the CFO to execute documents with regards to the borrowing upto a limit of INR 2 crores. We have taken opinion from other Secretarial Advisors on this as well.
18	As per Regulation 29 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, prior intimation of the proposal for voluntary delisting by the listed entity from the stock exchange(s) must be given at least two working days in advance, excluding the date of intimation and the date of the meeting. However, the Company has not complied with this requirement under Regulation 29 of the SEBI (LODR) Regulations, 2015.	The Delisting was taken as part of tabled agenda in the Board Meeting and all the post necessary compliances have been duly completed.

CEO & CFO CERTIFICATE

To,

The Board of Directors

Purple Finance Limited

Room No. 11, 1st Floor, Indu Chamber 349/353,

Samuel Street, Vadgadi, Masjid Bunder (West),

Mumbai- 400003.

Dear Sir/Mam,

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee:

1. significant changes in internal control over financial reporting during the year;
2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sd/-

Sabyasachi Rath

Chief Executive Officer

Date: May 15, 2025

Sd/-

Meghana Lale

Chief Financial Officer

Independent Auditor's Report

To,
The Members of
Purple Finance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Purple Finance Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss (including comprehensive income/loss), Statement of Changes in Equity, and the Statement of Cash Flows, for the year then ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, the loss and other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the financial statement in accordance with the Standards on Auditing ("SA's") specified under Section 143 (10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 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.

Information Other than the Financial Statement and Auditor's Report thereon

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

Independent Auditor's Report

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

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance along with other comprehensive income/loss, statement of changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report

- 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 Companies Act, 2013 we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement of the matters specified in paragraph 3 and 4 of the Order.

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;
- 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, Statement of Profit Loss (including other comprehensive income), Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;

Independent Auditor's Report

- e. On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2025 from being appointed as a Director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- g. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under 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 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impact its financial position in its financial statements.
 - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year under audit.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; (b) The Management has represented , that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representations made 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 not declared any dividend during the year.

Independent Auditor's Report

- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further during the course of our audit, for the period for which the audit trail facility had been operational during the year, we did not come across any instance of audit trail being tampered with and the management has represented that the audit feature cannot be disabled. Company has preserved the Audit trail as per the statutory requirements of records retention.

For Jogin Raval & Associates**Chartered Accountants**

ICAI's firm registration number: 128586W

CA Jogin Raval

Proprietor

Membership number: 122197

Place: Mumbai

Date: 21st April, 2025

UDIN: 25122197BMJPIG9813

Independent Auditor's Report

Annexure 'A' to the Independent Auditors Report of the company for year ended 31st March, 2025 (Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) a. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right of-use assets.
b. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its PPE by which all PEE are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The company does not have any immovable property other than the right of-use assets
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31st, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The company is a Non-Banking Finance Company, primarily lending loans and the company's business does not involve inventories, accordingly Clause 3 (ii)(a) of the Order is not applicable to the company;
- (b) According to the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of net current assets. The quarterly returns/ statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) (a) The company is a Non-Banking Finance Company, whose principal business is to give loans, accordingly Clause (iii)(a) is not applicable
- (b) In our opinion, the investments made and the terms and conditions of the grant of all loans and advances in nature of loans, during the year are, prima facie, not prejudicial to the company's interest.
- (c) In respect of loans/advances in nature of loans granted by the company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest has generally been regular as per stipulation. In cases where stipulated EMI's/ loan repayment are delayed, then provisioning of expected credit loss/ non-performing assets are made by company.
- (d) In respect of the loans/ advances in nature of loans, the total amount overdue for more than ninety days as at March 31, 2025, is Rs. 8.35 Lakhs. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon. Refer Note 4 in the financial statements.
- (e) The company is a Non-Banking Finance Company, whose principal business is to give loans, accordingly Clause (iii)(e) is not applicable.
- (f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under Clause 3(iii)(f) is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees in contravention of the provisions of sections 185 and 186(1) of the Act, the other provision of the section 186 of the Act are not applicable to the Company.
- (v) The company has not accepted deposits or amounts which are deemed to be deposits, from the public which attract the directives issued by the Reserve Bank of India. Being a Non-Banking Finance Company registered with Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed there under regarding acceptance of deposits are not applicable. Hence, reporting under Clause 3(v) is not applicable.

Independent Auditor's Report

- (v) The company has not accepted deposits or amounts which are deemed to be deposits, from the public which attract the directives issued by the Reserve Bank of India. Being a Non-Banking Finance Company registered with Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed there under regarding acceptance of deposits are not applicable. Hence, reporting under Clause 3(v) 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. Accordingly, the provisions of clause 3(vi) of the Order is not applicable.
- (vii)
 - (a) The company has generally deposited amount deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and service tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, profession tax and any other statutory dues to the extent applicable with the appropriate authorities. There are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
 - (b) There are no statutory dues referred to in items covered in sub clause (a) above, to the extent applicable, as at 31st March, 2025, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year
- (ix)
 - (a) The company has not defaulted in repayment of loans or borrowings or in the payment of interest to any lender. Hence reporting under Clause 3(ix)(a) of the Order is not applicable.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year
- (ix)
 - (a) The company has not defaulted in repayment of loans or borrowings or in the payment of interest to any lender. Hence reporting under Clause 3(ix)(a) of the Order is not applicable.
 - (b) The company is not declared as wilful defaulter by any bank or financial institution or other lender;
 - (c) The company has applied the term loans for the purposes for which the said loans were obtained;
 - (d) On an overall examination of the financial statements of the company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the company
 - (e) On an overall examination of the financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x)
 - (a) The Company has raised moneys by way of further public offer in the form of right issue. In our opinion and according to the information and explanations given to us, the company has utilised the money raised by way of further public offer in the form of right issue for the purposes for which they were raised.
 - (b) The Company has not made private placement of shares during the year under audit hence reporting on Clause 3(x)(b) of the Order is not applicable
- (xi)
 - (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

Independent Auditor's Report

- (c) The Company has not received any whistle blower complaint during the year and upto the date of this report
- (xii) The Company is not a Nidhi Company, hence Clause 3(xii)(a), (b), (c) of the Order is not applicable;
- (xiii) The transactions with the related parties are in compliance with sections 177 and 188 of the Act, 2013 where applicable and details have been disclosed in the financial statements, as required by the applicable Indian accounting standards;
- (xiv) (a) In our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business
- (b) The internal audit reports of the company issued till date of the audit report, for the period under audit have been considered by us.
- (xv) The company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is registered under section 45-IA of the Reserve Bank of India Act 1934 as an Investment & Credit Company (Non-Deposit) since the year prior to year under audit.
- (b) The Company has conducted Non-Banking financial activities with a valid certificate of registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The company is not a Core Investment Company and hence clause xvi (c) is not applicable.
- (d) 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)(d) of the Order is not applicable.
- (xvii) On the basis of our examination of the records of the company, the company has incurred cash losses in the financial year of Rs. 18,75,70 Lacs and Rs. 12,18,68 Lacs in the immediately preceding financial year
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, 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) During the year under audit, the provisions of Section 135 of the Companies Act, 2013 are not applicable hence Clause 3(xx)(a) and (b) of the Order are not applicable;

For Jogin Raval & Associates

Chartered Accountants

ICAI's firm registration number: 128586W

CA Jogin Raval

Proprietor

Membership number: 122197

Place: Mumbai

Date: 21st April, 2025

UDIN: 25122197BMJPIG9813

Independent Auditor's Report

Annexure 'B' to the Independent Auditors Report of the company for year ended 31st March, 2025
(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date)

Report on the Internal Financial Controls

We have audited the internal financial controls over financial reporting of Purple Finance Limited ("the Company") as of March 31st, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

The company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

Independent Auditor's Report

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2025, 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 ICAI.

For Jogin Raval & Associates

Chartered Accountants

ICAI's firm registration number: 128586W

CA Jogin Raval

Proprietor

Membership number: 122197

Place: Mumbai

Date: 21st April, 2025

UDIN: 25122197BMJPIG9813

Balance Sheet Statement as at 31st March 2025

(Rs in lakhs)

Particulars	Note No.	As at 31st March 2025	As at 31st March 2024
ASSETS			
1 Financial Assets			
(a) Cash & Cash Equivalents	2	1,661.43	326.53
(b) Bank balance other than (a) above		-	-
(c) Receivables	3		
I) Trade Receivables		6.31	-
II) Other Receivables		4.78	0.70
(d) Loans	4	8,998.21	3,048.50
(e) Investments	5	79.00	89.44
(f) Other Financial Assets	6	192.37	38.49
Total Financial Assets		10,942.10	3,503.64
2 Non Financial Assets			
(a) Current Tax Assets (Net)	7	6.66	5.48
(b) Deferred Tax Assets (Net)	8	1,057.05	558.43
(c) Property, Plant & Equipment	9 (A)	393.24	305.21
(d) Goodwill	9 (B)	2,682.58	2,682.58
(e) Other Intangible Assets	9 (B)	136.38	125.58
(f) Other Non Financial Assets	10	221.75	206.52
Total Non Financial Assets		4,497.66	3,883.79
Total Assets		15,439.76	7,387.44
LIABILITIES & EQUITY			
Liabilities			
1 Financial Liabilities			
(a) Payables	11		
I) Trade Payables			
i) total outstanding dues of micro enterprises and small enterprises		6.09	3.00
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		25.54	21.16
II) Other Payables			
i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		30.68	24.60
(b) Debt Securities	12	1,500.00	500.00
(c) Borrowings	13	5,698.34	1,712.82
(d) Lease Liabilities	14	280.47	221.28
(e) Other Financial Liabilities	15	11.09	13.63
Total Financial Liabilities		7,552.20	2,496.49

Balance Sheet Statement as at 31st March 2025

(Rs in lakhs)

Particulars	Note No.	As at 31st March 2025	As at 31st March 2024
2 Non Financial Liabilities			
(a) Current Tax Liabilities (Net)		-	-
(b) Provision	16	120.68	27.92
(c) Deferred Tax Liabilities (Net)		-	-
(d) Other Non Financial Liabilities	17	53.96	30.06
Total Non Financial Liabilities		174.64	57.99
3 Equity			
(a) Equity Share Capital	18	4,481.99	3,361.50
(b) Other Equity	19	3,230.93	1,471.46
		7,712.92	4,832.96
Total Liabilities and Equity		15,439.76	7,387.44

Notes forming part of financial statement

1- 53

As per our report of even date
For Jogin Raval & Associates
Chartered Accountants
 ICAI's firm Registration Number: 128586W

For and on behalf of the Board of Directors of
For Purple Finance Limited
 (CIN: L67120MH1993PLC075037)

CA Jogin Raval
 Proprietor
 Membership No.: 122197
 Place : Mumbai

Date : 21st April, 2025
 UDIN: 25122197BMJPIG9813

Amitabh Chaturvedi
 Executive Chairman
 (DIN: 00057441)

Rajeev Deoras
 Director
 (DIN: 02879519)

Meghana Lale
 Chief Financial Officer

Sabyasachi Rath
 Chief Executive Officer

Ruchi Nishar
 (Membership No. A68260)
 Company Secretary

Profit and Loss Statement for the year ended 31st March 2025

(Rs in lakhs)

Particulars	Note No.	For the year Ended 31st March, 2025	For the year Ended 31st March, 2024
Revenue from operations			
Interest income	20	1,137.29	290.44
Fees and commission income	21	155.93	54.05
Sale of services	22	8.63	8.90
Dividend income	23	-	1.95
Net gain on fair value changes	24	170.15	86.91
Total revenue from operations		1,472.00	442.24
Other income	25	13.00	1.98
Total income	(I)	1,485.00	444.22
Expenses			
Finance costs	26	573.14	104.11
Employee benefit expenses	27	2,156.45	1,165.31
Impairment on financial instruments	28	20.66	4.81
Depreciation, amortization and impairment	29	176.87	117.69
Other expenses	30	610.18	378.12
Total expenses	(II)	3,537.30	1,770.04
Profit before tax expense/ income	(I - II)	(2,052.30)	(1,325.82)
Tax expense:			
1) Current tax		-	-
2) Deferred tax	32	(497.48)	(564.55)
3) Provision for tax related to earlier years		-	-
		(497.48)	(564.55)
Profit for the year (A)		(1,554.82)	(761.27)
Other comprehensive income:			
(I) Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans		(4.56)	(0.16)
(ii) Income tax impact		1.15	0.04
(II) Items that will be reclassified to profit or loss			
(i) Financial instrument		-	-
(ii) Income tax impact		-	-
Other comprehensive income/(loss) net of tax for the year (B)		(3.41)	(0.12)
Total comprehensive income net of tax for the year (A + B)		(1,558.23)	(761.38)

Profit and Loss Statement for the year ended 31st March 2025

(Rs in lakhs)

Particulars	Note No.	For the year Ended 31st March, 2025	For the year Ended 31st March, 2024
Attributable to shareholders			
Earnings per equity share			
Basic (₹)	31	(4.02)	(2.27)
Diluted (₹)	31	(4.02)	(2.27)

Notes forming part of financial statement

1- 53

As per our report of even date
For Jogin Raval & Associates
Chartered Accountants
ICAI's firm Registration Number: 128586W

For and on behalf of the Board of Directors of
For Purple Finance Limited
(CIN: L67120MH1993PLC075037)

CA Jogin Raval
Proprietor
Membership No.: 122197
Place : Mumbai

Amitabh Chaturvedi
Executive Chairman
(DIN: 00057441)

Rajeev Deoras
Director
(DIN: 02879519)

Date : 21st April, 2025
UDIN: 25122197BMJPIG9813

Meghana Lale
Chief Financial Officer

Sabyasachi Rath
Chief Executive Officer

Ruchi Nishar
(Membership No. A68260)
Company Secretary

Cash Flow Statement for the year ended 31st March 2025

(Rs in lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
A Cash flows from operating activities:		
Net profit before taxation	(2,052.30)	(1,325.82)
Adjustments for:		
Depreciation, amortisation and impairment	176.87	117.69
Interest on income tax refund	(0.07)	(0.43)
Share based payment to employees	65.58	41.68
Unwinding of interest on security deposit	(3.37)	(2.29)
Net gain on fair value changes on investment	(23.54)	(86.91)
Net gain on fair value changes on direct assignment	(146.61)	-
Interest on lease liability	23.29	18.85
Gain on derecognition of lease	(13.26)	-
Impairment of loans	20.66	4.81
Impairment on investment	-	-
Operating profit before working capital changes	(1,952.75)	(1,232.41)
Movement in working capital		
Decrease/(increase) in loans given	(5,957.20)	(1,749.71)
Decrease/(increase) in investment	33.97	754.19
Decrease/(increase) in receivables	(10.40)	5.54
Decrease/(increase) in tax asset	(1.18)	4.52
Decrease/(increase) in other financial assets	(13.65)	(8.8)
Decrease/(increase) in other non financial assets	(15.21)	(13.43)
Increase/(decrease) in payables	13.55	(2.85)
Increase/(decrease) in other financial liabilities	(2.54)	(3,809.86)
Increase/(decrease) in other non financial liabilities	23.90	13.35
Increase/(decrease) in other provision	88.19	18.55
Cash used in operations	(5,840.57)	(4,788.50)
Direct taxes paid (net of refunds)	-	-
Net cash flows from/(used in) operating activities (A)	(7,793.33)	(6,020.91)
B Cash flows from investing activities:		
Purchase of property, plant and equipment and intangible assets	(97.73)	(142.80)
Interest on income tax refund	0.07	0.43
Payment for right to use	(8.25)	-
Net cash acquired on merger	-	-
Net cash flows from/(used in) investing activities (B)	(105.92)	(142.37)

Cash Flow Statement for the year ended 31st March 2025

(Rs in lakhs)

Particulars	For the year Ended 31st March, 2025	For the year Ended 31st March, 2024
C Cash flows from financing activities:		
Issue of debt securities	1,000.00	500.00
Proceeds from borrowings	3,985.52	1,683.18
Addition/Payment of lease liabilities	(123.99)	19.75
Proceeds from issue of shares (including premium net of share issue expense)	4,372.63	3,823.01
Net cash flows from/(used in) financing activities (C)	9,234.16	6,025.94
Net Increase / (Decrease) in cash and cash equivalents [A+B+C]	1,334.91	(137.34)
Cash and cash equivalents at the beginning of the year/period		
Cash and bank balances	326.53	463.87
Cash and cash equivalents at the end of the year/period		
Cash and bank balances	1,661.43	326.53

Notes:

- Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2023, as amended
- Cash and cash equivalents represent cash and bank balances.
- Previous year figures have been regrouped/reclassified wherever applicable.

