

## Independent Auditor's Report

To the Members of Magenta Finance Services Private Limited

Report on the Audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of Magenta Finance Services Private Limited ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2024, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 ("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 Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Company as at 31<sup>st</sup> March 2024, and its Loss and its cash flow for the year ended on that date.

### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information other than the financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Financial Statements

5. 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 and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the guidelines issued by Reserve Bank of India (RBI). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the

accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

8. 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

12. As required by the Companies (Auditor's Report) Order, 2020s ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. Further to our comments in Annexure A, 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 financial statements dealt with by this report are in agreement with the books of account;
  - d) In the opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under sec 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2024 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) The Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable
  - 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 ;
    - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - IV.
      - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, 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 have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
      - c) In our opinion and based on the audit procedures we have considered reasonable and appropriate in the

circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- V. The Board of directors of the company have proposed final dividend for the Financial Year 23-24. which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable. The final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with section 123 of the Act to the extent applies to payment of dividend.

14. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (Edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

**Place: Noida**  
**Date: 28-09-2024**

**For V NAGARJAN & CO.**  
**Chartered Accountants**  
**FRN.: 004879N**

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**Sandeep Sharma**  
**Partner**  
**M. No.: 525361**  
**UDIN: 24525361BKCUHI5755**

**Annexure A to the Independent Auditor's Report of even date to the members of Magenta Finance Service Private Limited , on the financial statements for the year ended 31<sup>st</sup> March 2024**

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, and to the best of our knowledge and belief, we report that:

- 1) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.  
  
(b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regards to the size of the Company and nature of its assets.  
  
(c) According to the information and explanations given by the management, the Company does not own any immovable property. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.  
  
(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.  
  
(e) According to the information and explanations given by the management, 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 rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- 2) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii) (a) of the Order is not applicable to the Company.  
  
(b) The Company has not been sanctioned working capital limits in excess of five crore rupees by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii) (b) of the Order is not applicable to the Company.
- 3) The Company is a non-deposit taking non-banking financial company ("NBFC") registered with the Reserve Bank of India ("RBI"). During the year, in the ordinary course of its business, the Company has granted loans and advances in the nature of loans, unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such investments, guarantees / security and loans and advances:
  - (a) As the principal business of the Company is to give loans, the paragraph 3(iii)(a) of the Order is not applicable to the Company;
  - (b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.
  - (c) In respect of the loans/ advances in nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a non-banking financial company engaged in the business of micro finance lending, the borrower wise details of the amount, due date for payment and extent of delay have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognized necessary provisions in accordance with the principles of Accounting Standards (AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition

and Asset Classification (which has been disclosed by the Company in Note 19 and 38 to the financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

- (d) In respect of the loans/ advances in nature of loans, the total amount overdue for more than ninety days as at 31<sup>st</sup> March 2024 is Rs. 40.68 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.
  - (e) The Company involved in the business of giving loans. Accordingly, provision stated in paragraph 3(iii) (e) of the Order are not applicable to the Company.
  - (f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.
- 4) In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- 5) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- 6) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- 7) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause(a) which have not been deposited with the appropriate authorities on account of any dispute.
- 8) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- 9) (a) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or debenture holders. The Company has not made any borrowings from the government during the year.
- (b) According to the information and explanations given to us including confirmations received from banks/ financial institution and/or other lenders and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination

of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies

- 10) (a) According to the information and explanations given by the management, The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

- 11) (a) Based upon the information and explanations given by the management, we report that no material fraud by the company or its employees or officers has been noticed or reported during the year.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanation given to us and based on our audit procedures, no whistle blower complaints were received by the Company during the year (up to the date of this report).

- 12) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

- 13) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable AS.

- 14) (a) According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act. However, the Company has an internal audit system which, in our opinion, is commensurate with the size and nature of the business.

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

- 15) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

- 16) (a) According to the information and explanations given to us, we report that the Company is registered as required, under the provisions of Section 45-IA of the Reserve Bank of India Act, 1934.

(b) According to the information and explanations given to us, the Company has conducted Non-Banking Financial activities during the year under a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

- 17) The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- 18) There has been no resignation of the statutory auditor during the year. Accordingly, reporting under clause 3(xviii) of the order is not applicable to the company.
- 19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- 20) According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.
- 21) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**Place: Noida**  
**Date: 28-09-2024**

**For V NAGARJAN & CO.**  
**Chartered Accountants**  
**FRN.: 004879N**

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**Sandeep Sharma**  
**Partner**  
**M. No.: 525361**  
**UDIN: 24525361BKCUHI5755**



**Annexure B to the Independent Auditor's Report on the Financial Statement of Magenta Finance Service Private Limited for the year ended 31<sup>st</sup> March, 2024.**

Independent Auditor's report on the Internal Financial Controls with reference to the aforesaid Financial Statement Under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the financial statements of Magenta Financial Service Private Limited ("the Company") as of and for the year ended 31<sup>st</sup> March 2024, we have audited the internal financial controls over financial reporting (IFCoFR) of the company as of 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 Instituted of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit,

We conducted our audit in accordance with the Guidance Note on Audit of Internals Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under section 143(10) of the Act, 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**

A 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

- a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- b. 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
- c. 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, 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 31<sup>st</sup> March 2024, 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 ICAI.

**Place: Noida**  
**Date: 28-09-2024**

**For V NAGARJAN & CO.**  
**Chartered Accountants**  
**FRN.: 004879N**

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**Sandeep Sharma**  
**Partner**  
**M. No.: 525361**  
**UDIN: 24525361BKCUIH5755**

**MAGENTA FINANCE SERVICES PRIVATE LIMITED**

CIN:U65191DL2010PTC289124

*(All amounts in INR lakhs, unless otherwise stated)*

Balance Sheet as at	Note No.	31-Mar-24	31-Mar-23
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	600.00	600.00
Reserves and surplus	3	173.66	175.40
<b>Total of Shareholders' Funds</b>		<b>773.66</b>	<b>775.40</b>
<b>Non-Current liabilities</b>			
Long-term borrowings	4	1,289.18	1,277.68
Long-term provisions	5	16.64	8.19
<b>Total of Non-Current liabilities</b>		<b>1,305.82</b>	<b>1,285.87</b>
<b>Current liabilities</b>			
Short-term borrowings	6	2,071.96	767.78
Trade payables	7		
i) total outstanding dues of micro enterprises and small enterprises		8.85	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4.98	12.04
Other current liabilities	8	60.45	50.01
Short-term provisions	9	44.23	38.49
<b>Total of Current Liabilities</b>		<b>2,190.47</b>	<b>868.32</b>
<b>Total Equity and Liabilities</b>		<b>4,269.95</b>	<b>2,929.58</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment and intangible assets			
Property, plant and equipment	10	9.82	6.03
Deferred tax asset (net)	11	11.78	9.64
Receivables under financing activity	12	1,089.13	575.32
<b>Total of Non Current Assets</b>		<b>1,110.73</b>	<b>590.99</b>
<b>Current assets</b>			
Current Investment	13	23.63	-
Trade receivables	14	30.51	3.29
Receivables under financing activity	15	2,464.91	1,923.57
Cash and cash equivalents	16(a)	329.92	234.74
Bank balances other than cash and cash equivalents	16(b)	216.90	125.00
Short-term loans and advances	17	15.81	6.16
Other current assets	18	77.53	45.86
<b>Total of Current Assets</b>		<b>3,159.21</b>	<b>2,338.62</b>
<b>Total Assets</b>		<b>4,269.95</b>	<b>2,929.58</b>
<b>Material accounting policies</b>	<b>1</b>		
<b>Other notes on accounts</b>	<b>2 to 37</b>		

**As per our report of even date**

**for V. NAGARAJAN & CO.,**

Chartered Accountants

FRN: 004879 N

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**Sandeep Sharma**

Partner

M. No.: 525361

Place: Noida

Date: 28-09-2024

UDIN:

**for and on behalf of Board of Directors**

**of Magenta Finance Services Pvt Ltd**

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**Raj Kumar Singh**

Director

DIN: 02886855

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**Tribikram Nayak**

Director

DIN: 02936020

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**Samrat Roy**

Chief Executive Officer

**MAGENTA FINANCE SERVICES PRIVATE LIMITED**

CIN:U65191DL2010PTC289124

*(All amounts in INR lakhs, unless otherwise stated)*

Statement of Profit & Loss Account for the year ended	Note No.	31-Mar-24	31-Mar-23
<b>INCOME</b>			
Revenue from operations	19	746.65	443.72
Other income	20	14.79	12.35
<b>Total income</b>		<b>761.44</b>	<b>456.07</b>
<b>EXPENSES:</b>			
Employee benefits expenses	21	208.32	144.36
Finance costs	22	354.44	154.20
Depreciation and amortization expenses	10	3.12	1.85
Other expenses	23	125.16	81.24
Provision for loss on loan portfolio		44.52	21.49
<b>Total expenses</b>		<b>735.56</b>	<b>403.15</b>
<b>Profit/(Loss) before tax</b>		<b>25.88</b>	<b>52.92</b>
<b>Tax expense:</b>			
(i) Current Tax		9.54	10.31
(ii) Deferred Tax		(2.14)	2.18
(iii) Relating to earlier year			-
<b>Profit / (Loss) after tax for the year</b>		<b>18.48</b>	<b>40.43</b>
<b>Earning per equity share (In Rs.):</b>	24		
(1) Basic		0.31	0.67
(2) Diluted		0.31	0.67
<b>Material accounting policies</b>	<b>1</b>		
<b>Other notes on accounts</b>	<b>2 to 37</b>		

