

Board's Report

To the Members,

Your directors take pleasure in presenting the 30th Annual Report on the business and operations of your Company along with the Audited Financial Statements for the year ended March 31, 2024.

Financial and Operational Highlights:

The financial performance of your Company for the year ended March 31, 2024, are summarised as below: -

PARTICULARS	(Figures in ₹ Lakhs)	
	Current Financial Year (2023-24)	Previous Financial Year (2022-23)
Revenue from Operations	12,769.36	5,041.08
Other Income	27.03	2.95
Profit/loss before Depreciation, Finance Costs, Comprehensive items and Tax Expense	5,671.78	1,346.51
Less: Depreciation, amortization and impairment	334.57	173.08
Profit/Loss before Finance Costs, Comprehensive items, and Tax Expense	5,337.21	1,173.43
Less: Finance Cost	4,281.36	2,167.64
Profit/Loss before Comprehensive items and Tax Expense	1,055.85	(994.21)
Less: Tax Expense (Current & Deferred)	141.78	(313.84)
Profit/loss for the year (1)	914.07	(680.37)
Add/(less): Comprehensive items	(17.59)	11.09
Total Comprehensive Income for the year	896.48	(669.28)
Retained earnings as at the beginning of the year	(1,691.95)	(1,022.67)
Retained earnings before appropriations	(795.47)	(1,691.95)
Appropriations		
Less: Transfer to reserve fund u/s 45-IC (1) of the RBI Act, 1934	(182.81)	-
Less: Dividend paid on Equity Shares	-	-
Less: Other Appropriation	-	-
Retained earnings as at the end of the year	(978.28)	(1,691.95)
Earnings per share (Face value of ₹10)		
- Basic (₹)	3.45	(2.94)
- Diluted (₹)	3.40	(2.94)

Indian Accounting Standards (IND-AS)

Financial Statements of your Company for the financial year ended March 31, 2024, are prepared in accordance with Indian Accounting Standards (IND-AS), as notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

Company's Performance in Financial Year Under Review

The Total Income for the year under review is ₹12,796.39 Lakhs (Previous Year: ₹5,044.03 lakhs) registering a growth of 153.69% over the previous year.

The Assets under Management (AUM) of the Company stood at ₹730 Crore as on March 31, 2024 as compared to ₹344 Crore in the previous year representing growth of 112% as compared to March 31, 2023. The Company showed a strong turnaround in profitability with PAT of ₹9.14 Crore in FY24 compared to a net

loss of ₹6.80 Crore in FY23 which has been driven by rising scale & improved productivity.

During the year under review, the Company has disbursed loans of ₹665 Crore as against ₹341 Crore during the previous year, which shows a tremendous growth of 95% as compared to FY23. The Company expanded its operations to 100 branches across 8 states as of Mar'24 compared to 61 branches in 6 states in last year. Geographic and product diversification further improved during the financial year with entry into the states of Gujarat and Bihar, and an increased share of secured lending which grew from 5% of AUM at FY23-end to 24% at FY24-end.

With the launch of the Sikka App in FY24, digital has become a powerful ally in our pursuit of financial inclusion. The Sikka app stands as a digital financial ecosystem crafted to uplift small and medium businesses, fostering growth and wealth creation. Leveraging technology as a key enabler, we are poised to expand

our reach, deepen our impact, and realise our vision of a more inclusive financial landscape.

Fund Raised During 2023-24:

Your Company has diversified its funding sources by adding 8 new lenders in FY24, taking the total lender count to 32 as of March 2024. New lenders in FY24 included reputed names – HDFC Bank Limited, Federal Bank Ltd, Cholamandalam Investment and Finance Company Limited, Protium Finance Limited, Kotak Mahindra Bank, Fincare Small Finance Bank Ltd., SBM Bank (India) Limited, Kisetsu Saison Finance (India) Private Limited. With the addition of leading banks and NBFCs, and issue of debt via securitization and NCD issuance, the Company has diversified its funding sources and reduced its cost of borrowings (cost of incremental borrowing stood at 13.0% during H2 FY24). The Company is supported by 32 lenders as of date, including 10 leading banks.