Notes forming part of financial statement

1- 53

As per our report of even date
For Jogin Raval & Associates
Chartered Accountants
 ICAI's firm Registration Number: 128586W

For and on behalf of the Board of Directors of
For Purple Finance Limited
 (CIN: L67120MH1993PLC075037)

CA Jogin Raval
 Proprietor
 Membership No.: 122197
 Place : Mumbai

Date : 21st April, 2025
 UDIN: 25122197BMJPIG9813

Amitabh Chaturvedi
 Executive Chairman
 (DIN: 00057441)

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 Chief Financial Officer

Ruchi Nishar
 (Membership No. A68260)
 Company Secretary

Rajeev Deoras
 Director
 (DIN: 02879519)

Sabyasachi Rath
 Chief Executive Officer

Accounting Policies

Note 1 - Significant accounting policies

A Company Information

Purple Finance Limited is a Public Limited Company listed with Bombay Stock Exchange (BSE) and The Calcutta Stock Exchange ("CSE") with registered office at Room No. 11, 1st Floor, Indu Chamber 349/353, Samuel Street, Vadgadi, Masjid Bunder (West), Mumbai, MH 400 003 IN and corporate office at 705/ 706, 7th Floor, Hallmark Business Plaza, Opp. Gurunanak Hospital, Bandra East, Mumbai, MH, IN, 400 051. The Company is registered under section 45-IA of the Reserve Bank of India Act 1934 as a NBFC - Investment & Credit Company (Non-Deposit) and is in the lending business of primarily lending loans to Corporate & Non-corporate entities.

B Significant Accounting Policies

1 Basis of preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under the Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair values at the end of each reporting period.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

In the preparation of the financial statements, Management makes estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these judgements, assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

The financial statements are presented in Indian Rupees in Lakhs (INR in Lakhs or Rs. in Lakhs) which is also the functional currency of the Company and all values are rounded to the nearest thousand, except when otherwise indicated.

2 Presentation of financial statements:

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to Non-banking Finance Companies (NBFCs), as notified by the MCA. The Statement of Cash Flows is presented as per the requirements of Ind AS 7 - Statement of Cash Flows. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements alongwith the other notes required to be disclosed under the notified Ind AS. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

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

Accounting Policies

3 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 recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at their fair value adjusted for transaction costs/fees which are directly attributable to acquisition of financial assets or financial liabilities, except in the case of financial assets and financial liabilities recorded at FVTPL in which case transaction costs/fees are recognised immediately in statement of profit and loss. A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

Financial assets:

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

The Company has more than one business model for managing its financial instruments which reflect how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company considers all relevant information available when making the business model assessment. However, this assessment is performed on the basis of scenarios that the Company reasonably expects to occur and not so-called 'worst case' or 'stress case' scenarios.

The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the financial assets.

Based on the business model for managing the assets and the asset's contractual terms, the Company classifies its financial assets into one of the following three measurement categories:

(a) Financial assets at amortised cost:

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company may enter into following transactions without affecting business model of the company:

- Assignment and sale of non-NPA transactions which are infrequent and below the threshold provided by the Management.

Accounting Policies

(b) Financial assets at fair value through other comprehensive income (FVTOCI):

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

(c) Financial assets at fair value through profit or loss (FVTPL):

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Derecognition

Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a Financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of profit and loss. Accordingly, gain or loss on sale or derecognition of assigned portfolio are recorded upfront in the Statement of Profit and Loss as per Ind AS 109. The resulting interest only strip initially is recognised at Fair Value Through Profit or Loss and re-assessed at the end of every reporting period.

Accounting Policies

Equity Instruments

The Company subsequently measures all equity investments other than investment in subsidiaries and associates, Joint Ventures, at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI (Other Comprehensive Income). Equity instruments at FVOCI are not subject to an impairment assessment

Financial liabilities

Financial liabilities, including derivatives, which are designated for measurement at FVTPL, are subsequently measured at fair value. All other financial liabilities including debt securities and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of Profit and Loss. As at the reporting date, the Company does not have any financial liabilities which have been derecognised.

Impairment of financial assets

Overview of the ECL Principles

The Company records allowance for expected credit losses for all financial assets other than FVTPL, together with loan commitments. Equity instruments are not subject to impairment.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The company has currently grouped all its loan into a single portfolio.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Accounting Policies

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3. The company records allowance based on twelve months ECL.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. The company records allowance for Lifetime ECL.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. The company records allowance for Lifetime ECL.

The calculation of ECLs

The Company calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. ECL consists of three key components:

Probability of default (PD) :

The probability of default ('PD') is the likelihood that an obligor will default on its obligations in the future. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio

Exposure At Default ("EAD"):

The amount which the obligor will owe to the Company at the time of default is defined as the exposure at default (EAD). Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

Loss Given Default ("LGD"):

Loss given default estimates the normalised loss which company incurs post customer default. It is computed through recovery observed in delinquent accounts over a period of time. It is always expressed as %age of outstanding amount and not in count. It is based on the difference between contractual cash flows that are due and expected to be received including from the collateral if any.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and the market it operates in. On a periodic basis, the Company monitors the situation and economic factors affecting the operations of the company and assesses the requirement of any modification to ECL model.

Accounting Policies

Given the company's historically limited and relatively small loan portfolio, along with the absence of adequate and qualitative internal data necessary for reliable computation of Probability of Default (PD) across different stages and Loss Given Default (LGD), the company determines its provisioning requirements by computing provisions under both the RBI's IRAC norms and its internal ECL policy. The company adopts the higher of the two provisions to ensure a prudent and compliant approach

Provisioning for Trade Receivables and other financial assets at amortized cost:

In addition to the ECL for loans as prescribed above, the Company also holds other financial assets such as balances with Bank, trade receivables and other financial assets. The Company recognizes ECL on such assets based on the historical loss experience measures (e.g. write off rates / provision g rates) adjusted for expected losses in the future keeping in mind the nature of industry and credit ratings of such counter-parties. The amount is currently not expected to have a significant impact and the company will periodically assess the same.

Write off:

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

4 Fair value measurement

At initial recognition, all financial instruments are measured at fair value. For subsequent measurement, the company measures certain categories of financial instruments at fair value on 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 is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

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.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly.

Level 3 - Valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data..

Accounting Policies

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between the levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

5 Property, plant and equipment (PPE):

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses. The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, if it is probable that future economic benefit will flow to the Company from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed of as and when incurred.

Depreciation

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives are as follows:

Particulars	Useful life estimated
Furniture and Fixtures	10 years
Vehicles	8 years
Office Equipment's	5 years
Computers	3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income/ expense in the Statement of Profit and Loss in the year the asset is derecognised. Depreciation on assets acquired/ sold during the year is recognised on a pro rata basis to the Statement of Profit and Loss from/ upto the date of acquisition/ sale. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

Accounting Policies

6 Intangible assets:

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over the useful economic life. The estimated useful life of intangible assets is mentioned below :

Particulars	Useful life estimated
License fees	10 years
Computer softwares	3 years

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from/ upto the date of acquisition/ sale.

Goodwill is not subject to amortisation and is tested annually for impairment. Goodwill is carried at cost less accumulated impairment losses. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in profit or loss when the asset is derecognised.

7 Impairment of non-financial assets, wherever applicable

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year. Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- in the case of an individual asset, at the higher of the net selling price and the value in use; and
- in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

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 recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

Accounting Policies

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, 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 is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

8 Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

(I) Interest income:

Interest income is recognised by applying the effective Interest Rate (EIR) to the gross carrying amount of financial assets measured at amortised cost other than credit-impaired assets and financial assets classified as measured at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of a financial asset. The EIR is calculated by taking into account the fees and costs that are an integral part of the EIR.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets. Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of ECL provision) of the financial asset. Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

Interest income on all trading assets and financial assets measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

(II) Fees & Commission Income

Fees and commissions are recognised at point in time when the Company satisfies the performance obligation, at the amount of transaction price (net of variable consideration) allocated to that performance obligation based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Accounting Policies

(III) Other Operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

(IV) Dividend income:

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

(V) Net gain or fair value change:

Any differences between the fair values of financial assets classified as fair value through the profit or loss held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in 'Net gains on fair value changes' under Revenue from operations and if there is a net loss the same is disclosed under 'Expenses' in the Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVPTL and debt or equity instruments measured at FVOCI (if any) is recognised in net gain / loss on fair value changes.

9 Borrowing costs:

Borrowing costs include interest expense calculated using the effective interest method. Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

10 Retirement and other employee benefit:

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post - employment employee benefits

a. Defined Contribution Schemes

All the employees of the Company are entitled to receive benefits under the provident Fund and employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate.

Accounting Policies

The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b. Defined Benefit Schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in the other comprehensive income in the period in which they occur. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Remeasurements are not reclassified to the statement of profit and loss in the subsequent periods.

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

c Employee Stock Options

Eligible employees in terms of the Employees Stock Options Scheme of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Share Option Outstanding Reserves in equity, over the period in which the performance and / or service conditions are fulfilled i.e. over the vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest.

Accounting Policies

11 Leases:

The Company as a lessee

The Company mainly has lease arrangements for land and buildings for offices.

The Company assesses whether a contract is or 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 :

- (i) the contract involves the use of an identified asset,
- (ii) the Company has substantially all the economic benefits from the use of the asset through the period of the lease, and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-to-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

The ROU asset is initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

The company has applied the exemptions under IND AS 101 for First Time Adoption of Ind AS. Accordingly the company, has used a single discount rate for lease with similar characteristics and measured a lease liability at the date of transition at present value of remaining lease payments using the incremental borrowing rate (discount rate) as at the date of transition. Right of use assets is measured at an amount equal to lease liability at transition date.

Short term leases and leases of low-value assets

The Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Accounting Policies

Further under the exemption under IND AS 101, the company has elected not to apply Ind AS 116 to leases for which the lease term ends within 12 months of the transition date i.e., 1st April 2022.

The lease payments are expensed out as per lease term in the statement of Profit and Loss.

12 Taxation:

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in 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.

Deferred Tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

Accounting Policies

13 Foreign currency translation

The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates

Transaction and balances

(i) Initial recognition Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

(ii) Conversion Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of profit and Loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

14 Provisions, contingent liabilities and contingent assets:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

Contingent assets are disclosed where an inflow of economic benefits is probable.

15 Statement of cash flows:

Cash flows are reported under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Company.

16 Cash and bank balances:

Cash and cash equivalents comprise cash at bank and on hand, short term deposits and highly liquid investments with an original maturity of three months or less, which are readily convertible in cash and subject to insignificant risk of change in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Accounting Policies

17 Earnings per share:

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

18 Business Combination:

The Company applies the acquisition method of accounting for business combinations where common control does not exist. The consideration transferred by the Company for the acquisition of business comprises of fair value of the assets transferred, liabilities incurred, and the equity interests issued by the Company as at the acquisition date i.e. the date on which it obtains the control of the acquire. The acquisition related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on the acquisition date.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the fair value of the net identifiable assets acquired. After initial recognition, Goodwill is tested annually for impairment and any impairment loss for Goodwill is recognised in the statement of profit and loss.

(C) Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. 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 periods in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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

Accounting Policies

i) **Business Model Assessment**

Classification and measurement of financial assets depends on the results of the Solely for Payment of Principal and Interest and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement used by the company in determining the business model including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

ii) **Defined employee benefit assets and liabilities**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. 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 and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

iii) **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 various valuation techniques. 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.

iv) **Impairment of loans portfolio**

The measurement of impairment losses across all categories of financial assets requires judgement, 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.

v) **Provisions**

The timing of recognition and quantification of the liability (including litigations) requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Accounting Policies

vi) Effective Interest Rate (EIR) method

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. . its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life- cycle of the instruments and other fee income / expense that are integral parts of the instrument.

vii) Right-of-Use Assets and Lease Liability

The Company has exercised judgement in determining the lease term as the non - cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature & value to the right of use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

viii) Income taxes

Judgment of the Management is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from the actual outcome which could lead to significant adjustment to the amounts reported in the financial statements .