As per our report of even date  
for **V. NAGARAJAN & CO.,**  
Chartered Accountants  
FRN: 004879 N

*for and on behalf of Board of Directors*  
for **Magenta Finance Services Pvt Ltd**

**SANDEEP SHARMA**  
Digitally signed by  
SANDEEP SHARMA  
Date: 2024.09.28  
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**Sandeep Sharma**  
Partner  
M. No.: 525361  
Place: Noida  
Date: 28-09-2024  
UDIN:

**RAJ KUMAR SINGH**  
Digitally signed  
by RAJ KUMAR  
SINGH  
Date: 2024.09.28  
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**Raj Kumar Singh**  
Director  
DIN: 02886855

**SAMRAT ROY**  
Digitally signed by  
SAMRAT ROY  
Date: 2024.09.28  
14:46:40 +05'30'

**Samrat Roy**  
Chief Executive Officer

**Tribikram Nayak**  
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by Tribikram  
Nayak  
Date: 2024.09.28  
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**Tribikram Nayak**  
Director  
DIN: 02936020

**MAGENTA FINANCE SERVICES PRIVATE LIMITED**

CIN:U65191DL2010PTC289124

*(All amounts in INR lakhs, unless otherwise stated)*

<b>Cash flow statement for the year ended</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>25.88</b>	<b>52.92</b>
Non-cash adjustment to reconcile profit before tax to net		
Depreciation and amortization	3.12	1.85
Provision for Gratuity	7.87	3.06
Provision for Leave Encashment	0.94	0.92
Provision for Bonus	2.24	1.76
Bad debts/provision written-off add back	(41.38)	(40.00)
Contingent provision against loan portfolio	44.52	21.49
<b>Operating profit before working capital changes</b>	<b>43.20</b>	<b>42.00</b>
Movements in working capital :		
Increase / (decrease) in other current liabilities	10.44	36.56
Increase / (decrease) in trade payable	1.79	4.82
Decrease / (increase) in trade receivables	(27.22)	(2.28)
Decrease / (increase) in loans and advances	(1,055.15)	(906.55)
Decrease / (increase) in other current assets	(39.40)	(110.61)
Cash generated from / (used in) operations	<b>(1,066.34)</b>	<b>(936.06)</b>
Direct taxes paid	(11.78)	(10.00)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(1,078.12)</b>	<b>(946.06)</b>
<b>Cash flows from investing activities</b>		
Investment made in Securities	(53.63)	-
Proceeds from Sale of Securities	30.00	-
Fixed deposits made during the period	(91.90)	
Purchase of property, plant and equipment and intangible assets	(6.91)	(5.43)
Maturity of margin money deposits	-	-
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(122.44)</b>	<b>(5.43)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of equity share capital	-	-
Payment of current borrowings	-	-
Proceeds from borrowings	1,295.73	1,165.09
<b>Net cash flow (used in) / from in financing activities (C)</b>	<b>1,295.73</b>	<b>1,165.09</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>95.18</b>	<b>213.60</b>
Cash and cash equivalents at the beginning of the Year	234.74	21.12
<b>Cash and cash equivalents at the end of the year</b>	<b>329.92</b>	<b>234.72</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	41.10	0.33
<u>Balance with banks and financial institutions</u>		
- in Current account	258.42	79.41
- in Fixed Deposits	5.40	150.00
- Balance with financial institutions to the extent held as margin money deposits against borrowings and guarantees (maturity less than 3 months)	25.00	5.00
<b>Total cash and cash equivalents</b>	<b>329.92</b>	<b>234.74</b>
<b>Summary of Material accounting policies</b>	<b>1</b>	
<b>The accompanying notes are an integral part of the</b>	<b>2 to 37</b>	

As per our report of even date

for **V. NAGARAJAN & CO.,**

Chartered Accountants

FRN: 04879 N

**SANDEEP SHARMA**  
Digitally signed by SANDEEP SHARMA  
Date: 2024.09.28 14:52:14 +05'30'

**Sandeep Sharma**

Partner

M. No.: 525361

Place: Noida

Date: 28-09-2024

UDIN:

*for and on behalf of the Board of*  
of Magenta Finance Services Pvt Ltd

**RAJ KUMAR SINGH**  
Digitally signed by RAJ KUMAR SINGH  
Date: 2024.09.28 14:40:51 +05'30'

**Raj Kumar Singh**      **Tribikram Nayak**

Director

DIN: 02886855

**SAMRAT ROY**  
Digitally signed by SAMRAT ROY  
Date: 2024.09.28 14:47:03 +05'30'

**Samrat Roy**

Chief Executive Officer

**Tribikram Nayak**  
Digitally signed by Tribikram Nayak  
Date: 2024.09.28 14:43:41 +05'30'

Director

DIN: 02936020

## Notes to Audited Financial Statements for the period ended as on March 31, 2024

### Note: 1: Significant Accounting and Policies and other disclosures

#### A. Company overview:

The company has engaged in the business of micro-lending activities. It had received a Certificate of Registration as NBFC - MFI License from the Reserve Bank of India vide C.O.R. no. N-14.03387 dated 10th November 2017. The Company is engaged primarily in providing microfinance loans to women in the rural areas of India who are enrolled as members and organized as Joint Liability Groups (JLG). The Company has commenced microfinance lending from April 2018 in Haryana.

#### B. Significant Accounting Policies:

##### a. Basis of preparation of financial Statements:

The financial statements are prepared under the historical cost convention and comply in all material aspects with the applicable accounting principles in India, including accounting Standards specified under Section 133 of the Companies Act, 2013 (the "Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014. The Accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

##### b. Use of Estimates:

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Policies (GAAP) requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenue and expenses during the reported period. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from those estimates.

##### c. Property, plant and equipment and intangible assets and depreciation/amortisation:

Fixed assets are stated at cost of acquisition (including directly attributable costs such as freight, installation, taxes, duties, etc.) or construction, or their corresponding revalued amounts less accumulated depreciation/amortisation. Borrowing costs directly attributable to acquisition or constructions of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalised as per Accounting Standard 16 "Borrowing Costs".

Property, plant and equipment costing up Rs. 5,000/- individually are fully depreciated in the year of purchase.

Depreciation on property, plant and equipment and intangible assets have been provided as per Part "C" of Schedule II of the Companies Act, 2013, on written down value method basis with respect to useful life of the assets.

The company has used the following useful lives to provide depreciation on its Property, plant and equipment and intangible assets:

S.No.	Asset Category	Useful Life
1.	Furniture and fixtures	10
2.	Computers and data processing units	
	(a) End user devices, such as, desktops, laptops, software etc.	3
3.	Office equipment	5

**d. Revenue Recognition:**

Interest Income on loans disbursed is recognised on accrual basis as per effective rate of interest method except in the case of Non-performing assets (NPA) where interest is recognised upon realisation, in accordance with Reserve Bank of India Directives as applicable to Non-Banking Finance Companies- Micro Finance institutions vide circular no DNBS.PD.No 234 CGM (US) 2011 dated December 02,2011 Loan processing fee collected from members are recognised on an upfront basis at the time of disbursement of loan.

Interest Income on fixed deposits with banks is recognised on time proportionate basis taking into the account, the amount outstanding and rate applicable. All other income and expense are recognized on an accrual basis in the period they occur.

**e. Foreign Currency transactions:**

**Initial Recognition**

The company is exposed to currency fluctuations on foreign currency transactions. Transactions denominated in foreign currency shall be recorded in the reporting currency at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the profit and loss account of the year.

**Translations**

Monetary assets and liabilities in foreign currency, which are outstanding as at the year -end, are translated at the year -end at the closing exchange rate. Non-monetary items are stated in the balance sheet using the exchange rate at the date of transactions.

**Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expense in the year in which they arise.

**f. Employee benefits:**

**(i) Employee Provident Fund**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees

render the related service are recognized in respect of employee service up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Contribution to Provident Fund is made in accordance with relevant fund/scheme and is treated as revenue expenditure.

**(ii) Gratuity**

In accordance with the Payment of Gratuity Act, 1972, the company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employees with the Company. The Company's obligation in respect of the gratuity plan, is provided on the basis of actuarial valuation report.