Total debt raise was ₹376 Crore (including non-Convertible debentures and PTC) in FY24 which is in line with business growth. During the year under review, the Company has raised ₹77 Crore by issue and allotment of Non-convertible Debentures.

Continued support from the existing lenders and the addition of new lenders demonstrates the confidence of the lenders in the Company's credit processes, asset quality, collection efficiency and the management team.

Dividend

During the year under review, no dividend was recommended by the Board of Directors with a view to conserve the resources of the Company.

Transfer to Reserves

Your directors have not recommended transfer of any amount to reserves for the year ended March 31, 2024.

The Company maintains sufficient liquidity buffer to fulfil its obligations arising out of issue of debentures. The Company being an NBFC, is exempt from transferring any amount to debenture redemption reserve in respect of privately placed or public issue of debentures, as per the provisions of section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014. In respect of secured listed non-convertible debt securities, the Company maintains 100% security cover or higher security cover as per the terms of Information Memorandum, General Information Document ("GID"), Key Information Document ("KID"), as the case may be and/or Debenture Trust Deed, sufficient to discharge the liability towards principal amount and interest thereon.

Share Capital

Pursuant to the resolution passed in the Extra Ordinary General Meeting by the members of the Company, the Authorised Equity Share Capital of your Company stood at ₹40,00,00,000 (4,00,00,000 equity shares of ₹10 each) and the Issued, Subscribed and Paid-up Equity Share Capital of the Company stood at ₹30,49,16,360

divided into 3,04,91,636 Equity shares of ₹10 each as on March 31, 2024.

During the period under review, the Company has raised equity share capital through issue of equity shares on Preferential basis, conversion of warrants. The details of change in equity share capital during the year are as follows:

- Conversion of Warrants on September 28, 2023: The Company has allotted 6,00,000 equity shares at a face value of ₹10 per share as a result of which, the Paid-up equity share capital of the Company increased from ₹24,99,42,600 divided into 2,49,94,260 equity shares of ₹10 each to ₹25,59,42,600 divided into 2,55,94,260 equity shares of ₹10 each.
- Funds raised through Preferential Issue on December 19, 2023: The Company has allotted 43,12,001 equity shares at a face value of ₹10 per share as a result of which, the Paid-up share capital of the Company increased from ₹25,59,42,600 divided into 2,55,94,260 equity shares of ₹10 each to ₹29,90,62,610 divided into 2,99,06,261 equity shares of ₹10 each.
- Allotment of Equity Shares under Employee Stock Option Plan of the Company on February 26, 2024: The Company has allotted 15,375 equity shares under Employee Stock Option Plan of the Company at a face value of ₹10 per share as a result of which, the Paid-up share capital of the Company increased from ₹29,90,62,610 divided into 2,99,06,261 equity shares of ₹10 each to ₹29,92,16,360 divided into 2,99,21,636 equity shares of ₹10 each.
- Conversion of Warrants on March 28, 2024: The Company has allotted 5,70,000 equity shares at a face value of ₹10 per share as a result of which the Paid-up share capital of the Company increased from ₹29,92,16,360 consisting of 2,99,21,636 equity shares of face value of ₹10 each to ₹30,49,16,360 consisting of 3,04,91,636 equity shares of face value of ₹10 each.

Listing on Stock Exchange

The Equity Shares of the Company are listed on the Main Platform of BSE Limited. The listing fee for the financial year 2023-24 has been paid by the Company within the due date as prescribed in this regard.

Change in the Nature Of Business

There has been no such change in the nature of business and operations of the Company during the year under review.

RBI Compliances

Reserve Bank of India ("RBI") has notified Scale Based regulations ("SBR") on 22nd October 2021. Your Company has been categorised as an NBFC-Base Layer. Your Company has always endeavored to maintain the highest standards of compliance within the organisation and shall continue to do so going ahead. The Company continues to comply with all the applicable laws, regulations, guidelines etc. prescribed by the RBI, from time to time.

The Board of Directors have framed various policies as applicable to the Company under the said regulations. Further, the Board periodically reviews the policies and approves amendments as and when necessary.