Statement of changes in equity for the year ended 31st March 2025

A. Equity share capital

Particulars	As at 31st March, 2025			As at 31st March, 2024		
	No of shares	(` in 'lakh)	No of shares	(` in 'lakh)	No of shares	(` in 'lakh)
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	3,36,14,954	3,361.50	2,30,21,953	2,302.20		
Add: Shares issued during the year	1,12,04,985	1,120.50	1,05,93,001	1,059.30		
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	4,48,19,939	4,481.99	3,36,14,954	3,361.50		

B. Other equity

(Rs in lakhs)

Particulars	Defined Benefit Plan - Other Comprehensive Income	Securities Premium account	Capital Reserves	Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Employee stock option outstanding account	Retained earnv	Amalgamation Adjustment Account	Total
Balance at April 1, 2023	-	486.92	123.02	90.74	25.04	(1,263.00)	(35.26)	(572.55)
Add: Ind AS Adjustments								
Profit for the year (a)	-	-	-	-	-	-	-	-
Actuarial gain on defined benefit plan (gratuity) net of income tax (b)	(0.12)	-	-	-	-	(761.27)	-	(761.27)
Total comprehensive income for the year (a+b)	(0.12)	486.92	123.02	90.74	25.04	(2,024.27)	(35.26)	(1,333.93)
Issue of equity shares	-	2,763.71	-	-	-	-	-	2,763.71
Share issue expenses	-	-	-	-	-	-	-	-
Employee stock option (net)	-	-	-	-	41.68	-	-	41.68
Transfer to general reserve	-	-	-	-	-	-	-	-
Amalgamation adjustments	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Balance at Mar 31, 2024	(0.12)	3,250.63	123.02	90.74	66.72	(2,024.27)	(35.26)	1,471.46
Balance at Apr 1, 2024	(0.12)	3,250.63	123.02	90.74	66.72	(2,024.27)	(35.26)	1,471.46
Profit for the period (a)	-	-	-	-	-	(1,554.82)	-	(1,554.82)
Actuarial gain on defined benefit plan (gratuity) net of income tax (b)	(3.41)	-	-	-	-	-	-	(3.41)
Total comprehensive income for the year (a+b)	(3.53)	3,250.63	123.02	90.74	66.72	(3,579.09)	(35.26)	(86.78)

Particulars	Defined Benefit Plan - Other Comprehensive Income	Securities Premium account	Capital Reserves	Reserve u/s 45-1C of Reserve Bank of India Act, 1934	Employee stock option outstanding account	Retained earnv	Amalgamation Adjustment Account	Total
Issue of equity shares	-	3,361.50	-	-	-	-	-	3,361.50
Share issue expenses	-	(109.36)	-	-	-	-	-	(109.36)
Employee stock option (net)	-	-	-	-	65.58	-	-	65.58
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Amalgamation adjustments	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Balance at March 31, 2025	(3.53)	6,502.77	123.02	90.74	132.29	(3,579.09)	(35.26)	3,230.93

Notes forming the parts of financial statements

(Rs in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Note - 2: Cash And Cash Equivalents:		
Cash on hand	2.90	2.79
Balances with banks		
Balance in current accounts	1,655.50	(77.74)
Cheque drafts on hand	-	(298.72)
Other bank balances:		
- In fixed deposits*	3.00	700.00
Others		
Interest accrued but not due on fixed deposits with banks	0.03	0.20
	1,661.43	326.53
* Fixed deposit with more than 12 months maturity is Rs. 3 lakhs, Previous Year Rs. Nil		
Note - 3: Receivables		
Trade Receivables		
Considered good (Refer note 41)	6.31	-
	6.31	-
Other receivables		
Considered good (Refer note 40)	4.78	0.70
	4.78	0.70
Note - 6: Other Financial Assets		
Unsecured, considered good		
Security Deposits	58.93	38.49
Interest only strip receivable	133.44	-
	192.37	38.49
Note - 7: Current Tax Assets (Net)		
Others		
Income taxes paid (net of provisions of tax)	6.66	5.48
	6.66	5.48
Note - 8: Deferred Tax Assets (Net)		
Deferred tax assets	1,057.05	558.43
	1,057.05	558.43
Note - 10: Other Non Financial Assets		
Prepaid expenses	37.18	24.53
Advance to staff (expenses)	0.90	0.30
Other advances	7.82	-
Capital advances	129.00	148.50
Goods and service tax credit (net input) receivable	46.84	33.19
	221.75	206.52

Notes forming the parts of financial statements

(Rs in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Note - 11: Payables		
(I) Trade payables (refer note 41 for ageing analysis)		
- outstanding dues of micro enterprises and small enterprises (refer note 34)	6.09	3.00
- outstanding dues of creditors other than micro enterprises and small enterprises	25.54	21.16
	31.63	24.16
(II) Other payables		
outstanding dues of micro enterprises and small enterprises	-	-
outstanding dues of creditors other than micro enterprises and small enterprises	30.68	24.60
	30.68	24.60
Note - 12: Debt Securities		
At amortized cost (in India)		
Unsecured		
- 12% Redeemable Non-Convertible Debentures (Privately placed) (500 debentures of Rs. 1,00,000 each) (Tenure - 66 Months)	500.00	500.00
- 12.5% Redeemable Non-Convertible Debentures (Privately placed) (500 debentures of Rs. 1,00,000 each) (Tenure - 18 Months)	500.00	-
- 12.5% Redeemable Non-Convertible Debentures (Privately placed) (500 debentures of Rs. 1,00,000 each)(Tenure - 18 to 20 Months)	500.00	-
	1,500.00	500.00

The company has not defaulted in the repayment of dues to its lenders.

Details of Debentures - Contractual principal repayment value

No of debentures	Face value (in Rs)	Balance as at 31st March 2025 (In'lakhs)	Balance as at 31st March 2024 (In'lakhs)	Due date of redemption	Rate of interest (Fixed)
500	1,00,000.00	500.00	500.00	Apr-29	12.00%
500	1,00,000.00	500.00	-	Jan-26	12.50%
150	1,00,000.00	150.00	-	Jan-26	12.50%
150	1,00,000.00	150.00	-	Feb-26	12.50%
200	1,00,000.00	200.00	-	Mar-26	12.50%

Note - 13: Borrowings (other than debt securities)

At amortized cost (In India)

Secured loans

- Vehicle loan - from bank*	-	18.86
- Term loan from other than related parties#	4,586.34	693.03
- Interest payable on above loans	11.60	0.53

Unsecured loans

- Term loan from bank##	1,000.00	1,000.00
- ICD from others	100.00	-
- Interest payable on above loan	0.40	0.40

5,698.34 **1,712.82**

* Secured by way of equitable mortgage of BMW 5 Series 530i Sport. The same is closed during the period.

Secured by way of charge on a pari passu basis over the receivables arising from Loan portfolios ("Hypothecated Assets")

Notes forming the parts of financial statements

(Rs in lakhs)

Particulars

As at 31st March 2025

Terms of repayment	Tenure from date of balance sheet	Rate of interest	Repayments details	Amount
Term loan from others (Secured)	01-13 months	13.50%	01 to 13 monthly instalments	302.52
Term loan from others (Secured)	25 months	14.05%	25 monthly instalments	855.92
Term loan from others (Secured)	2 months	13.75%	2 monthly instalments	82.49
Term loan from banks (Secured)	82 months	12.50%	82 Monthly installments	1,952.38
Term loan from others (Secured)	18 Months	14.00%	18 Monthly installments	398.02
Term loan from others (Secured)	30 months	13.65%	30 monthly instalments	995.02
Term loan from banks (Unsecured)	68 months	14.50%	Moratorium of 6 years followed by 12 monthly instalments	1,000.00
ICD from others (Unsecured)	12 months	12.00%	At Maturity	100.00
Total				5,686.34

As at 31st March 2024

Terms of repayment	Tenure from date of balance sheet	Rate of interest	Repayments details	Amount
Vehicle loan from banks(secured)	12-24 months	7.75%	19 monthly instalments	18.86
Term loan from others (Secured)	12-24 months	13.50%	12 to 24 monthly instalments	693.03
(##) Term loan from banks (Unsecured)	84 months	14.50%	Moratorium of 6 years followed by 12 monthly instalments	1,000.00
Total				1,711.89

Note - 14: Lease Liabilities

Lease liabilities (Refer note 39)

280.47	221.28
280.47	221.28

Note - 15: Other financial liabilities

Liability for expenses

Other payables

3.95	13.63
7.14	-
11.09	13.63

Note - 16: Provision

Provision for employee benefits

Statutory bonus

Gratuity (refer note 36)

Provision for others

47.74	0.81
62.28	27.11
10.66	-
120.68	27.92

Note - 17: Other Non Financial Liabilities

Statutory dues

GST Payable

Others - salary payable

47.43	28.80
6.53	-
-	1.27
53.96	30.06

Notes forming the parts of financial statements

Note - 4: Loans

Notes forming the parts of financial statements

(Rs in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Loans (at amortised cost)		
(A)		
Term loans	9,004.87	3,031.49
Term loans - to related parties	22.4	25.41
Total (A) - Gross	9,027.27	3,056.90
Less : Impairment loss allowance	29.06	8.41
Total (A) - Net	8,998.21	3,048.50
(B)		
Secured by tangible assets	9,000.87	3,000.14
Unsecured	26.4	56.76
Total (B) - Gross	9,027.27	3,056.90
Less : Impairment loss allowance	29.06	8.41
Total (B) - Net	8,998.21	3,048.50
(C)		
Loans outside India		
- Public Sector	-	-
- Others	-	-
Loans in India		
- Public Sector	-	-
- Others	9,027.27	3,056.90
Total (C) - Gross	9,027.27	3,056.90
Less : Impairment loss allowance	29.06	8.41
Total (C) - Net	8,998.21	3,048.50
All loans are in India and have been granted to individuals or entities other than public sector. There are no loans measured at FVOCI or FVTPL or designated at FVTPL. Loans are secured against the tangible assets.		

Analysis of changes in gross carrying amount

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening as on 01/04/2023	1,302.19	-	5.00	1,307.19
New asset originated / Increase in existing asset (net)	2,709.72	-	-	2,709.72
Transfer between stages	(15.00)	-	15.00	-
Exposure derecognised or repaid or matured	(960.01)	-	-	(960.01)
Write off	-	-	-	-
Closing balance as on 31/03/2024	3,036.90	-	20.00	3,056.90
Opening balance as on 01/04/2024	3,036.90	-	20.00	3,056.90
New asset originated / Increase in existing asset (net)	7,499.90			7,499.90
Transfer between stages	(90.71)	24.12	66.59	-
Exposure derecognised or repaid or matured	(1,509.54)	-	(20.00)	(1,529.54)
Write off	-	-	-	-
Closing balance as on 31/03/2025	8,936.56	24.12	66.59	9,027.27

Notes forming the parts of financial statements

Reconciliation of ECL balance

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening as on 01/04/2023	3.58	-	0.01	3.59
New asset originated / Increase in existing asset (net)	7.45	-	-	7.45
Transfer between stages	(0.04)	-	0.04	-
Exposure derecognised or repaid or matured	(2.64)	-	-	(2.64)
Closing balance as on 31/03/2024	8.35	-	0.06	8.41
Opening balance as on 01/04/2024	8.35	-	0.06	8.41
New asset originated / Increase in existing asset (net)	18.75	-	-	18.75
Transfer between stages	(0.23)	0.06	6.66	6.49
Exposure derecognised or repaid or matured	(4.53)	-	(0.06)	(4.59)
Closing balance as on 31/03/2025	22.34	0.06	6.66	29.06

Overdue greater than 90 days

Particulars	Overdue amount		
	Principal	Interest	Total
As on 31st March 2025	2.98	5.37	8.35
7 Loans			
As on 31st March 2024	5.00	2.34	7.34
2 Loans			

Notes forming the parts of financial statements

5 Note - 5: Investments

(Rs in lakhs)										
Particulars			As at 31st March 2025				As at 31st March 2024			
			Amortized cost	At Fair Value		Total (4 = 1+2+3)	Amortized cost	At Fair Value		Total (8 = 5+6+7)
				Through Other Comprehensive Income	Through Profit & Loss			Through Other Comprehensive Income	Through Profit & Loss	
			1	2	3	(4 = 1+2+3)	5	6	7	(8 = 5+6+7)
1)	Mutual funds	-	-	-	-	-	-	-	-	-
2)	Government securities	-	-	-	-	-	-	-	-	-
3)	Others approved securities	-	-	-	-	-	-	-	-	-
4)	Debt securities	-	-	-	-	-	-	-	-	-
5)	Equity instruments (*)	-	-	79.00	79.00	79.00	-	-	89.44	89.44
6)	Subsidiaries	-	-	-	-	-	-	-	-	-
7)	Associates	-	-	-	-	-	-	-	-	-
8)	Joint Ventures	-	-	-	-	-	-	-	-	-
9)	Others	-	-	-	-	-	-	-	-	-
Total Gross (A)		-	-	79.00	79.00	79.00	-	-	89.44	89.44
(i) Investment outside India		-	-	-	-	-	-	-	-	-
(ii) Investment in India		-	-	79.00	79.00	79.00	-	-	89.44	89.44
Total Gross (B)		-	-	79.00	79.00	79.00	-	-	89.44	89.44
Less: Allowance for Impairment loss (C)		-	-	-	-	-	-	-	-	-
Total Net (D = A - C)		-	-	79.00	79.00	79.00	-	-	89.44	89.44

(*) Investment in equity instrument is measured at fair value based on valuation report obtained from external valuer for March 2025

Notes forming the parts of financial statements

Note - 9 (A): Property, Plant and Equipment's

(Rs in lakhs)						
Particulars	Laptops	Furniture and Fixtures	Vehicles	Office Equipment's	Buildings	Total
					Right of use assets	
Restated gross carrying amount as at 1st April 2023	18.56	14.23	123.23	15.15	218.54	389.71
Additions	31.63	2.19	-	4.15	119.54	157.51
Disposals	-	-	-	-	(21.19)	(21.19)
Gross carrying amount as at 31st March 2024	50.19	16.42	123.23	19.30	316.89	526.03
Additions	52.48	8.09	-	10	265	335.18
Disposals	-	-	-	-	(172)	(172.05)
Gross carrying amount as at 31st March 2025	102.68	24.51	123.23	29.25	409.49	689.15
Accumulated depreciation and impairment (If any)						
Restated gross carrying amount as at 1st April 2023	5.04	8.02	66.00	6.58	39.75	125.39
Depreciation for the year	11.10	1.37	13.06	2.62	74.78	102.93
Depreciation on disposal	-	-	-	-	(7.50)	(7.50)
Balance as at 31st March 2024	16.14	9.40	79.06	9.20	107.03	220.82
Depreciation for the year	24.72	1.60	13.02	4.11	117.11	160.57
Depreciation on disposal	-	-	-	-	(85.48)	(85.48)
Balance as at 31st March 2025	40.87	11.00	92.08	13.31	138.65	295.91
Net carrying amount						
As at 31st March 2024	34.05	7.02	44.17	10.10	209.86	305.21
As at 31st March 2025	61.81	13.51	31.15	15.94	270.83	393.24