**(iii) Leaves**

Entitlements to annual leave are recognized when they accrue to the employees. Leave entitlements can be availed while in service of employment subject to restriction on the maximum number of accumulations. The Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

**g. Income Taxes:**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences for earlier years.

Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Differed tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which differed tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date, the company re-assesses unrecognized deferred tax assets and recognizes deferred tax assets to the extent that it has become virtually certain, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**h. Provision, Contingent Liabilities and Contingent Assets:**

As provision is recognised when an enterprise when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the current best estimates.

Contingent liabilities are not provided for unless a reliable estimate of probable outflow to the company exists as at the Balance sheet date. These are reviewed at each balance sheet date on and adjusted to reflect the current best management estimates. Contingent assets are neither recognised nor disclosed in the financial statements.



**i. Earnings (Loss) Per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**j. Classification of loan portfolio**

Asset classification	Arrear Period
Standard assets	The asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.
Non-performing assets	An asset for which, interest/principal payment has remained overdue for a period of 90 days or more

**k. Provisioning policy for loan portfolio**

The aggregate loan provision at any point of time shall not be less than the higher of a) 1% of the outstanding loan portfolio or b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

**l. Borrowing costs**

Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. Borrowing costs charged to the Statement of Profit and Loss on the basis of effective interest rate method.

**m. Disclosure under AS-17: Segmental Reporting**

The company operates in single reportable segment i.e lending activity, which has similar risk and return for the purpose of reporting under AS-17 "Segment reporting issued by ICAI". The does not have any reportable geographical segment.

**n. Write-off**

Loans are written-off (either partially or in full) when there is no realistic prospect of recovery. This is generally 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 subjected to write-off. All such write-offs are charged to the statement of profit and loss. Any subsequent recoveries against such loans would credited to the statement of profit and loss.

**MAGENTA FINANCE SERVICES PRIVATE LIMITED**

CIN:U65191DL2010PTC289124

*(All amounts in INR lakhs, unless otherwise stated)*

**NOTES TO ACCOUNTS FOR THE YEAR ENDED AS AT MARCH 31, 2024**

<b>2</b>	<b>Share Capital</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	<b>AUTHORIZED CAPITAL</b>		
	60,00,000 (Previous year 60,00,000) equity shares of Rs.10/- each	600.00	600.00
	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
	60,00,000 (Previous year 60,00,000) equity shares of Rs.10/- each	600.00	600.00
	<b>TOTAL</b>	<b>600.00</b>	<b>600.00</b>

**a) Right, preferences and restrictions attached to Equity shares:**

- i. The Company has issued only one class of shares, referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.
- ii. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- iii. The Company has issued 12,27,500 shares of Rs 10 each for consideration other than cash on Financial Year ending 2016-17 , and has not issued bonus shares during the period of five years immediately preceding the balance sheet date. Further, no shares have been reserved for issue under options and contracts/ commitments for sales of shares/ disinvestment by the Company.

**b) Reconciliation of number of Equity Shares**

Equity Shares	As at 31-Mar-2024	As at 31-Mar-2023
	<b>No. of Shares (in Lakh)</b>	<b>No. of Shares (in Lakh)</b>
Balance as at the beginning of the year	60.00	60.00
Add: Issued during the year	-	-
<b>Balance at the end of the year</b>	<b>60.00</b>	<b>60.00</b>

**c) Shares held by each shareholder holding more than 5% shares**

	31-Mar-24		31-Mar-23	
Description	Number (in Lakh)	% of share holding	Number (in Lakh)	% of share holding
<b>Equity Shares of Rs.10 each</b>				
1 Gulab Unity Trust	29.40	49.00%	29.40	49.00%
2 Nellcome Ltd	30.60	51.00%	30.60	51.00%
<b>Total</b>	<b>60.00</b>	<b>100.00%</b>	<b>60.00</b>	<b>100.00%</b>

**d) Shares Held by Holding company**

	31-Mar-24		31-Mar-23	
Description	Number (in Lakh)	% of share holding	Number (in Lakh)	% of share holding
<b>Equity Shares of Rs.10 each</b>				
Nellcome Ltd	30.60	51.00%	30.60	51.00%

**e) Shareholding of Promoters and % change during the current financial year:**

S.No.	Promoter's Name	As on 31-Mar-24		As on 31-Mar-23		Transferred/Is sued during the Current Financial year	% Change during the Current Financial Year
		No. of Shares (in Lakh)	% of total Shares	No. of Shares (in Lakh)	% of total Shares		
1	Gulab Unity Trust	29.40	49%	29.40	49%	0.00	0.00%
2	Nellcome Ltd.	30.60	51%	30.60	51%	0.00	0.00%
<b>Total</b>		<b>60.00</b>	<b>100%</b>	<b>60.00</b>	<b>100%</b>	<b>0.00</b>	<b>0.00%</b>

**3 Reserves & Surplus**

	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>General Reserve</b>		
<b>a) Statutory Reserve Fund (as required under Sec 45IC of RBI Act 1934)</b>		
As per Last Balance Sheet	40.13	32.13
Add: Amount transferred from surplus balance in the statement of profit and loss	3.69	8.00
<b>Balance at the end of the year</b>	<b>43.82</b>	<b>40.13</b>

**b) Surplus in the Statement of Profit and Loss Account**

As per Last Balance Sheet	135.28	102.84
Add : Profit after tax for the year	18.47	40.43
Less : Dividend Paid for Financial Year 2022-23*	(20.22)	-
Less : Transferred to Statutory reserve Fund [@20% of profit after tax as required by section 45-IC of Reserve Bank of India Act,1934]	(3.69)	(8.00)
<b>Balance at the end of the year</b>	<b>129.84</b>	<b>135.27</b>
<b>Total</b>	<b>173.66</b>	<b>175.40</b>

\* For the year ended March 31, 2024, the dividend of Rs. 0.12 per share is proposed by Board of Directors at its meeting held on September 28, 2024. The same is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and therefore proposed dividend has not been recognised as liability as at the Balance Sheet date in line with AS has context menu. Dividend of RS. 0.337 Per equity share paid during the year ended March 31, 2024 is pertaining to Final Dividend for the year ended March 31, 2023.

4

**Long Term Borrowings**

	31-Mar-24	31-Mar-23
<b>Secured Borrowings</b>		
Term loan - from banks	406.06	281.82
Term loan - from others	2,298.55	1,036.59
	<b>2,704.61</b>	<b>1,318.41</b>
Less: Amortised Cost	(48.47)	(19.86)
Less: Current maturities of long term borrowings	(2,071.96)	(725.87)
	<b>584.18</b>	<b>572.68</b>
<b>Unsecured Borrowings</b>		
Term loan - from related party	705.00	705.00
<b>Total</b>	<b>1,289.18</b>	<b>1,277.68</b>

Lender's name & Loan Number	No. of installments pending	Rate of interest	Date of maturity	Sanctioned loan amount (Rs. In Lakh)	Loan outstanding as on 31.03.2024 (Rs. In Lakh)	Personal Guarantee
Nelcome Ltd.	* Refer note 1	11.30%	18-Sep-30	705.00	705.00	No
Loan From Muthoot Microfin Ltd	7	16.50%	05-Oct-24	200.00	77.78	Mr. Samrat Roy (CEO) and Mr. Tribikram Nayak (Director)
Loan From Ambit Finvest Pvt Ltd. (HOD000000090424)	13	15.50%	05-Apr-25	200.00	74.50	Mr. Samrat Roy (CEO), Mr. Tribikram nayak (Director) and Corporate Guarantee of Gulab Unity Trust
Loan From Arohan Financial Services Ltd. (90240000086757)	13	15.50%	18-Apr-25	200.00	149.01	Mr. Samrat Roy (CEO), Mr. Tribikram nayak (Director) and Mr Krishan Kumar Yadav
Loan From Arohan Financial Services Ltd (90230000139838)	18	15.50%	28-Sep-25	100	100.00	Mr. Samrat Roy (CEO), Mr. Tribikram nayak (Director) and Mr Krishan Kumar Yadav
Loan From AU Small Finance Bank (9001130137750763)	14	15.75%	18-May-25	300.00	233.33	Mr. Samrat Roy (CEO), Mr. Tribikram nayak (Director) and Corporate Guarantee of Gulab Unity Trust
Loan From Eclear Leasing (ECLIFIN0042-T7)	6	15.50%	05-Sep-24	200.00	35.93	Mr. Samrat Roy (CEO), Mr. Tribikram Nayak