Note - 9 (B): Goodwill and Intangible Assets

Particulars	Goodwill	Other Intangibles assets	License fees	Total
		Software		
Restated gross carrying amount as at 1st April 2023	2,682.58	6.39	145.39	2,834.36
Additions	-	0.92	-	0.92
Disposals	-	-	(5.39)	(5.39)
Gross carrying amount as at 31st March 2024	2,682.58	7.31	140.00	2,829.89
Additions	-	4.75	22.36	27.10
Disposals	-	-	-	-
Gross carrying amount as at 31st March 2025	2,682.58	12.06	162.36	2,857.00
Accumulated amortization and impairment (if any)				
Restated gross carrying amount as at 1st April 2023	-	0.56	6.41	6.98
Depreciation for the year	-	1.02	14.41	15.43
Depreciation on disposal	-	-	(0.67)	(0.67)
Balance as at 31st March 2024	-	1.58	20.15	21.73
Depreciation for the year	-	1.19	15.11	16.30
Depreciation on disposal	-	-	-	-
Balance as at 31st March 2025	-	2.77	35.26	38.03
Net Carrying amount				
As at 31st March 2024	2,682.58	5.73	119.85	2,808.16
As at 31st March 2025	2,682.58	9.29	127.09	2,818.96

Notes forming the parts of financial statements

Note 18: Share capital (Rs in lakhs)		
Particulars	As at 31st March 2025	As at 31st March 2024
(a) Authorised		
5,56,00,000 (P.Y. 5,06,00,000) equity shares of ₹ 10/- each with voting rights	5,560.00	5,060.00
(Pursuant to approval of Shareholders accorded through Annual General Meeting on 24th March, 2025 authorised share capital of the company has increased from 50,60,00,000/- divided into 5,06,00,000 Equity Shares of Rs. 10/- each to Rs. 55,60,00,000/- divided into 5,56,00,000 Equity Shares of Rs. 10/- each.)	5,560.00	5,060.00
(b) Issued		
4,48,19,939 (PY 3,36,14,954) equity shares of ₹ 10/- each fully paid up with voting rights	4,481.99	3,361.50
(Out of the above, The Company has issued 1,12,04,985 Equity Shares on Rights Basis to the existing Equity Shareholders of the Company at a price of Rs. 40 per share (including a premium of Rs. 30/- per Rights Equity Share) during the year.	4,481.99	3,361.50
(c) Subscribed and fully paid up		
4,48,19,939 (PY 3,36,14,954) equity shares of ₹ 10/- each fully paid up with voting rights	4,481.99	3,361.50
(Out of the above, The Company has issued 1,12,04,985 Equity Shares on Rights Basis to the existing Equity Shareholders of the Company at a price of Rs. 40 per share (including a premium of Rs. 30/- per Rights Equity Share) during the year.	4,481.99	3,361.50

Notes:									
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period									
Issued, subscribed and fully paid up									
	Particulars	Opening balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other changes	Closing balance
	Equity shares with voting rights								
	Year ended 31 March, 2025								
	- Number of shares	3,36,14,954	1,12,04,985	-	-	-	-	-	4,48,19,939
	- Amount (₹) (in lakhs)	3,361.50	1,120.50	-	-	-	-	-	4,481.99
	Year ended 31 March, 2024								
	- Number of shares	2,30,21,953	1,05,93,001	-	-	-	-	-	3,36,14,954
	- Amount (₹) (in lakhs)	2,302.20	1,059.30	-	-	-	-	-	3,361.50
(ii) The company has only one class of shares i.e. equity, having par value of Rs. 10/- per share. Each holder of share is entitled to one vote per share.									

(iii) Details of shares held by each shareholder holding more than 5% shares:					
	Class of shares/Name of shareholder	As at 31st March 2025		As at 31st March 2024	
		Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
	Equity shares with voting rights				
	Amitabh Chaturvedi	65,66,174	14.65%	65,66,174	19.53%
	Ranjana Pathak	41,72,362	9.31%	41,72,362	12.41%
	Asher Foods Pvt. Ltd / Abhidev Consultancy Services Pvt. Ltd*	35,48,570	7.92%	35,48,570	10.56%
(iv) Shares reserved for issue under options					
	For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer note 45.				

Notes forming the parts of financial statements

(v) Aggregate number of equity shares issued for consideration other than cash during five years immediately preceding the reporting date:	
Particulars	As at 31st March 2025
Equity shares allotted for consideration other than cash	
Financial Year 2024-25	-
Financial Year 2023-24	10,593,001
Financial Year 2022-23	-
Financial Year 2021-22	-
Financial Year 2020-21	-
	10,593,001

Note 18: Share capital						
(vi) Details of shareholding of promoters and promoter group						
Name of promoters	Category	31st March 2025		31st March 2024		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
Amitabh Chaturvedi	Promoter	65,66,174	14.65%	65,66,174	19.53%	-4.88%
Minal Chaturvedi	Promoter	7,33,334	1.64%	7,33,334	2.18%	-0.55%
Abhishek Chaturvedi	Promoter	2,45,333	0.55%	2,45,333	0.73%	-0.18%
Asher Foods Pvt. Ltd / Abhidev Consultancy Services Pvt. Ltd*	Promoter	35,48,570	7.92%	35,48,570	10.56%	-2.64%
Saguna Mercantile Private Limited	Promoter	17,31,495	3.86%	17,31,495	5.15%	-1.29%
Ranjana Pathak	Promoter Group	41,72,362	9.31%	41,72,362	12.41%	-3.10%
Satyaprakash Pathak	Promoter Group	11,46,735	2.56%	11,46,735	3.41%	-0.85%
Anil Kumar	Promoter Group	8,62,000	1.92%	8,62,000	2.56%	-0.64%
M.K. Investment Consultancy Pvt Ltd	Promoter Group	42,737	0.10%	32,053	0.10%	0.00%
Ashray Charitable Trust	Promoter Group	7,61,904	1.70%	7,61,904	2.27%	-0.57%
Rajeev Deoras	Promoter Group	5,00,000	1.12%	4,00,000	1.19%	-0.07%
Sabyasachi Rath	Promoter Group	3,12,500	0.70%	3,00,000	0.89%	-0.20%
Sonal Vira	Promoter Group	3,07,500	0.69%	3,00,000	0.89%	-0.21%
Souvik Dasgupta	Promoter Group	1,55,000	0.35%	1,50,000	0.45%	-0.10%
Mrinalini Sahai	Promoter Group	60,000	0.13%	50,000	0.15%	-0.01%
Tomorrow Capital Enterprises Pvt Ltd	Promoter Group	8,33,333	1.86%	3,33,333	0.99%	0.87%
Surendra Sodhi	Promoter Group	6,37,516	1.42%	5,75,016	1.71%	-0.29%
Debashish Mishra	Promoter Group	11,33,333	2.53%	6,33,333	1.88%	0.64%
Sunil Mittal	Promoter Group	8,75,000	1.95%	2,50,000	0.74%	1.21%
Dilip Kumar Mittal	Promoter Group	3,75,000	0.84%	2,50,000	0.74%	0.09%
Rushabh Shah	Promoter Group	83,340	0.19%	83,340	0.25%	-0.06%
Swati Mahapatra	Promoter Group	85,000	0.19%	71,000	0.21%	-0.02%
Ashis Mohanty	Promoter Group	5,83,294	1.30%	3,33,294	0.99%	0.31%
Venugopalan Swaminathan	Promoter Group	1,00,000	0.22%	75,000	0.22%	0.00%
Raoul Kapoor	Promoter Group	1,00,100	0.22%	75,000	0.22%	0.00%
Ajit Kumar	Promoter Group	1,75,000	0.39%	1,75,000	0.52%	-0.13%
Shouryendu Ray	Promoter Group	2,00,000	0.45%	76,000	0.23%	0.22%
Manas Ray	Promoter Group	5,00,000	1.12%	76,000	0.23%	0.89%
Jaiprakash Pandey	Promoter Group	15,000	0.03%	15,000	0.04%	-0.01%
Neeta Shah	Promoter Group	45,000	0.10%	15,000	0.04%	0.06%

(vii) Details of shareholding of promoters and promoter group (contd..)						
Name of promoters	Category	31st March 2025		31st March 2024		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
Dharmesh Shah	Promoter Group	26,000	0.06%	15,000	0.04%	0.01%
Emy Mody	Promoter Group	50,000	0.11%	50,000	0.15%	-0.04%
Amol Shah	Promoter Group	35,000	0.08%	25,000	0.07%	0.00%
Neema Popat	Promoter Group	30,000	0.07%	22,000	0.07%	0.00%
Ashish Popat	Promoter Group	32,000	0.07%	22,000	0.07%	0.01%
Ramawatar Sharma	Promoter Group	40,000	0.09%	20,000	0.06%	0.03%
Saroj Shukla	Promoter Group	5,000	0.01%	5,000	0.01%	0.00%
Vrishaal Wadhikar	Promoter Group	47,466	0.11%	45,820	0.14%	-0.03%

*Asher Foods Pvt. Ltd merged with Abhidev Consultancy Services Pvt. Ltd. w.e.f. 03/10/2024

Notes forming the parts of financial statements

(vii) Details of shareholding of promoters and promoter group (contd..)						
Name of promoters	Category	31st March 2025		31st March 2024		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
Dharmesh Shah	Promoter Group	26,000	0.06%	15,000	0.04%	0.01%
Emy Mody	Promoter Group	50,000	0.11%	50,000	0.15%	-0.04%
Amol Shah	Promoter Group	35,000	0.08%	25,000	0.07%	0.00%
Neema Popat	Promoter Group	30,000	0.07%	22,000	0.07%	0.00%
Ashish Popat	Promoter Group	32,000	0.07%	22,000	0.07%	0.01%
Ramawatar Sharma	Promoter Group	40,000	0.09%	20,000	0.06%	0.03%
Saroj Shukla	Promoter Group	5,000	0.01%	5,000	0.01%	0.00%
Vrishali Wadhivkar	Promoter Group	47,486	0.11%	45,820	0.14%	-0.03%
*Asher Foods Pvt. Ltd merged with Abhidev Consultancy Services Pvt. Ltd. w.e.f. 03/10/2024						

Notes forming the parts of financial statements

Note 19: Other Equity			
Particulars		As at 31st March 2025	As at 31st March 2024
1)	Reserve u/s 45 IC of RBI Act 1934		
	Opening balance	90.74	90.74
	Add : Transfer from retained earnings	-	-
	Add : Amalgamation adjustment account	-	-
	Closing balance	90.74	90.74
2)	Securities premium		
	Opening balance	3,250.63	486.92
	Add : Premium on shares issued during the year/period	3,361.50	2,763.71
	Less : Share issue expenses	109.36	-
	Closing balance	6,502.77	3,250.63
3)	Capital reserve		
	Opening balance	123.02	123.02
	Add : Transfer from retained earnings	-	-
	Closing balance	123.02	123.02
4)	Employee stock option outstanding account		
	Opening balance	66.72	25.04
	Add : Expense on Employee Stock Option Plan	65.58	41.68
	Closing balance	132.29	66.72
5)	Defined Benefit Plan - Other Comprehensive Income		
	Opening balance	(0.12)	-
	Add : Movement in OCI (Net) during the year/period	(3.41)	(0.12)
	Closing balance	(3.53)	(0.12)
6)	Amalgamation Adjustment Account		
	Opening balance	(35.26)	(35.26)
	Statutory reserve of transferor company reinstated	-	-
	Closing balance	(35.26)	(35.26)
7)	Retained earnings		
	Opening balance	(2,024.27)	(1,263.00)
	Add : Profit/(loss) for current year/period	(1,554.82)	(761.27)
	Add : Ind AS adjustment	-	-
	Less : Transfer to statutory reserve	-	-
	Add : Amalgamation adjustment account		
	Closing balance	(3,579.09)	(2,024.27)
Grand total		3,230.93	1,471.46

Notes forming the parts of financial statements

Nature and purpose of reserve	
1)	Reserve u/s 45 IC of Reserve Bank India Act, 1934
	Statutory reserve represents the reserve created as per Section 45IC of the RBI Act, 1934, pursuant to which a Non-Banking Financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit annually as disclosed in the Statement of Profit and Loss account, before any dividend is declared.
2)	Securities premium
	Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.
3)	Retained earnings
	Retained earnings comprises of the Company's undistributed earnings after taxes.
4)	Employee stock option reserve
	This reserve relates to stock options granted by the Company to employees under various ESOP schemes. This reserve is transferred to securities premium account on exercise of vested options.
5)	Defined Benefit Plan - Other Comprehensive Income
	This represents the cumulative gains and losses arising on the remeasurement of defined benefit plans in accordance with Ind AS 19 that have been recognized in other comprehensive income.
6)	Amalgamation Adjustment Reserve:
	Upon amalgamation of Canopy Finance Ltd (transferor company) with Purple Finance Ltd (Transferee company), the statutory reserves (i.e. reserve under Section 45IC of the Reserve Bank of India Act, 1934) of Rs 3,525.90 thousands of the transferor company as on 1st October, 2022 (i.e. appointed date) were recorded in the books of the transferee company with a corresponding debit to Amalgamation Adjustment Account. When the identity of the statutory reserves is no longer required to be maintained, both the statutory reserves and the aforesaid account will be reversed

Notes forming the parts of financial statements

Note - 20: Interest income								(Rs in lakhs)
Particulars	For the year Ended 31st March, 2025				For the year Ended 31st March, 2024			
	at FVTOCI	at Amotized cost	at FVTPL	Total	at FVTOCI	at Amotized cost	at FVTPL	Total
Interest on loans	-	1,115.64	-	1,115.64	-	283.95	-	283.95
Interest on deposit in banks	-	-	18.21	18.21	-	-	4.20	4.20
Other interest income	-	-	3.44	3.44	-	-	2.29	2.29
Total	-	1,115.64	21.65	1,137.29	-	283.95	6.49	290.44

Note - 26: Finance cost								
Particulars	For the year Ended 31st March, 2025				For the year Ended 31st March, 2024			
	at FVTOCI	at Amotized cost	at FVTPL	Total	at FVTOCI	at Amotized cost	at FVTPL	Total
Interest on borrowings	-	381.65	-	381.65	-	54.18	-	54.18
Interest on debt securities	-	150.24	-	150.24	-	30.58	-	30.58
Interest on lease liabilities	-	23.29	-	23.29	-	18.85	-	18.85
Other interest expense	-	-	17.96	17.96	-	-	0.50	0.50
Total	-	555.18	17.96	573.14	-	103.61	0.50	104.11

Notes forming the parts of financial statements

(Rs in lakhs)			
Particulars		For the year Ended 31st March, 2025	For the year Ended 31st March, 2024
Note - 21: Fees and commission income			
Fees income relating to loans		155.93	54.05
		155.93	54.05
Note - 22: Sale of services			
Sale of services			
(a)	Marketing fees	-	2.40
(b)	Advisory fees	-	6.50
(b)	Insurance commission	8.63	-
		8.63	8.90
Note - 23: Dividend income			
Dividend from companies		-	1.95
		-	1.95
Note - 24: Net Gain on fair value changes			
(A)	Net gain / (loss) on financial instruments at fair value through profit & loss		
(i)	On trading portfolio	-	-
(ii)	On financial instruments designated at fair value through profit & loss	-	-
(B)	Others		
(i)	Investment in shares and mutual funds	23.54	86.91
(ii)	Direct assignment	146.61	-
Total Net gain / (loss) on financial instruments at fair value through profit & loss		170.15	86.91
Fair value changes			
-	Realised	180.58	86.91
-	Unrealised	(10.43)	-
Total Net gain/(loss) on fair value		170.15	86.91
Note - 25: Other income			
Gain on derecognition of lease		13.00	1.55
Interest on income tax refund		-	0.43
		13.00	1.98
Note - 27: Employee benefit expenses			
Salaries, other allowance and bonus		1,988.50	1,073.34
Contribution to ESIC		1.72	0.86
Contribution to provident fund and other funds		58.87	26.19
Provision for gratuity (refer note 36)		30.60	17.74
Share based payment to employees		65.58	41.68
Staff welfare expenses		11.18	5.51
		2,156.45	1,165.31
Note - 28: Impairment on financial instruments			
On financial liabilities measured at amortised cost			
Loans		20.66	4.81
		20.66	4.81
Note - 29: Depreciation, amortized & impairment			
Depreciation on property, plant and equipment		59.76	42.91
Depreciation on right of use assets (ROU)		117.11	74.78
		176.87	117.69

Notes forming the parts of financial statements

Note - 30: Other expenses		
Particulars	For the year Ended 31st March, 2025	For the year Ended 31st March, 2024
Advertisement expenses	20.47	7.74
Payment to auditors (refer note - 33)	5.31	5.16
Bank charges	0.00	0.43
Business promotion	12.00	5.00
Brokerage & commission	16.60	11.38
Computer software expenses	54.61	36.99
Conveyance expenses	40.98	13.76
Electricity expenses	11.19	6.55
Housekeeping expenses	2.13	2.90
Internet expenses	6.90	3.85
Listing charges	9.90	10.27
Legal & professional fees	174.26	127.24
Motor car expenses	78.69	48.86
Membership & subscription	20.97	9.16
Office expenses	11.06	11.14
Printing, stationery and xerox	6.00	4.67
Rates & taxes	70.29	27.35
Rent	11.69	5.11
Repair - plant and machinery	8.91	0.62
Investment transaction expenses	2.47	8.47
Telephone expenses	5.13	2.93
Travelling expenses	23.41	15.22
Filing fees	0.26	0.47
Miscellaneous expenses	16.96	12.88
	610.18	378.12

Notes forming the parts of financial statements

Note - 31: Earnings per share		(Rs in lakhs)
Particulars	For the year Ended 31st March, 2025	For the year Ended 31st March, 2024
Profit after tax attributable to equity shareholders (A)	(1,558.23)	(761.38)
Weighted average number of equity shares (basic)	3,87,41,618	3,36,14,954
Weighted average number of equity shares (diluted)	3,87,41,618	3,36,14,954
Earnings per share - basic (₹)	(4.02)	(2.27)
Earnings per share - diluted (₹)	(4.02)	(2.27)
Face value per share (₹)	10.00	10.00

Note:

Earnings per share calculations are done in accordance with Ind AS 33 "Earnings per Share".
During the year the company has issued 1,12,04,985 under right issue on 16th October 2024. These shares have been considered for calculation of EPS w.e.f 16th October, 2024.

Note - 32: Tax expense		
i) Income tax expenses recognised in the statement of Profit & Loss are:		
Particulars	For the year Ended 31st March, 2025	For the year Ended 31st March, 2024
Current income tax	-	-
Deferred tax (*)	(497.48)	(564.55)
Tax of earlier year	-	-
Total income tax expenses recognised in the current year	(497.48)	(564.55)

ii) Income tax recognised in other comprehensive income		
Particulars	For the year Ended 31st March, 2025	For the year Ended 31st March, 2024
Item that will not be reclassified to Profit or Loss	(1.15)	(0.04)
Item that will be reclassified to Profit or Loss	-	-
Total income tax expenses recognised in the current year	(1.15)	(0.04)

Notes forming the parts of financial statements

iii) The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	For the year Ended 31st March, 2025	For the year Ended 31st March, 2024
Accounting profit/loss before tax from continuing operations	(2,052.30)	(1,325.82)
Applicable Tax Rate	25.17%	25.17%
Computed Tax Expense	(516.52)	(333.68)
Adjustment in respect of current income tax of prior years	-	-
Effects of:		
Expenses /provisions not deductible in determining taxable profit	2.63	0.87
Deferred tax impact of earlier years	-	(231.74)
Other adjustments	16.42	-
Income tax expense reported in statement of profit and loss	(497.48)	(564.55)

iv) Movement in Deferred Tax balances:

Particulars	As at 31st March 2024	Recognised in profit and loss	Recognised in OCI	As at 31st March 2025
Deferred Tax Asset / (Liabilities)				
Property, Plant and Equipment	(5.03)	(1.97)	-	(6.99)
Provisions for standard assets	2.12	5.20	-	7.31
Provision for gratuity	6.78	7.74	1.15	15.67
Fair value of financial assets & liabilities	12.11	(5.33)	-	6.78
Lease assets & liabilities	5.13	(0.62)	-	4.50
Brought forward business loss & Depreciation	537.32	492.45	-	1,029.77
	558.43	497.48	1.15	1,057.05

Particulars	As at 1st April 2023	Recognised in profit and loss	Recognised in OCI	As at 31st March 2024
Deferred Tax Asset / (Liabilities)				
Property, Plant and Equipment	(1.49)	(3.54)	-	(5.03)
Provisions for standard assets	0.90	1.21	-	2.12
Non allowable expenditure	0.27	(0.27)	-	-
Provision for gratuity	2.32	4.50	(0.04)	6.78
Fair value of financial assets & liabilities	(10.75)	22.86	-	12.11
Lease assets & liabilities	2.58	2.55	-	5.13
Brought forward business loss & Depreciation	-	537.32	-	537.32
	(6.16)	564.63	(0.04)	558.43

Notes forming the parts of financial statements

Note - 33: Auditors' Remuneration		
Particulars	For the year Ended 31st March, 2025	For the year Ended 31st March, 2024
Statutory Audit	4.00	4.00
Limited Review	1.25	1.10
Tax Audit	-	-
Other Services	1.00	6.50

Note - 34: Micro, Small & Medium Enterprises		
Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars are furnished below:		
Particulars	As at 31st March 2025	As at 31st March 2024
Principal amount due to suppliers under MSMED Act, as at the year end	6.09	3.00
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-

Note - 35: Revenue from contract with customer		
Particulars	For the year Ended 31st March, 2025	For the year Ended 31st March, 2024
(A) Type of services		
Fees and commission income	155.93	54.05
Marketing and advisory services	8.63	8.90
Total Revenue from contract with customer	164.56	62.95
(B) Geographical market		
In India	164.56	62.95
Outside India	-	-
Total Revenue from contract with customer	164.56	62.95
(C) Timing of revenue recognition		
Services transferred at a point in time	164.56	62.95
Services transferred over time	-	-
Total Revenue from contract with customer	164.56	62.95

Notes forming the parts of financial statements

(Rs in lakhs)

Note - 36: Retirement Benefit		
(A)	Defined contribution plan	
A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions and where there is no legal or constructive obligation to pay further contributions. During the year, the Company recognised contribution to Provident Fund and Employee State Insurance Scheme in the Statement of Profit and Loss.		
Particulars	31st March 2025	31st March 2024
Employer's Contribution to Provident Fund.	58.87	26.19
Employer's Contribution to Employee State Insurance Corp.	1.72	0.86
Employer's Contribution to Labour Welfare Fund	-	-

(B)	Defined benefit plan	
a) Gratuity		
The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days basic salary (last drawn salary) for each completed year of service. This benefit is unfunded. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans :		
(i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:		
Particulars	As at 31st March 2025	As at 31st March 2024
Defined Benefit Obligation at the beginning of the year	27.11	9.21
Current service cost	28.67	17.06
Past service cost	-	-
Interest cost	1.93	0.68
Benefits paid	-	-
Remeasurement Losses/(Gains)		
a. Effect of changes in financial assumptions	1.44	0.71
b. Effect of experience adjustments/demographic adjustments	3.12	(0.56)
Defined Benefit Obligation at the end of the year	62.28	27.11

Notes forming the parts of financial statements

(Rs in lakhs)

(ii) Current and non current classification				
Particulars		As at 31st March 2025		As at 31st March 2024
Current		7.32		4.45
Non - current		54.96		22.67
Liability at the end of the current/previous year		62.28		27.11
(iii) Statement of Profit and Loss				
Expenses recognised in statement of profit and loss		As at 31st March 2025		As at 31st March 2024
Current service cost		28.67		17.06
Past service cost		-		-
Net interest expenses		1.93		0.68
Net cost recognized in the statement of Profit and Loss		30.60		17.74
(iv) Remeasurement of the net defined benefit Liability (OCI)				
Expenses recognised in other comprehensive income		As at 31st March 2025		As at 31st March 2024
(a)	Effect of changes in financial assumptions	1.44		0.71
(b)	Effect of experience adjustments/demographic adjustments	3.12		(0.56)
Net cost recognized in Other Comprehensive Income		4.56		0.16
(v) Assumptions				
Particulars		As at 31st March 2025		As at 31st March 2024
Discount Rate		6.88%		7.12%
Future salary increase		5.00%		5.00%
Attrition Rate		2% to 10%		2% to 10%
Retirement Age		60 - 65 Years		60 Years
Mortality		Indian Assured Lives (2012-14) Ultimate		Indian Assured Lives (2012-14) Ultimate
Weighted average duration of defined benefit		14.40		12.97
(vi) Maturity analysis of projected benefit obligation				
Particulars		As at 31st March 2025		As at 31st March 2024
Within the next 12 months (next annual reporting period)		7.32		4.45
Between 2 and 5 years		9.28		3.29
Between 5 and 10 years		37.30		20.97
Total Expected Cash flows		53.91		28.70
(vii) Sensitivity Analysis:				
Particulars	As at 31st March 2025		As at 31st March 2024	
	Increase	Decrease	Increase	Decrease
Discount Rate (+/- 1%)	5.67	(6.64)	2.19	(2.52)
Salary Growth Rate (+/- 1%)	(6.12)	5.26	(2.71)	2.39
Attrition Rate (+/- 1% of attrition rates)	0.46	(0.35)	0.44	(0.42)

Methods and assumptions used in preparing sensitivity and their limitations: The liability was projected by changing certain assumptions and the total liability post the change in such assumptions have been captured in the table above. This sensitivities are based on change in one single assumption, other assumptions being constant. In practice, scenario may involve change in several assumptions where the stressed defined benefit obligation may be significantly impacted.

The company does not have any leave encashment policy.

Note - 37: Segment Information

The company is primarily engaged in the business of financing. All the activities of the company revolve around the main business. Further, the company does not have any separate geographic segments other than India.

Notes forming the parts of financial statements

Note - 38: Related Party Disclosures	
In terms of Indian Accounting Standard (Ind AS 24) 'Related Party Disclosures', notified in the Companies (Accounting Standards) Rules, 2014, the disclosures of transactions with the related parties as defined in IND AS 24 are given below:	
Description of relationship	Names of related parties
Promoters / Promoter Group / Director & Key management personnel (KMP) of the Company:	Mr. Amitabh Chaturvedi, Director Mr. Rajeev Deoras, Director Mrs. Minal Chaturvedi, Director Mr. Ajay Kumar Pandey, Director (Appointed on 28.06.2023) Ms. Sumeet Sandhu, Director (Appointed on 28.06.2023) Mr. Amit Sonawala, Director (Appointed on 29.02.2024) Mr. Satyaprakash Pathak, Director (Resigned on 29.02.2024) Mr. Suresh Sallian Mr. Aniesh Kumar K Ms. Priyanka Agarwal Ms. Prity Vishwakarma Mr. Varun Nevatia Ms. Manisha Agarwal Mr. Lalit Kumar Tapadia Ms. Anita Kejriwal Mr. Souvik DasGupta Ms. Mrinalini Sahai Mr. Anil Kumar Mrs. Vrishali Wadhivkar Mrs. Saroj Shukla Mr. Sabyasachi Rath, Chief Executive Officer Mrs. Sonal Vira, Chief Financial Officer (Resigned on 03.02.2025) Mrs. Meghana Lale, Chief Financial Officer (Appointed on 03.02.2025) Ms. Ruchi Nishar, Company Secretary
Relatives of Promoters / Promoter Group / Director & KMP:	Names of related parties Mr. Anurag Chaturvedi Mr. Abhishek Chaturvedi Mrs. Ranjana Pathak Mrs. Mehek Anil Kumar Mr. Sanjeev Kumar Mrs. Kajal Sanjeev Kumar Mr. Yatish Ramakant Wadhivkar Mr. Ramesh Kumar Shukla Mr. Anil Prithviraj Kumar
Entities in which Promoters / Promoter Group / Director & KMP and their relatives can exercise significant influence:	Abhidev Consultancy Services Pvt Ltd Jigsaw Financial Technology Pvt. Ltd. Dealmoney Commodities Pvt. Ltd. Flomic Global Logistics Ltd. Asher Foods Pvt. Ltd. (Merged with Abhidev Consultancy Services Pvt. Ltd. w.e.f. 03/10/2024) M K Investment Consultancy Pvt. Ltd.
*The related parties have been identified by the management	

Notes forming the parts of financial statements

Details of related party transactions during the year ended 31 March, 2025 and balances outstanding as at 31 March, 2025:								
Particulars	Promoters / Promoter Group / Director & (KMP)		Relatives of Promoters / Promoter Group / Director & (KMP)		Entities in which Promoters / Promoter Group / Director & KMP and their relatives can exercise significant influence		Total	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024
Director sitting fees paid								
Mrs. Minal Chaturvedi	3.70	1.50	-	-	-	-	3.70	1.50
Mr. Satyaprakash Pathak	-	1.30	-	-	-	-	-	1.30
Mr. Ajay Kumar Pandey	5.50	2.00	-	-	-	-	5.50	2.00
Ms. Sumeet Sandhu	5.70	2.00	-	-	-	-	5.70	2.00
Mr. Amit Sonawala	5.70	0.50	-	-	-	-	5.70	0.50
Mr. Suresh Sallan	-	0.50	-	-	-	-	-	0.50
Mr. Anilsh Kumar K	-	1.05	-	-	-	-	-	1.05
Consultancy fees paid								
Mr. Ajay Kumar Pandey	-	0.75	-	-	-	-	-	0.75
Loan taken								
Abhidev Consultancy Services Pvt Ltd	-	-	-	-	168.00	-	168.00	-
Asher Foods Pvt. Ltd.	-	-	-	-	214.00	-	214.00	-