Loan From Eclear Leasing (ECLIFIN0042-T6)	14	15.50%	10-May-24	250.00	99.71	Mr. Samrat Roy (CEO), Mr. Tribikram Nayak
Loan From Eclear Leasing (ECLIFIN0042-T5)	1	15.50%	22-Apr-24	200.00	6.18	Mr. Samrat Roy (CEO), Mr. Tribikram Nayak
Loan From Electronica Finance Limited (LOAN000005050048)	16	15.50%	05-Jul-25	100.00	90.00	Mr. Samrat Roy (CEO) and Corporate Guarantee of Gulab Unity Trust
Loan From Electronica Finance Limited (LOAN000005037133)	10	15.50%	05-Dec-24	100.00	58.39	Mr. Samrat Roy (CEO) and Corporate Guarantee of Gulab Unity Trust
Loan From Finstars Capital Limited (769501010050319)	13	15.50%	05-Apr-25	50.00	37.25	Mr. Samrat Roy (CEO) and Corporate Guarantee of Gulab Unity Trust
Loan From Friends of WWB (FWWB)	19	15.50%	28-Feb-25	100.00	47.83	No
Loan From Friends of WWB (FWWB)	22	15.50%	31-Jan-26	300.00	47.83	No
Loan From Friends of WWB (FWWB)	22	15.50%	31-Jan-26	300.00	47.83	No
Loan From Friends of WWB (FWWB)	17	15.50%	31-Aug-25	300.00	73.91	No
Loan From Friends of WWB (FWWB)	19	15.50%	31-Oct-25	300.00	82.61	No
Loan From IBL Finance Limited (IBLFL013)	18	15.50%	01-Oct-25	250.00	150.00	Mr. Samrat Roy (CEO), Mr. Krisahn Kumar Yadav and Corporate Guarantee of Gulab Unity Trust
Loan From Incred Financial Services (LNDEL21523-246773624)	11	15.75%	10-Feb-25	100.00	75.19	Mr. Samrat Roy (CEO), Mr. Tribikram Nayak
Loan from Ramsons Projects Limited	19	15.50%	01-Oct-25	50.00	50.00	Mr. Samrat Roy (CEO), Mr. Tribikram nayak (Director) and Corporate Guarantee of Gulab Unity Trust
Loan From RAR Fincare Ltd. 1st Loan (110410000034)	5	15.50%	31-Aug-24	50.00	11.72	Mr. Samrat Roy (CEO), Mr. Tribikram Nayak
Loan From RAR Fincare Ltd. 2nd Loan (110410000142)	21	16.00%	29-Dec-25	100.00	88.02	Mr. Samrat Roy (CEO), Mr. Tribikram Nayak
Loan From Real Touch Finance Limited 1st Loan (5001000000032)	3	15.50%	05-Jun-24	150.00	19.85	Mr. Samrat Roy (CEO), Mr. Tribikram Nayak
Loan From Real Touch Finance Limited 2nd Loan (5001000000053)	11	15.50%	02-Feb-25	150.00	56.39	Mr. Samrat Roy (CEO), Mr. Tribikram Nayak
Loan from Rockland Finstock Limited (202401003)	18	16.00%	10-Sep-25	50.00	50.00	Mr. Samrat Roy (CEO), Mr. Tribikram nayak (Director) and Corporate Guarantee of Gulab Unity Trust
Loan from Share Bazar Financial Services	1	14.00%	10-Apr-24	100.00	4.44	No
Loan from Share Bazar Financial Services	14	14.00%	20-May-25	50.00	46.93	No
Loan from Share Bazar Financial Services	5	14.00%	28-Aug-24	100.00	21.68	No
Loan From State Bank of India (00000041368371212)	19	10.20%	31-Oct-25	300.00	172.73	Mr. Samrat Roy (CEO), Mr. Tribikram nayak (Director) and Corporate Guarantee of Gulab Unity Trust
Loan From Usha Financial Services (LA22UF102823)	4	15.50%	09-Jul-24	200.00	24.26	Mr. Samrat Roy (CEO), Mr. Tribikram Nayak

Loan From Usha Financial Services (LA22UF101816)	1	15.50%	17-Apr-24	100.00	3.09	Mr. Samrat Roy (CEO), Mr. Tribikram Nayak
Loan From Usha Financial Services (LA23UF104007)	6	15.50%	26-Sep-24	200.00	17.97	Mr. Samrat Roy (CEO), Mr. Tribikram Nayak
Loan From Usha Financial Services (LA23UF105933)	13	15.50%	06-Apr-25	200.00	37.25	Mr. Samrat Roy (CEO), Mr. Tribikram Nayak
Loan From Vivriti Capital Pvt. Ltd. (MFSPL TL 03 2024)	18	16.00%	27-Oct-25	250.00	250.00	Corporate Guatantee Gulab Unity trust, Mr. Samrat Roy, Mr. Krishan Kumar Yadav, Mr. Tribikram Nayak
UC Inclusive Credit Pvt. Ltd. (UCIC0498)	10	16.50%	08-Jan-25	300.00	102.40	Mr. Samrat Roy (CEO), Mr. Tribikram Nayak
UC Inclusive Credit Pvt. Ltd. (UCIC0253/T2)	12	16.50%	08-Mar-25	300.00	60.62	Mr. Samrat Roy (CEO), Mr. Tribikram Nayak
UC Inclusive Credit Pvt Ltd (UCIC0253/T2)	24	16.50%	08-Apr-26	200.00	200.00	Mr. Samrat Roy (CEO), Mr. Tribikram nayak (Director) and Corporate Guarantee of Gulab Unity Trust
<b>Total</b>					<b>3,409.61</b>	

Note 1. The loan duration is for 132 months. The interest charge is applicable from the date of disbursement and payable on quarterly basis, however the loan principal repayment shall start at end of 126 months and repaid in 6 monthly installment starting from 18th April 2030.

Note 2. Loans availed from the Bank and Financial institutions are fully secured by way of hypothecation of book debts. The term loan is secured by personal guarantee of Mr. Samrat Roy (Chief Executive Officer) and Mr. Tribikram Nayak (Director) as mentioned in the above table. Term loans are repayable on monthly or quarterly basis depending on the respective loan arrangements. During the year, company has not defaulted in the repayment of dues to its lenders.

**5 Long term Provisions**

	31-Mar-24	31-Mar-23
For employee benefits		
Gratuity (Refer note 30)	14.11	6.57
Leave Encashment (Refer note30)	2.53	1.62
<b>Total</b>	<b>16.64</b>	<b>8.19</b>

**6 Short-term Borrowings**

	31-Mar-24	31-Mar-23
<b>Secured from Others</b>		
Term loan - from others	-	41.91
<b>Current maturity of long term borrowings (refer note no. 4)</b>		
Term loan - from banks	309.09	109.09
Term loan - from others	1,762.87	616.78
<b>Total</b>	<b>2,071.96</b>	<b>767.78</b>

**7 Trade payables**

	31-Mar-24	31-Mar-23
total outstanding dues of micro enterprises and small enterprises (refer note no 24)	8.85	-
total outstanding dues of creditors other than micro enterprises and small enterprises	4.98	12.04
<b>Total</b>	<b>13.83</b>	<b>12.04</b>

Trade payables - Billed dues & Unbilled dues

Particulars	Unbilled Due	Billed - Outstanding for following periods from due date for payment				As on
		Less than 1 year	1 to 2 years	2 to 3 Years	More than 3 years	31-03-2024
(i) MSME	-	8.85	-	-	-	8.85
(ii) Others:						
- Related Parties		-	-	-	-	-
- Other than related parties		4.98	-	-	-	4.98
(iii) Disputed dues:						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Total</b>	-	<b>13.83</b>	-	-	-	<b>13.83</b>

Particulars	Unbilled Due	Billed - Outstanding for following periods from due date for payment				As on
		Less than 1 year	1 to 2 years	2 to 3 Years	More than 3 years	31-03-2023
(i) MSME	-	-	-	-	-	-
(ii) Others:						
- Related Parties	-	-	-	-	-	-
- Other than related parties	4.10	7.94	-	-	-	12.04
(iii) Disputed dues:						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Total</b>	<b>4.10</b>	<b>7.94</b>	-	-	-	<b>12.04</b>

8 Other current Liabilities

	31-Mar-24	31-Mar-23
Interest accrued but not due on borrowings	6.91	5.82
Interest accrued but not due to Nellcome Ltd. (Related Party)	2.25	1.23
Payable to employees	12.02	9.67
Statutory dues payable	15.86	8.72
Insurance Payable	23.33	23.84
Other current liabilities	0.08	0.73
<b>Total</b>	<b>60.45</b>	<b>50.01</b>

9 Short term Provisions

	31-Mar-24	31-Mar-23
(a) For Employee benefits		
Gratuity (Refer Note no 30)	0.74	0.40
Leave Encashment (Refer note no 30)	0.19	0.16
Provision for Bonus	7.77	5.54
(c) Provision for loan portfolio		
Opening balance	32.39	50.90
Add: Addition during the year	44.52	21.49
Less: Write-off during the year	(41.38)	(40.00)
Closing balance	35.53	32.39
<b>Total</b>	<b>44.23</b>	<b>38.49</b>

11 Deferred Tax Asset

	31-Mar-24	31-Mar-23
Opening Balance DTA	9.64	11.82
Add: Timing difference		
On account of depreciation	(0.38)	0.07
On account of provisions made allowable on basis of payment	2.52	(2.25)
<b>Total</b>	<b>11.78</b>	<b>9.64</b>

12 Receivables under financing activity

	31-Mar-24	31-Mar-23
Long term maturity of micro finance loans		
Micro Finance Loans -Unsecured, Considered good	1,089.13	575.32
<b>Total</b>	<b>1,089.13</b>	<b>575.32</b>