Details of related party transactions during the year ended 31 March, 2025 and balances outstanding as at 31 March, 2025:								
Particulars	Promoters / Promoter Group / Director & (KMP)		Relatives of Promoters / Promoter Group / Director & (KMP)		Entities in which Promoters / Promoter Group / Director & KMP and their relatives can exercise significant influence		Total	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024
Interest paid of loans								
Abhidev Consultancy Services Pvt Ltd	-	-	-	-	0.39	-	0.39	-
Asher Foods Pvt. Ltd.	-	-	-	-	0.94	-	0.94	-
Loan taken repaid								
Abhidev Consultancy Services Pvt Ltd	-	-	-	-	168.00	-	168.00	-
Asher Foods Pvt. Ltd.	-	-	-	-	214.00	-	214.00	-
Loan given repaid								
Mr. Anurag Chaturvedi	-	-	2.98	2.93	-	-	2.98	2.93
Interest income received								
Mr. Anurag Chaturvedi	-	-	2.52	2.83	-	-	2.52	2.83
Remuneration								
Mr. Amitabh Chaturvedi	220.06	153.25	-	-	-	-	220.06	153.25
Mr. Rajeev Deoras	91.70	85.80	-	-	-	-	91.70	85.80
Mr. Sabyasachi Rath	84.13	72.98	-	-	-	-	84.13	72.98
Mrs. Sonal Vira	46.13	40.98	-	-	-	-	46.13	40.98
Mrs. Meghana Lale (w.e.f 03.02.2025)	10.54	-	-	-	-	-	10.54	-
Ms. Ruchi Nishar	7.97	6.74	-	-	-	-	7.97	6.74
Mr. Souvik DasGupta	57.03	54.18	-	-	-	-	57.03	54.18
Ms. Mrinalini Sahai	12.68	11.84	-	-	-	-	12.68	11.84
Mr. Yatish Ramakant Wadhivkar	-	-	6.32	5.78	-	-	6.32	5.78
Mr. Ramesh Kumar Shukla	-	-	15.33	13.28	-	-	15.33	13.28
Ms. Prity Vishwakarama	-	1.22	-	-	-	-	-	1.22
Mr. Varun Newatia	-	5.50	-	-	-	-	-	5.50
Mr. Lalit Kumar Tapadia	-	5.50	-	-	-	-	-	5.50
Ms. Anita Kejriwal	-	2.62	-	-	-	-	-	2.62

Notes forming the parts of financial statements

Details of related party transactions during the year ended 31 March, 2025 and balances outstanding as at 31 March, 2025:								
Particulars	Promoters / Promoter Group / Director & (KMP)		Relatives of Promoters / Promoter Group / Director & (KMP)		Entities in which Promoters / Promoter Group / Director & KMP and their relatives can exercise significant influence		Total	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024
Ex-gratia expense								
Mr. Yatish Ramakant Wadhivkar	-	-	-	2.00	-	-	-	2.00
Mr. Ramesh Kumar Shukla	-	-	-	2.00	-	-	-	2.00
Issue of Non Convertible Debenture								
M K Investment Consultancy Pvt. Ltd.	-	-	-	-	500.00	-	500.00	-
Mrs.Mehek Anil Kumar	-	-	-	100.00	-	-	-	100.00
Mr. Sanjeev Kumar	-	-	-	200.00	-	-	-	200.00
Mrs. Kajal Sanjeev Kumar	-	-	-	200.00	-	-	-	200.00
Mr. Anil Prithviraj Kumar	-	-	500.00	-	-	-	500.00	-
Interest Paid on Non Convertible Debenture								
Mrs.Mehek Anil Kumar	-	-	12.00	6.18	-	-	12.00	6.18
Mr. Sanjeev Kumar	-	-	24.00	12.56	-	-	24.00	12.56
Mrs. Kajal Sanjeev Kumar	-	-	24.00	11.84	-	-	24.00	11.84
Mr. Anil Prithviraj Kumar	-	-	46.40	-	-	-	46.40	-
M K Investment Consultancy Pvt Ltd.	-	-	-	-	43.84	-	43.84	-
Outstanding balances as at year end								
Director sitting fees payable								
Mr. Suresh Sallian	-	0.09	-	-	-	-	-	0.09
Mr. Aniesh Kumar K	-	0.09	-	-	-	-	-	0.09
Non Convertible Debenture								
Mrs.Mehek Anil Kumar	-	-	100.00	100.00	-	-	100.00	100.00
Mr. Sanjeev Kumar	-	-	200.00	200.00	-	-	200.00	200.00
Mrs. Kajal Sanjeev Kumar	-	-	200.00	200.00	-	-	200.00	200.00
Mr. Anil Prithviraj Kumar	-	-	500.00	-	-	-	500.00	-
M K Investment Consultancy Pvt. Ltd.	-	-	-	-	500.00	-	500.00	-
Loans given								
Mr. Anurag Chaturvedi	-	-	22.40	25.41	-	-	22.40	25.41

Notes forming the parts of financial statements

Note - 39:Leases

(Rs in lakhs)

The Company's lease asset primarily consist of leases for buildings for branch offices having the various lease terms. The operating lease agreements are ranging for a period 11 to 60 months. There are no restrictions imposed by lease arrangements.

(i) Right of use assets

The Balance sheet shows the following amounts relating to leases

Right-of-use assets	
Particulars	Building
Gross Block	
As at April 01, 2023	218.54
Additions	119.54
Disposals	(21.19)
As at March 31, 2024	316.89
As at April 01, 2024	316.89
Additions	264.65
Disposals	(172.05)
As at 31st March 2025	409.49

Accumulated depreciation and impairment	
Particulars	Building
As at April 01, 2023	39.75
Charge for the year	74.78
Charge on disposals	(7.50)
As at March 31, 2024	107.03
As at April 01, 2024	107.03
Charge for the year	117.11
Disposals	(85.48)
As at 31st March 2025	138.65
Net carrying amount as at March 31, 2024	209.86
Net carrying amount as at March 31, 2025	270.83

The Company has not revalued any of its Right-of-use assets during the year ended March 31, 2025 and year ended March 31, 2024. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/ reversals is Nil.

Notes forming the parts of financial statements

(ii)	Lease liabilities and the movements during the year:		
	Particulars	As at 31st March 2025	As at March 31, 2024
	Balance as at beginning of current/previous financial year	221.28	182.68
	Additions during the year	256.30	116.10
	Interest on finance lease liabilities	23.29	18.85
	Repayment of interest portion of lease liability	(23.29)	(18.85)
	Repayment of principal portion of lease liability	(100.71)	(62.78)
	Derecognised during the year	(96.41)	(14.72)
	Balance as at end of current/previous financial year	280.47	221.28
(iii)	Current and Non Current Lease liabilities		
	Particulars	As at 31st March 2025	As at March 31, 2024
	Current Lease Liabilities	126.43	82.13
	Non-Current Lease liabilities	154.04	139.15
(iv)	Maturity analysis of lease liabilities		
	Particulars	As at 31st March 2025	As at March 31, 2024
	Less than 1 year		
	Gross value	144.76	97.40
	Less - Unamortised interest	(18.33)	(15.27)
	More than one year less than 5 years		
	Gross value	170.03	148.83
	Less - Unamortised interest	(15.98)	(9.68)
	More than 5 years		
	Gross value	-	-
	Less - Unamortised interest	-	-
	Total	280.47	221.28
(v)	Amounts recognised in the Statement of Profit and Loss		
	Particulars	As at 31st March 2025	As at March 31, 2024
	Depreciation charge of right-of-use assets	117.11	74.78
	Finance expense on lease liabilities	23.29	18.85
	Expense relating to leases of low-value assets and short-term leases	11.69	5.11
	Profit/loss on disposal of lease liability	(13.00)	(1.55)
	Total amount recognised in statement of profit and loss	139.09	97.19
(vi)	The weighted average incremental borrowing rate applied to lease liabilities is 9%		

Note - 40: Other receivables		
Particulars	As at 31st March 2025	As at March 31, 2024
Other receivables considered good - secured	-	-
Other receivables considered good - unsecured *	4.78	0.7
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	-	-
Gross carrying amount	4.78	0.7
Less: Allowances for impairment loss on other receivables considered good - unsecured	-	-
Less: Allowances for impairment loss on other receivables which have significant increase in credit risk	-	-
Less: Allowances for impairment loss on credit impaired other receivables	-	-
Net carrying amount	4.78	0.7
There are no dues from Directors or other officers of the Company or any firm or private company in which any Director is a partner, a Director or a member.		

Notes forming the parts of financial statements

Note - 41:Ageing schedule for trade payables and trade receivables

Trade Payables ageing schedule						(Rs in lakhs)
Particulars	as at 31st March 2025					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	6.09		-	-	6.09
(ii) Others	-	25.01	0.53	-	-	25.54
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Particulars	as at 31st March 2024					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	3.00	-	-	-	3.00
(ii) Others	-	20.31	0.69	0.16	-	21.16
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Trade Receivables ageing schedule						
Particulars	as at 31st March 2025					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	4.02	2.29	-	-	-	6.31
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables considered doubtful	-	-	-	-	-	-
Total	-	-	-	-	-	-

Particulars	as at 31st March 2024					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	-	-	-	-	-	-
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables considered doubtful	-	-	-	-	-	-
Total	-	-	-	-	-	-

Notes forming the parts of financial statements

Note - 42: Maturity analysis of assets and liabilities:

(Rs in lakhs)						
Particulars	as at 31st March 2025			as at 31st March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	1,658.43	3.00	1,661.43	326.53	-	326.53
Bank balance other than (a) above			-			-
Receivables:						
i) Trade Receivables	6.31	-	6.31			-
ii) Other Receivables	4.78	-	4.78	0.70		0.70
Loans	838.37	8,159.84	8,998.21	269.48	2,779.01	3,048.50
Investments	-	79.00	79.00		89.44	89.44
Other Financial Assets	44.43	147.94	192.37	-	38.49	38.49
Non Financial assets						
Current Tax Assets (Net of provisions)	6.66	-	6.66	5.48		5.48
Deferred Tax Assets (Net)	-	1,057.05	1,057.05	-	558.43	558.43
Property, Plant & Equipment	-	393.24	393.24	-	305.21	305.21
Goodwill	-	2,682.58	2,682.58	-	2,682.58	2,682.58
Other Intangible Assets	-	136.38	136.38	-	125.58	125.58
Other Non Financial Assets	221.75	-	221.75	206.52	-	206.52
Total assets	2,780.73	12,659.04	15,439.76	808.71	6,578.73	7,387.44

Particulars	as at 31st March 2025			as at 31st March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial liabilities						
Financial Liabilities						
Payables						
i) Trade Payables						-
ii) total outstanding dues of MSME	6.09		6.09	3.00	-	3.00
iii) total outstanding dues of other creditors	25.01	0.53	25.54	21.16	-	21.16
ii) Other Payables						
i) total outstanding dues of MSME			-			-
ii) total outstanding dues of other creditors	30.68	-	30.68	24.60	-	24.60
Debt Securities	1,000.00	500.00	1,500.00	-	500.00	500.00
Borrowings	1,746.89	3,951.45	5,698.34	403.09	1,309.74	1,712.82
Lease Liabilities	126.43	154.04	280.47	82.13	139.15	221.28
Other Financial Liabilities	11.09	-	11.09	13.63		13.63
Non Financial liabilities						
Provision	65.72	54.96	120.68	5.26	22.67	27.92
Other Non Financial Liabilities	53.96	-	53.96	30.06		30.06
Current Tax Liabilities (Net)	-	-	-	-	-	-
Deferred Tax Liabilities (Net)	-	-	-	-	-	-
Total liabilities	3,065.87	4,660.97	7,726.84	582.92	1,971.55	2,554.48
Net	(285.14)	7,998.07	7,712.92	225.78	4,607.17	4,832.96

Notes forming the parts of financial statements

Note - 43A: Financial Assets and Financial Liabilities

(Rs in lakhs)

Category-wise classification for applicable financial assets and financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Financial assets at fair value through profit and loss		
Investments	79.00	89.44
	79.00	89.44
(ii) Financial assets and liabilities (at amortised cost)		
Financial assets		
Cash and Cash Equivalents	1,661.43	326.53
Other Bank balance	-	-
Trade Receivables	6.31	-
Other Receivables	4.78	0.70
Loans	8,998.21	3,048.50
Other Financial assets	192.37	38.49
Total financial assets	10,863.10	3,414.21
Financial liabilities		
Trade payables	31.63	24.16
Other payables	30.68	24.60
Debt securities	1,500.00	500.00
Borrowings	5,698.34	1,712.82
Lease liabilities	280.47	221.28
Other financial liabilities	11.09	13.63
Total financial liabilities	7,552.20	2,496.49

Fair value of financial assets and financial liabilities measured at amortised cost:				
Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and Cash Equivalents	1,661.43	1,661.43	326.53	326.53
Other Bank balance	-	-	-	-
Trade Receivables	6.31	6.31		
Other Receivables	4.78	4.78	0.70	0.70
Loans	8,998.21	8,998.21	3,048.50	3,048.50
Other Financial assets	192.37	192.37	38.49	38.49
Total financial assets	10,863.10	10,863.10	3,414.21	3,414.21
Financial liabilities				
Trade payables	31.63	31.63	24.16	24.16
Other payables	30.68	30.68	24.60	24.60
Debt securities	1,500.00	1,500.00	500.00	500.00
Borrowings	5,698.34	5,698.34	1,712.82	1,712.82
Lease liabilities	280.47	280.47	221.28	221.28
Other financial liabilities	11.09	11.09	13.63	13.63
Total financial liabilities	7,552.20	7,552.20	2,496.49	2,496.49

The fair value of cash and cash equivalents, trade receivables, other receivables receivables, loans, other financial assets, trade payables, other payables, other financial liabilities approximate their carrying amount largely due to the short-term nature of these instruments.