13	<b>Current Investment</b>		
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
	Investment in Securities(Cost or NRV which ever is lower)		
	SBI Balanced Advantage Fund - Mutual Fund - (NAV as on March 31, 2024 - 13.6654)	20.00	-
	SBI Equity Savings Fund - Mutual Fund - (NAV as on March 31, 2024 - 21.1797)	0.63	-
	SBI Energy Opportunities Fund - (NAV as on March 31, 2024 - 10.0937)	3.00	-
	<b>Total</b>	<b>23.63</b>	<b>-</b>

14	<b>Trade receivables</b>		
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
	Trade receivables - Unsecured, considered good	30.51	3.29
	<b>Total</b>	<b>30.51</b>	<b>3.29</b>

S.No.	Trade receivables	Unbilled Dues	Billed - Outstanding for following periods from due date for payment/transaction					As on 31-03-2024 Total
			Less than 6 months	6 months to 1 Year	1 to 2 years	2 to 3 years	More than 3 years	
(i)	<u>Undisputed:</u>							
	Considered good	17.51	12.96	0.04		-	-	30.51
	Considered doubtful	-	-	-	-	-	-	-
(ii)	<u>Disputed:</u>							
	Considered good	-	-	-	-	-	-	-
	Considered doubtful	-	-	-	-	-	-	-
	<b>Total</b>	<b>17.51</b>	<b>12.96</b>	<b>0.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30.51</b>

S.No.	Trade receivables	Unbilled Dues	Billed - Outstanding for following periods from due date for payment/transaction					As on 31-03-2023 Total
			Less than 6 months	6 months to 1 Year	1 to 2 years	2 to 3 years	More than 3 years	
(i)	<u>Undisputed:</u>							
	Considered good	-	2.28	1.01	-	-	-	3.29
	Considered doubtful	-	-	-	-	-	-	-
(ii)	<u>Disputed:</u>							
	Considered good	-	-	-	-	-	-	-
	Considered doubtful	-	-	-	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>2.28</b>	<b>1.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.29</b>

15	<b>Receivables under financing activity</b>		
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
	Micro Finance Loans repayable within 12 months		
	Unsecured		
	Micro Finance Loans- Considered good	3,554.04	2,498.89
	Less: Long term maturity of portfolio	(1,089.13)	(575.32)
	<b>Total</b>	<b>2,464.91</b>	<b>1,923.57</b>

16	<b>(a) Cash &amp; Cash Equivalents</b>		
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
	Cash on hand	41.10	0.33
	Balances with banks and financial institutions		
	In Current accounts	258.42	79.41
	In Fixed deposit accounts	5.40	150.00
	Balance with financial institutions to the extent held as margin money deposits against borrowings and guarantees (maturity less than 3 months) <sup>§</sup>	25.00	5.00
	<b>Total (a)</b>	<b>329.92</b>	<b>234.74</b>

<sup>§</sup> Security deposit with Share Bazar Financial Services Ltd (financial institution) to the extent held as FLDG has been matured in March 2023.

16	<b>(b) Bank balances other than cash &amp; cash equivalents</b>		
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
	Security deposit with financial institutions and others to the extent held as FLDG <sup>§</sup>		
	Deposits for remaining maturity of more than 3 months and upto 12 months	63.76	5.00
	Deposits for remaining maturity of more than 12 months	153.14	120.00
	<b>Total (b)</b>	<b>216.90</b>	<b>125.00</b>
	<b>Grand total (a+b)</b>	<b>546.82</b>	<b>359.74</b>

<sup>5</sup>FLDG security money is placed with bank and financial institutions against borrowings. Such FLDG security placed with Grow Money Capital Pvt. Ltd. (formerly known as Eclear Leasing and Finance Pvt. Ltd.), Share Bazar Financial Ltd., SBI, Usha Financial Services Ltd., RAR Fincare Ltd., UCIC, Friends of WWB India, Electronica Finance Limited, Finstar Capital Limited, IBL Finance Limited, Incred Financial Services, Real Touch Finance Limited, Vivriti Capital Private Limited, Rockland Finstock Limited against term loans.

<b>17</b>	<b>Short Term Loans and Advances</b>		
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
	Security deposits	5.29	4.77
	Advances and imprest to Staff	7.65	0.99
	Other advances	2.87	0.40
	<b>Total</b>	<b>15.81</b>	<b>6.16</b>
<b>18</b>	<b>Other Current Assets</b>		
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
	Income tax recoverable (Net of provision)	12.79	10.86
	Balance with revenue authorities	2.13	0.76
	Interest accrued but not due on loan portfolio	47.04	24.58
	Income accrued but not due on commission and FLDG security deposit	8.58	8.24
	Interest accrued and due but not received on security deposits	-	0.27
	Prepaid expenses	1.91	0.44
	Other receivables	5.08	0.70
	<b>Total</b>	<b>77.53</b>	<b>45.85</b>



## MAGENTA FINANCE SERVICES PRIVATE LIMITED

CIN:U65191DL2010PTC289124

(All amounts in INR lakhs, unless otherwise stated)

## NOTES TO ACCOUNTS FOR THE YEAR ENDED AS AT MARCH 31, 2024

<b>19</b>	<b>Revenue from operations</b>		
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
	Interest on loan portfolio	659.30	410.42
	Loan processing fee	37.58	22.92
	Commission income	49.77	10.38
	<b>Total</b>	<b>746.65</b>	<b>443.72</b>
<b>20</b>	<b>Other Income</b>		
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
	Interest on term deposits	2.90	1.26
	Interest on security deposits	7.37	3.97
	Recovery against loan write-off	3.41	6.48
	Gain On Sale of Mutual Fund Investment	0.63	-
	Interest on I.Tax refund	0.31	0.64
	Other Income	0.17	-
	<b>Total</b>	<b>14.79</b>	<b>12.35</b>
<b>21</b>	<b>Employees Benefit Expenses</b>		
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
	Salaries and wages	156.96	108.99
	Contribution to provident and other funds	10.65	7.34
	Gratuity	7.87	3.06
	Leave encashment	1.06	0.92
	Bonus	7.62	5.61
	Staff Incentive	13.44	11.42
	Staff welfare & insurance	10.72	7.02
	<b>Total</b>	<b>208.32</b>	<b>144.36</b>
<b>22</b>	<b>Finance Cost</b>		
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
	Interest on term loan	329.27	147.14
	Other borrowing costs	25.17	7.06
	<b>Total</b>	<b>354.44</b>	<b>154.20</b>
<b>23</b>	<b>Other expenses</b>		
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
	Professional & consultancy fees ( Refer note 31)	28.06	9.38
	Rent expenses	22.31	16.59
	ROC filing fees and other expenses	7.69	5.04
	Travelling and conveyance expenses	28.73	19.34
	Office maintenance expenses	7.00	5.34
	Printing and stationery	6.63	2.70
	Telephone, electricity & water charges	3.08	3.10
	Office administration expenses	7.42	2.74
	Postage and courier	0.26	0.07
	Interest on late payment of GST/PF/ESI	0.04	0.07
	Rates & taxes	2.15	5.10
	Directors sitting fees	1.70	1.60
	Insurance Expense	1.75	3.03
	Bad debts written-off	41.38	40.00
	Loan loss on portfolio provision add back	(41.38)	(40.00)
	Bank Charges	2.83	1.87
	Due diligence expense	-	-
	Rating and grading Expense	2.85	4.18
	Brokerage Charges	0.00	-
	Branch establishment Expenses	2.66	1.09
	<b>Total</b>	<b>125.16</b>	<b>81.24</b>
<b>24</b>	<b>Earning per Equity Share</b>		
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
	Equity shares of face value Rs. 10 each		
	Profit after tax attributable to equity share holders (after deducting prior period and extra ordinary items) - for Basic EPS and Diluted EPS (Rs. In Lakh)	18.48	40.43
	Number of shares considered as weighted average shares and potential shares outstanding (In Lakh)	60.00	60.00
	Basic/Diluted earning per share (In Rs.)	0.31	0.67

**a. Current Ratio= Current assets divided by Current Liabilities**

Particulars	31-Mar-24	31-Mar-23
Current Assets	3,159.21	2,338.61
Current Liabilities	2,190.47	868.33
<b>Ratio (in times)</b>	<b>1.44</b>	<b>2.69</b>
<b>% change from previous year</b>	<b>-46%</b>	

Reason for change more than 25% : Current assets increased due to increase in loan portfolio and current liabilities increased due to increase borrowings.

**b. Debt equity ratio= total debt divided by total shareholder's 's equity**

Particulars	31-Mar-24	31-Mar-23
Total Debt (Excluding lease Liabilities)	3,409.61	2,003.55
Total equity (excluding Non- controlling interests)	773.66	775.41
<b>Ratio (in times)</b>	<b>4.41</b>	<b>2.58</b>
<b>% change from previous year</b>	<b>71%</b>	

Reason for change more than 25% : The company Borrowed Fund for Disbursement During the year. Debt Increase Significantly from Last year. Debt Equity Ratio changed & Increase

**c. Debt service coverage ratio\*= earnings available for debt services divided by total interest and principal repayments**

Particulars	31-Mar-24	31-Mar-23
Profit(loss) after tax	NA	NA
Add: Non cash operating expenses and finance cost		
_ Depreciation and other non cash operating expenses	NA	NA
_ Finance costs	NA	NA
<b>Earnings available for debt service</b>	<b>NA</b>	<b>NA</b>
Interest on borrowings	NA	NA
Principal repayments	NA	NA
<b>Total Interest and principal repayments</b>	<b>NA</b>	<b>NA</b>
<b>Ratio (in times)</b>	<b>NA</b>	<b>NA</b>
<b>% change from previous year</b>	<b>NA</b>	<b>NA</b>

\*Note: The Company engaged in the business of providing micro finance loan services in group loans, therefore this ratio is not applicable to the Company.

**d. Return on equity ratio/ return on investment ratio= Net profit after tax divided by Average shareholder's equity**

Particulars	31-Mar-24	31-Mar-23
Net profit(loss) after tax	18.48	40.44
Average shareholders' equity (excluding Non- controlling interests)	774.53	755.19
<b>Ratio (in times)</b>	<b>0.02</b>	<b>0.05</b>
<b>% change from previous year</b>	<b>-55%</b>	

Reason for change more than 25% : Loss for current year is. Rs. 18.48 Lakhs and Profit for last year Rs.40.44 Lakhs , Profit after tax is decreased by Rs. 21.96 lakh . Therefore, ROE decreased.

**e. Inventory turnover ratio\*= Net sales divided by average Inventory**

Particulars	31-Mar-24	31-Mar-23
sale of goods (Net sales)	NA	NA
average Inventory	NA	NA
<b>Ratio (in times)</b>	<b>NA</b>	<b>NA</b>
<b>% change from previous period/ year</b>	<b>NA</b>	<b>NA</b>

\*Note: The Company engaged in the business of providing micro finance loan services in group loans, therefore this ratio is not applicable to the Company.

**f. Trade receivables turnover ratio= Net sales divided by average trade receivables**

Particulars	31-Mar-24	31-Mar-23
Value of services	49.77	6.55
average trade receivables	16.90	2.15
<b>Ratio (in times)</b>	<b>2.95</b>	<b>3.05</b>
<b>% change from previous period/ year</b>	<b>-3%</b>	

Reason for change more than 25%: Due to increase in Disbursement , Subsequently , incentive income is increased. Therefore Trade Receivable ratio is increased.

**g. Trade Payables turnover ratio= Net Purchases divided by average trade Payables**

Particulars	31-Mar-24	31-Mar-23
Net purchases/services	13.83	57.45
Average trade Payable	8.51	21.55
<b>Ratio (in times)</b>	<b>1.63</b>	<b>2.67</b>
<b>% change from previous period/ year</b>	<b>-39%</b>	

Reason for change more than 25% : Trade payables increased due to expense payable relating to client insurance fee etc. Therefore , trade payable turnover ratio is decreased.

#### h. Net capital turnover ratio= Net sales divided by working capital

Particulars	31-Mar-24	31-Mar-23
Revenue from operations (Net operations revenue)	746.65	443.72
Working Capital	968.74	1,470.29
<b>Ratio (in times)</b>	<b>0.77</b>	<b>0.30</b>
<b>% change from previous period/ year</b>	<b>155%</b>	

Reason for change more than 25% : Revenue increased from 443.72 Lakh to 726.93 Lakh and Working capital decreased from 1470.29 Lakh to 949.87 Lakh So, Increase of Net Capital Turnover Ratio.

#### i. Net profit turnover ratio= Net profit after tax divided by Net sales

Particulars	31-Mar-24	31-Mar-23
Net profit/(loss) after tax	18.48	40.44
Revenue from operation	746.65	443.72
<b>Ratio (in %)</b>	<b>0.02</b>	<b>0.09</b>
<b>% change from previous year</b>	<b>-73%</b>	

Reason for change more than 25% : Loss for current year is. Rs. 18.48 Lakhs and Profit for last year Rs.40.44 Lakhs , Profit after tax is decreased by Rs. 21.96 lakh.

#### j. Return on Capital employed = Earnings before interest and taxes(EBIT) divided by Capital Employed

Particulars	31-Mar-24	31-Mar-23
Profit/(loss) before tax	25.88	52.93
Add: Finance costs	354.44	154.20
<b>EBIT*</b>	<b>380.32</b>	<b>207.13</b>
Tangible Net worth(total assets- total liabilities- Intangible assets)	773.66	775.40
Total debt(excluding lease liabilities)	3361.14	2045.46
<b>Capital Employed</b>	<b>4,134.80</b>	<b>2,820.86</b>
<b>Ratio (in %)</b>	<b>9%</b>	<b>7%</b>
<b>% change from previous year</b>	<b>25%</b>	

Reason for change more than 25% : Borrowing Increased from 2045.46 Lakh to 3371.14 Lakh and EBIT Increase From 207.13 Lakh to 356.91 Lakh EBIT Less increased in comparative of Capital Employed.

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#### Contingent liability and Commitments

	31-Mar-24	31-Mar-23
<b>Contingent Liabilities</b>		
<b>Particulars</b>	<b>Amount</b>	<b>Amount</b>
(1) Claims against the company not acknowledge as debt	Nil	Nil
(2) First Loss default Guarantee for		
(i) Business Correspondent with Samunnati Financial Intermediation & Services Private Limited- of 5% on outstanding portfolio in the form of cash collateral.	10.00	Nil
(i) Credit enhancements provided by the company towards securitization transactions (including collateral)	Nil	Nil
(3) Guarantees	Nil	Nil

#### Capital and other commitments

Particulars	Amount	Amount
(1) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil
(2) Other Commitments	Nil	Nil

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#### Related party disclosure (According to Accounting Standards-18)

(a)

#### Names of related parties and nature of relationship

Name/Entity	Date of Joining	Designation	Nature of relationship
Nellcome Limited	-	-	Holding Company
Gulab Unity Trust	-	-	Holding Trust
Mr. Asokkumar Rathnam	25-10-2016	Independent Director	Independent Director
Mr. Jal Karan Singh Kharb	20-Sep-2018	Independent Director	Independent Director ( Resigned on 17.10.2023)
Mr. Samrat Roy	01-06-2020	Chief Executive Officer	Key Managerial Personnel (KMP)

**(b) Related Party Transaction**

Company	Nature of Relationship	Nature of transaction	Type of transaction	31-Mar-24	
				Transaction Amount (Rs. In Lakh)	(Payable) / Receivable (Rs. In Lakh)
Nellcome Limited	Holding Company	Interest on loan	Payment	79.69	(2.25)
Nellcome Limited	Holding Company	Dividend	Payment	10.31	-
Gulab Unity Trust	Holding Trust	Dividend	Payment	9.91	-
Gulab Unity Trust	Holding Trust	Advance	Payment	0.90	0.90
Mr. Samrat Roy	Chief Executive Officer	Salary	Payment	15.75	-
Mr. Asokkumar Rathnam	Director	Sitting fee	Payment	1.00	-
Mr. Jal Karan Singh Kharb	Director	Sitting fee	Payment	0.70	-

Company	Nature of Relationship	Nature of transaction	Type of transaction	31-Mar-23	
				Transaction Amount (Rs. In Lakh)	(Payable) / Receivable (Rs. In Lakh)
Nellcome Limited	Holding Company	Interest on loan	Payment	79.60	(1.23)
Gulab Unity Trust	Holding Trust	Advance	Payment	0.20	-
Mr. Samrat Roy	Chief Executive Officer	Salary	Payment	13.96	(0.66)
Mr. Asokkumar Rathnam	Director	Sitting fee	Payment	0.80	-
Mr. Jal Karan Singh Kharb	Director	Sitting fee	Payment	0.80	-

(c) Disclosure of loans and advances in the nature of loans are granted to promoters, directors, KMPs and related parties during the current financial year 2023-24.