Notes forming the parts of financial statements

Note - 43B: Fair value hierarchy for assets and liabilities

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 under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

i) Level 1

Quoted (unadjusted) prices in active markets for identical assets or liabilities.

i) Level 2

Other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly.

i) Level 3

Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amount and fair value measurement hierarchy for financial assets (at fair value) as at 31st March 2025 is as follow:						
Particulars	Carrying value	Fair value	Fair value measurement using			
			Quoted prices	Significant observable inputs	Significant unobservable inputs	Total
			Level 1	Level 2	Level 3	
Financial assets at fair value through profit and loss						
Investments						
- Mutual Funds	-	-	-	-	-	-
- Equity instruments	79.00	79.00	-	79.00	-	79.00
- Others			-	-		-
Total	79.00	79.00	-	79.00	-	79.00

The carrying amount and fair value measurement hierarchy for financial assets (at fair value) as at 31st March 2024 is as follow:						
Particulars	Carrying value	Fair value	Fair value measurement using			
			Quoted prices	Significant observable inputs	Significant unobservable inputs	Total
			Level 1	Level 2	Level 3	
Financial assets at fair value						
Investments						
- Mutual Funds	-	-	-	-	-	-
- Equity instruments	89.44	89.44	-	89.44	-	89.44
- Others	-	-	-	-	-	-
Total	89.44	89.44	-	89.44	-	89.44

Investments measured using significant observable data under level 2 are based on valuation report obtained from external valuer.

Notes forming the parts of financial statements

Note - 44: Risk management :

I. Risk management framework:

The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of all its stakeholders and at the same time minimise potential adverse effects on its financial performance. The Company places emphasis on risk management practices to ensure an appropriate balance between risks and returns.

The Company is exposed to credit risk, market risk and liquidity risk. The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

A Credit risk

Credit risk is the risk of loss resulting from the failure of a borrower or counter party to honour its financial or contractual obligations. Credit risk arises in the company's direct lending operations, and in its funding and investment activities where counterparties have repayment or other obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets.

The company lays down various monitoring process for Macro Economic factor analysis, industry analysis, portfolio analysis and account level analysis to control delinquencies. The company implements robust portfolio monitoring approach and various tools to have a close monitoring of the portfolio.

ECL Methodology

The Company records allowance for expected credit losses for all financial assets other than FVTPL, together with loan commitments. Equity instruments are not subject to impairment.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition. Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company records allowance based on twelve months ECL.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. The company records allowance for Lifetime ECL.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. The company records allowance for Lifetime ECL.

ECL Calculations

The Company calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. ECL consists of three key components:

Probability of default (PD) :

The probability of default ('PD') is the likelihood that an obligor will default on its obligations in the future. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio

Notes forming the parts of financial statements

Note - 44: Risk management :

(Rs in lakhs)

Exposure At Default ("EAD"):

The amount which the obligor will owe to the Company at the time of default is defined as the exposure at default (EAD). Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

Loss Given Default ("LGD"):

Loss given default estimates the normalised loss which company incurs post customer default. It is computed through recovery observed in delinquent accounts over a period of time. It is based on the difference between contractual cash flows that are due and expected to be received including from the collateral if any.

Given the company's historically limited and relatively small loan portfolio, along with the absence of adequate and qualitative internal data necessary for reliable computation of Probability of Default (PD) across different stages and Loss Given Default (LGD), the company determines its provisioning requirements by computing provisions under both the RBI's IRAC norms and its internal ECL policy. The company adopts the higher of the two provisions to ensure a prudent and compliant approach.

Reconciliation of loss allowance provision - For loans

Refer note 4 for detailed reconciliation of loan movements and loss allowance provision

In addition to the ECL for loans as prescribed above, the Company also holds other financial assets such as balances with Bank, trade receivables and other financial assets. The Company recognizes ECL on such assets based on the historical loss experience measures (e.g. write off rates / provision g rates) adjusted for expected losses in the future keeping in mind the nature of industry and credit ratings of such counter-parties. The amount is currently not expected to have a significant impact and the company will periodically assess the same.

III. Liquidity risk:

Liquidity risk involves the inability of an entity to fund growth in assets, manage unplanned changes in funding sources and to meet obligations when required. Liquidity risk also arises due to the maturity mismatch associated with assets and liabilities. Cost of such liquidity risk would be in terms of either raising fresh liabilities at higher cost or liquidating its assets at a higher discount rate.

The Company manages its liquidity requirement by analysing the maturity pattern of the Company's cash flow of financial assets and financial liabilities. The Company's policy on liquidity risk is to ensure availability of adequate liquid resources with a view to keep maturity mismatches in the Balance Sheet of the Entity within desired levels. The Company also has lines of credit that it can access to meet liquidity needs.

Notes forming the parts of financial statements

Maturity profiles of Financial Liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(Rs in lakhs)

As at March 31, 2025	Carrying amount	Upto 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years
Financial liabilities						
Trade payables	31.63	31.1	-	-	0.53	
Other payables	30.68	30.68				
Borrowings (other than debt securities)	5,698.34	443.32	393.01	910.56	2,141.92	1,809.53
Debt securities	1,500.00			1,000.00		500
Lease liabilities	280.47	29.98	30.99	65.45	115.88	38.16
Other financial liabilities	11.09	11.09				
Total	7,552.20	546.17	424	1,976.01	2,258.33	2,347.69
As at March 31, 2024	Carrying amount	Upto 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years
Financial liabilities						
Trade payables	24.16	24.16	-	-	-	-
Other payables	24.6	24.6	-	-	-	-
Borrowings (other than debt securities)	1,712.82	70.87	106.89	225.33	309.74	1,000.00
Debt securities	500	-	-	-	-	500
Lease liabilities	221.28	19.28	20.31	42.54	138.94	0.21
Other financial liabilities	13.63	13.63	-	-	-	-
Total	2,496.49	152.54	127.2	267.87	448.68	1,500.21

Notes forming the parts of financial statements

IV. Market risk:

Market risk is the risk of loss from changes in market prices and rates (including interest rates, credit spreads, equity prices, foreign exchange rates, and property rate risk), the correlations among them, and their levels of volatility. The company is predominantly exposed to only interest rate risk & property rate risk and have almost no impact of foreign exchange and commodity prices directly. The company continuously monitors these risks and manages them through appropriate risk limits.

Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows of financial instruments. The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities and assets.

Exposure to Interest Rate Risk

The exposure of the company's financial instruments to interest rate changes at the end of the reporting period are as follows

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Fixed Interest		
Debt Securities	1,500.00	500
Borrowings	800.54	711.89
Loans advanced	8,998.21	3,048.50
Total (*)	11,298.74	4,260.39
Variable interest		
Debt Securities	-	-
Borrowings	4,885.80	1,000.00
Loans advanced	-	-
Total (*)	4,885.80	1,000.00
(*)Excluding interest accrued and amortisation		
Sensitivity analysis		
Particulars	As at March 31, 2025	As at March 31, 2024
Impact on profit before tax for 25bps increase in interest rate	(12.21)	(2.50)
Impact on profit before tax for 25bps decrease in interest rate	12.21	2.5
Impact on P/L upto 1 year, holding all other variables constant		

Notes forming the parts of financial statements

Note - 45: Employee Stock Option Plan:

The Company has formulated Purple Finance Employee Stock Option Schemes, 2022 (ESOP Scheme-2022) as approved by the board of directors at its meeting held on 17th September, 2022. The options allotted under the ESOP Scheme 2022 are vested over a period of four years in the ratio of 25%, 25%, 25% and 25% respectively from the end of 12 months from the date of grant. The stock options are granted at an exercise price of Rs. 33 per share ESOP Scheme 2022. The fair value of the share options was estimated at the grant date using Black Scholes pricing model and, taking into account the terms and conditions upon which the share options were granted.

(Rs in lakhs)

Details of grants under the ESOP Scheme 2022									
Particulars	ESOP Scheme 2022								
	Grant - I	Grant - II	Grant - III	Grant - IV	Grant - V	Grant - VI	Grant - VII	Grant - VIII	Grant - IX
No. of options granted	24,60,000	25,000	5,000	2,60,000	30,000	5,000	5,000	20,000	6,11,000
Date of grant	9/19/2022	3/1/2023	6/1/2023	6/30/2023	8/4/2023	8/9/2023	9/18/2023	10/17/2023	2/29/2024
Exercise price per option	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00
Fair price per option	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting year and conditions	Over the period of 5 years as defined above								

Details of grants under the ESOP Scheme 2022 (Continued)							
Particulars	ESOP Scheme 2022						
	Grant - X	Grant - XI	Grant - XII	Grant - XIII	Grant - XIV	Grant - XV	Grant - XVI
No. of options granted	1,27,000	50,000	1,63,000	25,000	9,000	1,16,000	8,000
Date of grant	5/15/2024	6/15/2024	10/29/2024	11/21/2024	1/31/2025	2/28/2025	3/31/2025
Exercise price per option	33.00	33.00	33.00	33.00	33.00	33.00	33.00
Fair price per option	33.00	33.00	33.00	33.00	33.00	33.00	33.00
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting year and conditions	Over the period of 5 years as defined above						

Notes forming the parts of financial statements

(I) Reconciliation of options outstanding as on 31st March, 2025									
Particulars	ESOP Scheme 2022								
	Grant - I	Grant - II	Grant - III	Grant - IV	Grant - V	Grant - VI	Grant - VII	Grant - VIII	Grant - IX
Options outstanding at April 1, 2024	19,80,000	20,000	5,000	2,60,000	30,000	-	5,000	20,000	6,11,000
Granted during the year	-	-	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-	-	-
Expired / lapsed during the year	-	-	-	-	-	-	-	-	-
Outstanding at March 31, 2025	19,80,000	20,000	5,000	2,60,000	-	-	5,000	20,000	6,11,000
Exercisable at March 31, 2025									
Weighted average remaining contractual life (in years)	1.10	1.44	1.63	1.75	1.85	-	1.97	2.05	2.42

Reconciliation of options outstanding as on 31st March, 2025							
Particulars	ESOP Scheme 2022						
	Grant - X	Grant - XI	Grant - XII	Grant - XIII	Grant - XIV	Grant - XV	Grant - XVI
Options outstanding at April 1, 2024	-	-	-	-	-	-	-
Granted during the year	1,27,000	50,000	1,63,000	25,000	9,000	1,16,000	8,000
Forfeited during the year	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-
Expired / lapsed during the year	-	-	-	-	-	-	-
Outstanding at March 31, 2025	1,27,000	50,000	1,63,000	25,000	9,000	1,16,000	8,000
Exercisable at March 31, 2025	-	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	2.62	2.71	3.08	3.14	3.34	3.42	3.50

Reconciliation of options outstanding as on 31st March, 2024									
Particulars	ESOP Scheme 2022								
	Grant - I	Grant - II	Grant - III	Grant - IV	Grant - V	Grant - VI	Grant - VII	Grant - VIII	Grant - IX
Options outstanding at April 1, 2023	23,50,000	25,000	-	-	-	-	-	-	-
Granted during the year	-	-	5,000	2,60,000	30,000	5,000	5,000	20,000	6,11,000
Forfeited during the year	-	-	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-	-	-
Expired / lapsed during the year	3,70,000	5,000	-	-	-	5,000	-	-	-
Outstanding at March 31, 2025	19,80,000	20,000	5,000	2,60,000	30,000	-	5,000	20,000	6,11,000
Exercisable at March 31, 2025	-	-	-	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	1.97	2.42	2.67	2.75	2.85	-	2.97	3.05	3.42

Notes forming the parts of financial statements

(II) The valuation model used for computing weighted average fair value considering the following inputs: (Rs in lakhs)									
Particulars	ESOP Scheme 2022								
	Grant - I	Grant - II	Grant - III	Grant - IV	Grant - V	Grant - VI	Grant - VII	Grant - VIII	Grant - IX
Dividend yield (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%
Expected volatility (%)	20.96%	20.94%	20.73%	20.73%	20.72%	20.72%	20.72%	20.72%	20.72%
Risk free interest rate (%)	6.59%	6.68%	6.66%	6.66%	6.67%	6.67%	6.67%	6.67%	6.71%
Spot price (₹)	33	33	33	33	33	33	33	33	33
Option fair value (₹)	9.96	10.01	9.96	9.96	9.96	9.96	9.96	9.96	9.98
Exercise Price (₹)	33	33	33	33	33	33	33	33	33
Expected life of options granted (years)	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Model used	Black scholes	Black scholes	Black scholes	Black scholes	Black scholes	Black scholes	Black scholes	Black scholes	Black scholes

The valuation model used for computing weighted average fair value considering the following inputs:							
Particulars	ESOP Scheme 2022						
	Grant - X	Grant - XI	Grant - XII	Grant - XIII	Grant - XIV	Grant - XV	Grant - XVI
Dividend yield (%)	0%	0%	0%	0%	0%	0%	0%
Expected volatility (%)	14.64%	15.07%	34.76%	34.36%	33.44%	33.40%	33.25%
Risk free interest rate (%)	6.77%	6.80%	6.89%	6.91%	6.95%	6.94%	6.96%
Spot price (₹)	33	33	49.88	45.55	56.25	53.26	57.64
Option fair value (₹)	8.23	8.32	26.33	22.39	32.08	29.27	33.37
Exercise Price (₹)	33	33	33	33	33	33	33
Expected life of options granted (years)	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Model used	Black scholes	Black scholes	Black scholes	Black scholes	Black scholes	Black scholes	Black scholes

(III)	The expense recognised for employee service received during the year is shown in the following table:		
	Particulars	Year ended	
		31st March 25	31st March 24
	Share based payment to employees	65.58	41.68
		65.58	41.68

Note - 46: Capital Management

The Company complies with externally imposed capital requirements from its regulators and maintains healthy capital ratios in order to support its business. Further the company maintains diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.

Notes forming the parts of financial statements

Note - 47: Changes in liabilities arising from financing activities					(Rs in lakhs)
Particulars	As at 31st March 2024	Cash flows	Change in fair values	Others	As at 31st March 2025
Debt Securities	500.00	1,000.00	-	-	1,500.00
Borrowings	1,712.82	3,985.52	-	-	5,698.34
Lease liabilities	221.28	(123.99)	-	183.18	280.47
Total	2,434.11	4,861.52	-	183.18	7,478.81

Particulars	As at 31st March 2024	Cash flows	Change in fair values	Others	As at 31st March 2025
Debt Securities	-	500.00	-	-	500.00
Borrowings	29.64	1,683.18	-	-	1,712.82
Lease liabilities	182.68	19.75	-	18.85	221.28
Total	212.33	2,202.93	-	18.85	2,434.11

Note - 48: Transfer of Financial assets		
Transferred financial assets that are derecognised in their entirety		
The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's balance sheet. The table below summarises the carrying amount of the derecognised financial assets :		
Particulars	Year ended	
	31st March 25	31st March 24
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	743.93	-
Carrying amount of exposures retained by the Company at amortised cost	82.66	-

Notes forming the parts of financial statements

Note - 49: Additional regulatory information

(Rs in lakhs)

49.1	Loans or Advances	Current year		Previous year	
	Type of Borrower	Amount outstanding	Percentage to the total	Amount outstanding	Percentage to the total
	Promoters	-	-	-	-
	Directors	-	-	-	-
	KMPs	-	-	-	-
	Related parties	22.4	0.25%	25.41	0.83%

49.2 Title deeds of immovable properties not held in name of the Company

The Company does not own any immovable properties.