**28 Classification and provisioning of Loan Assets**

The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India for systemically non-important Non-Deposit taking Non-Banking Financial Company- MFI (NBFC-ND-MFI) on micro finance loans. Loan assets where principal and/or interest is overdue for 90 days or more are treated as Non-Performing Assets. Loan assets are classified as standard, sub-standard, loss and doubtful assets and provision is made in the books as per RBI guidelines relating to provisioning norms. The aggregate loan provision to be maintained by the company at any point of time shall not be less than the higher of:

**As at March 31, 2024**

Asset Classification	Classification Criteria	Principal Amount Outstanding (Rs.)	% of Provision	Provision Amount (Rs.)
<b>(A) Total Portfolio Outstanding</b>				
Performing assets	Upto 90 days	3,513.04	1%	35.54
Non-performing assets	Above 90 days	40.68		
		<b>3,553.72</b>	<b>Total (A)</b>	<b>35.54</b>
<b>(B) Non-performing assets</b>				
Sub-standard assets	91 -180 days	20.60	50%	10.30
Doubtful assets	181 -365 days	20.08	100%	20.08
Loss assets	Above 365	0.00	100%	0.00
		<b>40.68</b>	<b>Total (B)</b>	<b>30.38</b>
<b>Provision for Loan Assets (Higher of (A) or (B))</b>			<b>Total</b>	<b>35.54</b>

**As at March 31, 2023**

Asset Classification	Classification Criteria	Principal Amount Outstanding (Rs.)	% of Provision	Provision Amount (Rs.)
<b>(A) Total Portfolio Outstanding</b>				
Performing assets	Upto 90 days	2,463.20	1%	24.99
Non-performing assets	Above 90 days	35.69		
		<b>2,498.89</b>	<b>Total (A)</b>	<b>24.99</b>
<b>(B) Non-performing assets</b>				
Sub-standard assets	91 -180 days	6.59	50%	3.30
Doubtful assets	181 -365 days	14.94	100%	14.94
Loss assets	Above 365 days	14.15	100%	14.15
		<b>35.68</b>	<b>Total (B)</b>	<b>32.39</b>
<b>Provision for Loan Assets (Higher of (A) or (B))</b>			<b>Total</b>	<b>32.39</b>

<b>29</b>	<b>Employment benefits</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
a)	<b>Defined Contribution Plan</b>		
	(recognized as expense for the year as under)		
	Provident Fund	10.65	7.34
	<b>Total</b>	10.65	7.34
b)	<b>Defined Benefit Plan</b>		
	<b>Gratuity:</b>		
	The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and demand in employment market.		
<b>A</b>	<b>Present value of defined Benefit Obligation</b>		
	Balance at the beginning of the year	06.97	03.92
	Interest cost	0.49	0.29
	Past service cost	0.00	0.00
	Current service cost	03.97	02.04
	Actuarial Losses/(Gains)	03.41	0.73
	Acquisition Adjustment	0.00	0.00
	Benefits paid	0.00	0.00
	Balance at the end of the year	<b>14.85</b>	<b>06.97</b>
<b>B</b>	<b>Fair value of Plan Assets</b>		
	Balance at the beginning of the year	-	-
	Expected return on plan assets	-	-
	Contributions by the company	-	-
	Mortality Charges and Taxes	-	-
	Benefits paid	-	-
	Actuarial Losses/(Gains)	-	-
	Balance at the end of the year	<b>0.00</b>	<b>0.00</b>
<b>C</b>	<b>Assets and Liabilities recognised in Balance Sheet</b>		
	Present value of defined Benefit Obligation	14.85	06.97
	Less: Fair Value of Plan Assets	0.00	0.00
	<b>Amounts recognised as liability/(Funded Assets)</b>	<b>14.85</b>	<b>06.97</b>
<b>D</b>	<b>Expense recognised in statement of Profit &amp; Loss:</b>		
	Current Service cost	03.97	02.04
	Past service cost	0.00	0.00
	Actuarial Losses/(Gains)	03.41	0.73
	Interest cost	0.49	0.29
	Expected return on Plan Assets	0.00	0.00
	Actuarial losses	0.00	0.00
	Expenses recognised in the statement of Profit & Loss	<b>07.87</b>	<b>03.06</b>
<b>E</b>	<b>Actuarial Assumptions</b>		
	Discounting Rate	7.09%	7.30%
	Salary Escalation Rate	10.00%	8.00%
	<b>Recognised Under</b>		
	Long Term Provision	14.11	6.57
	Short Term Provision	0.74	0.40
	<b>Total</b>	<b>14.85</b>	<b>6.97</b>
	<b>Leave encashment</b>		
<b>A</b>	<b>Present value of defined Benefit Obligation</b>		
	Balance at the beginning of the year	01.78	0.86
	Interest cost	0.13	0.06
	Past service cost	0.00	0.00
	Current service cost	0.97	0.72
	Actuarial Losses/(Gains)	(0.04)	0.14
	Acquisition Adjustment	0.00	0.00
	Benefits paid	(0.11)	0.00
	Balance at the end of the year	<b>02.72</b>	<b>01.78</b>
<b>B</b>	<b>Fair value of Plan Assets</b>		
	Balance at the beginning of the year	0.00	0.00
	Expected return on plan assets	0.00	0.00
	Contributions by the company	0.00	0.00
	Mortality Charges and Taxes	0.00	0.00
	Benefits paid	0.00	0.00
	Actuarial Losses/(Gains)	0.00	0.00
	Balance at the end of the year	<b>0.00</b>	<b>0.00</b>
<b>C</b>	<b>Assets and Liabilities recognised in Balance Sheet</b>		
	Present value of defined Benefit Obligation	02.72	01.78
	Less: Fair Value of Plan Assets	0.00	0.00
	<b>Amounts recognised as liability/(Funded Assets)</b>	<b>02.72</b>	<b>01.78</b>

<b>D</b>	<b>Expense recognised in statement of Profit &amp; Loss:</b>		
	Current Service cost	0.97	0.72
	Past service cost	0.00	0.00
	Actuarial Losses/(Gains)	(0.04)	0.14
	Interest cost	0.13	0.06
	Expected return on Plan Assets	0.00	0.00
	Actuarial losses	0.00	0.00
	Expenses/(Income) recognised in the statement of Profit & Loss	<b>01.06</b>	<b>0.92</b>
<b>E</b>	<b>Actuarial Assumptions</b>		
	Discounting Rate	7.09%	7.30%
	Salary Escalation Rate	10.00%	8.00%
	<b>Recognised Under</b>		
	Long Term Provision	2.53	1.62
	Short Term Provision	0.19	0.16
	<b>Total</b>	<b>2.72</b>	<b>1.78</b>

<b>30</b>	<b>Payment to Auditors</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	Auditor's remuneration		
	For Audit fees	5.00	3.50
	For Taxation matters	0.50	0.20
	For Certification and other services	5.75	5.68
	<b>Total</b>	<b>11.25</b>	<b>9.38</b>

**31 Disclosure under AS-17: Segmental Reporting**

The company operates in single reportable segment i.e. lending activity, which has similar risk and return for the purpose of reporting under AS-17 "Segment reporting issued by ICAI". The company does not have any reportable geographical segment.

**32** The Company has no exposure to the real estate sector directly or indirectly in the current period and previous year.

**33 Maturity Analysis of Assets and Liabilities**

The table below shows an analysis of assets and liabilities analyzed to when they are expected to be recovered or settled.

Particulars	As at 31-Mar-2024		As at 31-Mar-2023	
	Within in 12 Months	After 12 Months	Within in 12 Months	After 12 Months
<b>Assets</b>				
Property, plant and equipment and intangible assets	0.00	9.82	0.00	6.03
Deferred tax asset (net)	0.00	11.78	0.00	9.64
Cash and cash equivalents and other bank balances	329.92	0.00	234.74	0.00
Bank balances other than cash and cash equivalents	63.76	153.14	5.00	120.00
Security deposits	5.29	0.00	4.77	0.00
Loan portfolio	2,464.91	1,089.13	1,923.57	575.32
Current Investments	23.63	0.00	0.00	0.00
Other current assets	88.05	0.00	46.84	0.00
Trade receivable	30.51	0.00	3.29	0.00
<b>Total Assets</b>	<b>3,006.07</b>	<b>1,263.87</b>	<b>2,218.21</b>	<b>710.99</b>
<b>Liabilities</b>	<b>Within in 12 Months</b>	<b>After 12 Months</b>	<b>Within in 12 Months</b>	<b>After 12 Months</b>
Borrowings	2,071.96	1,289.18	767.78	1,277.68
Trade payable	0.00	0.00	0.00	0.00
Outstanding dues of micro and small enterprises	8.85	0.00	0.00	0.00
Others	4.98	0.00	12.04	0.00
Provisions	16.64	44.23	8.19	38.49
Other current liabilities	60.45	0.00	50.01	0.00
<b>Total Liabilities</b>	<b>2,162.88</b>	<b>1,333.41</b>	<b>838.02</b>	<b>1,316.17</b>

**34 Additional Disclosures:**

**(I) Relationship with Struck off Companies:**

No transaction has been made with the company struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956.

**(II) Compliance with number of layers of companies**

Where the company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017. No layers of companies has been established beyond the limit prescribed as per such said section / rules of such Act.

**(III) Details in respect of Utilization of Borrowed funds and share premium shall be provided in respect of:**

- (a) Transactions where an entity has provided any advance, loan, or invested funds to any other person(s) or entity/ entities, including foreign entities.

(b) Transactions where an entity has received any fund from any person(s) or entity/ entities, including foreign entity.

S.no	Lender's Name	Type of lender (Person/Entity)	Is it Foreign Entity (Y/N)	Amount (Rs. In Lakhs O/s as on 31.03.2024)	Utilization as per Agreement	Repayable on Demand Amount
1	Grow Money Capital Pvt. Ltd. (formerly known as Eclear Leasing and Finance Pvt. Ltd.)	Company	No	141.82	Yes	No
2	Share Bazar Financial Services Ltd.	Company	No	73.05	Yes	No
3	Nellcome Ltd.	Company	Yes	705.00	Yes	No
4	Usha Financial Services Ltd.	Company	No	82.56	Yes	No
5	RAR Fincare Ltd.	Company	No	99.75	Yes	No
6	UC Inclusive Credit Pvt. Ltd.	Company	No	363.02	Yes	No
7	State Bank of India	Company	No	172.73	Yes	No
8	Muthoot Microfin. Ltd.	Company	No	77.78	Yes	No
9	Ambit Finvest Pvt Ltd.	Company	No	74.50	Yes	No
10	Arohan Financial Services Ltd.	Company	No	249.01	Yes	No
11	AU Small Finance Bank	Company	No	233.33	Yes	No
12	Electronica Finance Limited	Company	No	148.39	Yes	No
13	Finstars Capital Limited	Company	No	37.25	Yes	No
14	Friends of WWB (FWWB)	Company	No	300.00	Yes	No
15	IBL Finance Limited	Company	No	150.00	Yes	No
16	Incred Financial Services	Company	No	75.19	Yes	No
17	Ramsons Projects Limited	Company	No	50.00	Yes	No
18	Real Touch Finance Limited	Company	No	76.24	Yes	No
19	Rockland Finstock Limited	Company	No	50.00	Yes	No
20	Vivriti Capital Pvt. Ltd.	Company	No	250.00	Yes	No

**(IV) Undisclosed income**

There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.

**(V) Details of Crypto Currency or Virtual Currency**

No such transaction has been taken place during the year.

**(VI) Details of Benami Property held**

No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made there under.

**(VII) Corporate Social Responsibility (CSR)**

The provisions of corporate social responsibility is not applicable to the company.

**(VII) Wilful defaulter**

1. No Bank or Financial Institutions has declared the company as "Wilful defaulter"
2. All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction of charge is pending as at the end of the financial year.
3. No scheme of arrangements have been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
4. No investment property is held by the company as at the end of the reporting period.

**(XVIII) Details of borrowings:**

Lender's Name	Type of lenders (Bank/FI)	Type of current assets secured	Quarterly return or statements submitted to bank/FI (Yes/No)	If yes, whether that is in agreement with books of accounts (Y/N/NA)	If no, give the summary of differences and reasons for material differences.
Grow Money Capital Pvt. Ltd. (formerly known as Eclear Leasing and Finance Pvt. Ltd.)	Financial Institution	110% of book debts	Yes	Yes	-
Share Bazar Financial Services Ltd.	Financial Institution	105% of book debts	Yes	Yes	-
Usha Financial Services Ltd.	Financial Institution	110% of book debts	Yes	Yes	-
RAR Fincare Ltd.	Financial Institution	110% of book debts	Yes	Yes	-
UC Inclusive Credit Pvt. Ltd.	Financial Institution	110% of book debts	Yes	Yes	-

State Bank of India	Bank	125% of book debts	Yes	Yes	-
Muthoot Microfin. Ltd.	Financial Institution	105% of book debts	Yes	Yes	-
Ambit Finvest Pvt Ltd.	Financial Institution	110% of book debts	Yes	Yes	-
Arohan Financial Services Ltd.	Financial Institution	110% of book debts	Yes	Yes	-
AU Small Finance Bank	Bank	120% of book debts	Yes	Yes	-
Electronica Finance Limited	Financial Institution	105% of book debts	Yes	Yes	-
Finstars Capital Limited	Financial Institution	110% of book debts	Yes	Yes	-
Friends of WWB (FWWB)	Financial Institution	110% of book debts	Yes	Yes	-
IBL Finance Limited	Financial Institution	115% of book debts	Yes	Yes	-
Incred Financial Services	Financial Institution	110% of book debts	Yes	Yes	-
Ramsons Projects Limited	Financial Institution	110% of book debts	Yes	Yes	-
Real Touch Finance Limited	Financial Institution	110% of book debts	Yes	Yes	-
Rockland Finstock Limited	Financial Institution	110% of book debts	Yes	Yes	-
Vivriti Capital Pvt. Ltd.	Financial Institution	110% of book debts	Yes	Yes	-

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The Company has entered into agreements with Samunnati Financial Intermediation & Service Private Limited to extend its financial services to underserved and rural areas. These business correspondents facilitate Credit facility on behalf of the Company for Agriculture & Allied Activity including Income generating activity. The expenses related to these arrangements, including commission and service fees, are recorded under operational expenses & Income. The Company continuously monitors and evaluates the performance and compliance of its business correspondents to ensure adherence to regulatory requirements and service quality standards. For the fiscal year ended as on 31st March 2024, the Company has disbursed Rs. 1.48 Crore as correspondent Business . As on 31st March 2024 , the Company has receivables of Rs. 5.89 Lakh related to the correspondent services.

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#### Capital to Risk-Assets Ratio (CRAR)

Particulars	31-Mar-24	31-Mar-23
CRAR (%)	19.30%	28.85%
CRAR - Tier I capital (%)	19.30%	28.85%
CRAR - Tier II capital (%)	0.00%	0.00%

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#### Prior year comparatives:

Corresponding figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the figures of the current year.

#### As per our report of even date

for **V. NAGARAJAN & CO.**

Chartered Accountants

FRN : 04879 N

**SANDEEP SHARMA**

Sandeep Sharma

Partner

M. No.: 525361

Place: Noida

Date: 28-09-2024

UDIN:

Digitally signed by  
SANDEEP SHARMA  
Date: 2024.09.28  
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#### for and on behalf of Board of Directors of Magenta Finance Services Pvt Ltd

**RAJ KUMAR SINGH**  
Digitally signed by  
RAJ KUMAR SINGH  
Date: 2024.09.28  
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**Raj Kumar Singh**

Director

DIN: 02886855

**Tribikram Nayak**  
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Tribikram Nayak  
Date: 2024.09.28  
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**Tribikram Nayak**

Director

DIN: 02936020

**Samrat Roy**  
Chief Executive Officer

**SAMRAT ROY**  
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SAMRAT ROY  
Date: 2024.09.28  
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**MAGENTA FINANCE SERVICES PRIVATE LIMITED**

CIN:U65191DL2010PTC289124

**NOTES TO THE FINANCIAL STATEMENT AS AT MARCH 31, 2024**

**NOTE 10: Property Plant and Equipment and Intangible Assets**

*(All amounts in INR lakhs, unless otherwise stated)*

Particulars	Office Equipment	Computers and Data Processing Unit	Furniture & Fixtures	Software	Total Amount
<b>Gross block</b>					
<b>As at April 01, 2022</b>	<b>2.81</b>	<b>4.09</b>	<b>1.94</b>	<b>0.54</b>	<b>9.37</b>
Additions	1.57	0.00	3.78	0.09	5.43
Disposals/write off	0.00	0.00	0.00	0.00	0.00
<b>As at March 31, 2023</b>	<b>4.38</b>	<b>4.09</b>	<b>5.72</b>	<b>0.63</b>	<b>14.81</b>
Additions	0.54	5.50	0.74	0.13	6.91
Disposals/write off	0.00	0.00	0.00	0.00	0.00
<b>As at March 31, 2024</b>	<b>4.92</b>	<b>9.59</b>	<b>6.46</b>	<b>0.76</b>	<b>21.72</b>
<b>Accumulated depreciation</b>					
<b>As at April 01, 2022</b>	<b>2.33</b>	<b>3.19</b>	<b>1.07</b>	<b>0.34</b>	<b>6.93</b>
Charge for the year	0.56	0.57	0.61	0.12	1.85
Disposals/write off	0.00	0.00	0.00	0.00	0.00
<b>As at March 31, 2023</b>	<b>2.89</b>	<b>3.76</b>	<b>1.68</b>	<b>0.46</b>	<b>8.78</b>
Charge for the year	0.91	1.51	0.58	0.12	3.12
Disposals/write off	0.00	0.00	0.00	0.00	0.00
<b>As at March 31, 2024</b>	<b>3.80</b>	<b>5.27</b>	<b>2.26</b>	<b>0.58</b>	<b>11.90</b>
<b>Net block</b>					
<b>As at 31st March, 2023</b>	<b>1.49</b>	<b>0.33</b>	<b>4.04</b>	<b>0.17</b>	<b>6.03</b>
<b>As at 31st March, 2024</b>	<b>1.11</b>	<b>4.33</b>	<b>4.21</b>	<b>0.18</b>	<b>9.82</b>

**Notes:**

1. There are no intangible assets which are under development for the year ended 31 March 2024 and for the year ended 31 March 2023.
2. There has been no revaluation of property plant and equipment for the year ended 31 March 2024 and for the year ended 31 March 2023.
3. There are no immovable properties held by the company.
4. The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.