49.3 Valuation of Property, Plant and Equipment

The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

49.4 Details of Benami property

No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

49.5 Borrowing from banks

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts

49.6 Willful defaulter

The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

49.7 Relationship with struck off companies

The company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during the previous year.

49.8 Registration of charges or satisfaction with Registrar of Companies

The Company has taken the working capital loan and created the charge on loan portfolios (as "hypothecated assets") which needs to be registered with Registrar of Companies.

49.9 Compliance with number of layers of companies

The Company has not created any layer of investments as prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

49.10 Utilisation of borrowed funds and share premium

The Group, as part of its normal business, grants loans and advances, makes investment. These transactions are part of Group's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements. Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has also not received any fund from any parties (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes forming the parts of financial statements

49.11 Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

49.12 Corporate Social Responsibility (CSR)

The company is not covered under section 135 of the Companies Act, 2013

49.13 Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Notes forming the parts of financial statements

Note - 50: Analytical Risk

Sr.	Ratios	Numerator	Denominator	Current period	Pervious period	% Variances	Reasons for variance
1	Capital to risk-weighted assets ratio (CRAR)	Tier 1 Capital + Tier 2 Capital	Risk-Weighted Assets	50.69%	98.44%	48.51%	Variance is due to increase in risk weighted asset during the year on account of increase in loans advanced
2	Tier I CRAR	Tier 1 Capital	Risk-Weighted Assets	37.62%	48.65%	22.69%	-
3	Tier II CRAR	Tier 2 Capital	Risk-Weighted Assets	13.07%	49.78%	73.75%	Variance is due to increase in risk weighted asset during the year on account of increase in loans advanced
4	Liquidity Coverage Ratio.	RBI has issued guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, LCR requirement is binding on all non-deposit taking systemically important NBFCs with asset size of ₹ 10,000 crore and above w.e.f. December 1, 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024, as per the timeline given in the guidelines. Since, Purple Finance Limited does not fall under criteria, the said is not applicable					

Notes forming the parts of financial statements

Note - 51: Disclosures in Financial Statements- Notes to Accounts of NBFCs

[A] Exposure

1) Exposure to real estate sector

		(Amount in ₹ Lakhs)	
Sr. No.	Category	Current year	Previous Year
i)	Direct exposure		
a)	Residential Mortgages –	9,062.40	3,023.16
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.		
b)	Commercial Real Estate –	-	-
	Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.		
c)	Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i.	Residential	-	-
ii.	Commercial Real Estate	-	-
ii)	Indirect Exposure		
	Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
	Total Exposure to Real Estate Sector	9,062.40	3,023.16

2) Exposure to capital market

		(Amount in ₹ Lakhs)	
Sr. No.	Particulars	Current Year	Previous Year
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	79	89.44
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii)	Bridge loans to companies against expected equity flows / issues	-	-
viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix)	Financing to stockbrokers for margin trading	-	-
x)	All exposures to Alternative Investment Funds:		
(i)	Category I	-	-
(ii)	Category II	-	-
(iii)	Category III	-	-
	Total exposure to capital market	79	89.44

Notes forming the parts of financial statements

3) Sectoral exposure							
(Amount in ₹ Lakhs)							
Sr. no.	Sectors	Current Year			Previous Year		
		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	2,354.15	30.6	1.30%	918.56	-	0.00%
2	Industry						
i.	Micro & Small	-	-	0.00%	11.75	-	0.00%
ii.	Medium	-	-	0.00%	-	-	0.00%
	Others	-	-	0.00%	-	-	0.00%
	Total of Industry (i + ii + Others)	-	-	0.00%	11.75	-	0.00%
3	Services						
i.	Retail & Other Trader	4,348.59	40.53	0.93%	1,222.67	-	0.00%
ii.	Professional	1,936.10	-	0.00%	729.77	-	0.00%
	Others	427.56	-	0.00%	140.41	-	0.00%
	Total of Services (i + ii + Others)	6,712.25	40.53	0.93%	2,092.85	-	0.00%
4	Personal Loans						
i.	Individual - HUF	-	-	0.00%	-	-	0.00%
ii.	Individual	22.2	-	0.00%	32.52	7.34	0.00%
	Total of Personal Loans (i + ii + Others)	22.2	-	0.00%	32.52	7.34	0.00%
5	Others, if any	-	-	0.00%	-	-	0.00%
	(please specify)						

Note:

i. The disclosures as above shall be based on the sector-wise and industry-wise bank credit (SIBC) return submitted by scheduled commercial banks to the Reserve Bank and published by Reserve Bank as 'Sectoral Deployment of Bank Credit'.

ii. In the disclosures as above, if within a sector, exposure to a specific sub-sector/industry is more than 10 per cent of Tier I Capital of a NBFC, the same shall be disclosed separately within that sector. Further, within a sector, if exposure to specific sub-sector/industry is less than 10 per cent of Tier I Capital, such exposures shall be clubbed and disclosed as "Others" within that sector.

4) Intra-group exposures				
		(Amount in ₹ Lakhs)		
Sr. No.	Particulars		Current Year	Previous Year
i)	Total amount of intra-group exposures		22.4	25.18
ii)	Total amount of top 20 intra-group exposures		22.4	25.18
iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers		0.25%	0.83%
5) Unhedged foreign currency exposure				
Sr. No.	Particulars		Current Year	Previous Year
i)	Unhedged foreign currency exposure		Nil	Nil

Notes forming the parts of financial statements

[B] Related Party Disclosure																	
(Amount in ₹ lakhs)																	
Sr. No.	Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel@		Relatives of Key Management Personnel@		Key Management Directors & Others		Others*		Total	
		Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous Year	Current year	Previous year
	Items																
i)	Borrowings#	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii)	Deposits#	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii)	Placement of deposits#	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv)	Advances#	-	-	-	-	-	-	-	-	-	-	22.4	25.41	-	-	22.4	25.41
	Maximum balance of Advances	-	-	-	-	-	-	-	-	-	-	25.41	28.11	-	-	25.41	28.11
v)	Investments#	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi)	Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vii)	Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
viii)	Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ix)	Interest received	-	-	-	-	-	-	-	-	-	-	2.52	2.83	-	-	2.52	2.83
x)	Others*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes forming the parts of financial statements

[C] Disclosure of complaints			
1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman			
Sr. No.	Particulars	Current Year	Previous Year
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	-	-
2	Number of complaints received during the year	7	1
3	Number of complaints disposed during the year	6	1
	3.1. Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	1	-
-	Maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
	5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
	5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
	5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6*	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-
Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.			
* It shall only be applicable to NBFCs which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021			

2) Top five grounds of complaints received by the NBFCs from customers						
Sr. No.	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						
1	Ground - 1 (Disbursement & Cancellation of loan)	-	1	-	-	-
2	Ground - 2 (Reporting to CIC)	-	6	-	1	-
3	Ground - 3	-	-	-	-	-
4	Ground - 4	-	-	-	-	-
5	Ground - 5	-	-	-	-	-
6	Others	-	-	-	-	-
	Total	-	7	-	1.00	-
Previous Year						
1	Ground - 1	-	1	-	-	-
2	Ground - 2	-	-	-	-	-
3	Ground - 3	-	-	-	-	-
4	Ground - 4	-	-	-	-	-
5	Ground - 5	-	-	-	-	-
6	Others	-	-	-	-	-
	Total	-	1	-	-	-

Notes forming the parts of financial statements

(Rs in lakhs)

Note - 52: Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 19 of "Non-Banking Financial Company - Non-Systemically Important Non Deposit taking Company (Reserve Bank) Directions, 2016".

	Particulars	Amount Outstanding		Amount Overdue	
		31.03.2025	31.03.2024	31.03.2025	31.03.2023
(1)	Liabilities side :				
	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
	(a) Debentures :				
	(i) Secured :	-	-	-	-
	(ii) Unsecured	1,500.00	500	-	-
	(other than falling within the meaning of public deposits*)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	5,598.34	1,712.82	-	-
	(d) Inter-corporate loans and borrowing	100	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Public Deposits*	-	-	-	-
	(f) Other Loans - Loans from Directors	-	-	-	-

		Amount Outstanding	
		31.03.2025	31.03.2024
(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	-	-
	(a) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-

(3)	Assets side :	Amount Outstanding	
		31.03.2025	31.03.2024
	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	(a) Secured	9,000.87	3,000.14
	(b) Unsecured	26.4	56.76

(4)	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities	Amount Outstanding	
		31.03.2025	31.03.2024
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-

Notes forming the parts of financial statements

(Rs in lakhs)

(5)	Break-up of Investments :	31.03.2025	31.03.2024
	Current Investments		
	1 <u>Quoted :</u>		
	(i) Shares	-	-
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2 <u>Unquoted :</u>		
	(i) Shares	-	-
	(a) Equity	-	-
	(b) Preference	-	-
(5)	Break-up of Investments :	31.03.2025	31.03.2024
	Current Investments		
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	Long Term Investments :		
	1 <u>Quoted :</u>		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2 <u>Unquoted :</u>		
	(i) Shares		
	(a) Equity	79	89.44
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)		
	(a) Investments in Annuities in Senior Secured Estate Transa	-	-

Notes forming the parts of financial statements

(Rs in lakhs)

(6)		Borrower group-wise classification of assets financed as in (3) and (4) above :						
Particulars			Amount net of provisions					
			Secured		Unsecured		Total	
			As at 31st Mar 2025	As at 31st Mar 2024	As at 31st Mar 2025	As at 31st Mar 2024	As at 31st Mar 2025	As at 31st Mar 2024
	1	Related Parties **						
	(a)	Subsidiaries	-	-	-	-	-	-
	(b)	Companies in the same group	-	-	-	-	-	-
	(c)	Other related parties	-	-	26.34	25.34	26.34	25.34
	2	Other than related parties	8,971.87	2,991.89	-	31.26	8,971.87	3023.15
Total			8,971.87	2,991.89	26.34	56.6	8,998.21	3,048.49

(7)		Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):				
Particulars			Market Value / Break up Value / Fair Value / NAV		Book Value (Net of provisions)	
			As at 31st Mar 2025	As at 31st Mar 2024	As at 31st Mar 2025	As at 31st Mar 2024
	1	Related Parties **				
	(a)	Subsidiaries	-	-	-	-
	(b)	Companies in the same group	-	-	-	-
	(c)	Other related parties	-	-	-	-
	2	Other than related parties	79	89.44	79	89.44
Total			79	89.44	79	89.44

**** As per Accounting Standard of ICAI**

Notes :

1 Market Value/Break up Value or Fair Value or NAV is taken at the book value of unquoted shares as certified by the management

2 Companies in the same group have been considered to mean companies under the same management

(7)A		Disclosure as per Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 as amended:					
		Details of transfer through assignment in respect of loans not in default during the financial year ended March 31, 2025 and March 31, 2024:					
		Particulars				As at 31st Mar 2025	As at 31st Mar 2024
		Count of loans accounts assigned				173	-
		Amount of loan accounts assigned (Rs. in lakhs)				826.59	-
		Weighted average maturity (in months)				72.19	-
		Weighted average holding period (in months)				12.65	-
		Retention of beneficial economic interest				10.00%	0.00%
		Coverage of tangible security				100.00%	0.00%
		Rating wise distribution of rated loans				Not rated	Not rated

Notes forming the parts of financial statements

(Rs in lakhs)

(7)B Disclosure of restructured accounts as required by RBI NBFC Master Direction						
Sr no.	Type of Restructuring	Others				Total
	Asset Classification	Standard	Sub-Standard	Doubtful	Loss	
1	Restructured Accounts as on April 1, 2024					
	a. No. of borrowers	-	-	-	-	-
	b. Amount outstanding	-	-	-	-	-
	c. Provision thereon	-	-	-	-	-
2	Fresh restructuring during the year					
	a. No. of borrowers	1	-	-	-	1
	b. Amount outstanding	6.21	-	-	-	6.21
	c. Provision thereon	0.61	-	-	-	0.61
3	Upgradations to restructured standard category during the FY					
	a. No. of borrowers	-	-	-	-	-
	b. Amount outstanding	-	-	-	-	-
	c. Provision thereon	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY					
	a. No. of borrowers	-	-	-	-	-
	b. Amount outstanding	-	-	-	-	-
	c. Provision thereon	-	-	-	-	-
5	Down gradations of restructured accounts during the FY					
	a. No. of borrowers	-	-	-	-	-
	b. Amount outstanding	-	-	-	-	-
	c. Provision thereon	-	-	-	-	-
6	Write-offs/Recovery of restructured accounts during the FY					
	a. No. of borrowers	-	-	-	-	-
	b. Amount outstanding	-	-	-	-	-
	c. Provision thereon	-	-	-	-	-
7	Restructured Accounts as on March 31, 2025					
	a. No. of borrowers	1	-	-	-	1
	b. Amount outstanding	6.21	-	-	-	6.21
	c. Provision thereon	0.61	-	-	-	0.61

Notes forming the parts of financial statements

(7)C The company has co-lending arrangement with partners for AUM Rs 607.47 lakhs as at 31 March 2025 of which the Company's share is Rs. 131.88 lakhs. These are standard performing assets

(8)	Other information		
	Particulars	As at 31st Mar 2025	As at 31st Mar 2024
(i)	Gross Non-Performing Assets		
(a)	Related parties	-	-
(b)	Other than related parties	67.45	5
(ii)	Net Non-Performing Assets		
(a)	Related parties	-	-
(b)	Other than related parties	60.79	4.99
(iii)	Assets acquired in satisfaction of debt	-	-

In the opinion of the board, current assets, loans & advances have value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the accounts.

Note - 53: Figures of the previous year have been regrouped, reclassified and recast, wherever necessary to conform to current year's classification

As per our report of even date

For Jogin Raval & Associates
Chartered Accountants

ICAI's firm Registration Number: 128586W

For and on behalf of the Board of Directors of

For Purple Finance Limited

(CIN: L67120MH1993PLC075037)

CA Jogin Raval

Proprietor

Membership No.: 122197

Place : Mumbai

Date : 21st April, 2025

UDIN: 25122197BMJPIG9813

Amitabh Chaturvedi

Executive Chairman

(DIN: 00057441)

Rajeev Deoras

Director

(DIN: 02879519)

Meghana Lale

Chief Financial Officer

Sabyasachi Rath

Chief Executive Officer

Ruchi Nishar

(Membership No. A68260)

Company Secretary



Registered office

11, Indu Chambers, 349/353
Samuel Street, Masjid Bunder West
Mumbai – 400003
CIN: L67120MH1993PLC075037

Corporate office

705/706, Hallmark Business Plaza
Sant Dnyaneshwar Marg
Opp. Gurunanak Hospital
Bandra (E), Mumbai – 400 051