State of Company's Affairs

The state of the Company's affairs has been duly presented in the Management and Discussion Analysis Report forming part of the Integrated Annual Report.

Material Changes and Commitment, If Any Affecting the Financial Position of the Company, Having Occurred Since the End of The Year and till the Date of the Report

No specific material changes and commitments affecting the financial position of your Company have occurred between the

end of the financial year under review, i.e. March 31, 2024 and the date of this Report.

Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 in relation to Corporate Social Responsibility (CSR) were not applicable to the Company during the year under review. Therefore, such details on expenditure in CSR along with the policy are not required to be provided in this Report.

Highlights of Performance of Subsidiaries, Associates and Joint Venture Companies and Their Contribution to the Overall Performance of the Company

During the period under review, a wholly owned subsidiary in the name of "Moneyboxx Foundation" was incorporated. Brief details of the subsidiary are as follows:

S.No.	Particulars	Details
1.	Name of the Subsidiary	Moneyboxx Foundation
2.	Date of Incorporation	25.05.2023
3.	Authorized Capital	₹1,00,000
4.	Paid Up Capital	₹1,00,000
5.	Main Object	Moneyboxx Foundation, is a Non-profit organisation and its main object inter-alia is to carry out the CSR activities.

Apart from the one Wholly owned Subsidiary Company mentioned above, there are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

During the year under review, Moneyboxx Capital Private Limited has ceased to be the Holding Company of Moneyboxx Finance Limited with effect from December 19, 2023.

Credit Rating

The credit rating of the securities/ instruments/ loans, credit facilities and other borrowings of the Company as on March 31, 2024, were as follows:

Name of Credit Agency	Securities/Instruments/Loans, Credit facilities and other Borrowings	Ratings
India Ratings & Research Private Limited	Non- Convertible Debentures	IND BBB-/Positive
	Bank loans	IND BBB-/Positive
	Pass Through Certificates	IND A-(SO)/Stable

Directors and KMP

Changes during the year under review under the Directors and KMP Category:

As on March 31, 2024, the Company has Six Directors with an optimum combination of Executive and Non-Executive Directors including one Woman Independent Director. The details are as follows:

S. No.	Name of Director	Designation
1.	Mr. Uma Shankar Paliwal (DIN-06907963)	Chairman and Independent Director
2.	Ms. Ratna Dharashree Vishwanathan (DIN-07278291)	Independent Director
3.	Mr. Deepak Aggarwal (DIN-03140334)	Whole-time Director Co- Chief Executive Officer & Chief Financial Officer (KMP)
4.	Mr. Mayur Modi (DIN-08021679)	Whole-time Director Co- Chief Executive Officer (KMP)
5.	Mr. Govind Gupta (DIN-00065603)	Non-Executive Director
6.	Mr. Atul Garg (DIN-07093376)	Non-Executive Director

In accordance with the provisions of Section 197, 198 of the Companies Act, 2013 read with schedule V of the Companies Act, 2013 and the Articles of Association of the Company, the term of Mr. Mayur Modi as Co-CEO & Whole-time Director is about to end on December 31, 2024. Hence, based on the recommendation of the Nomination and Remuneration Committee of the Board, the Board of Directors recommends the re-appointment of Mr. Mayur Modi for a term of 5 years in line with the applicable provisions of the Companies Act, 2013.

Brief resume and other details of Mr. Mayur Modi, who is proposed to be re-appointed as a Co-CEO & Whole-time Director of the Company have been furnished, in the explanatory statement to the notice of the ensuing Annual General Meeting. The same is put to vote in ensuing General Meeting.

During the period under review, Ms. Bhanu Priya tendered her resignation from the post of Company Secretary and Compliance Officer of the Company, effective from August 12, 2023, and pursuant to the provision of Section 203 read with applicable rules and Regulation 6 of SEBI Listing Regulations and applicable provisions of Reserve Bank of India, Mr. Semant Juneja, was appointed as Company Secretary and Compliance Officer of the Company effective from November 10, 2023.

Declaration by Independent Directors:

The Company has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act along with rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered with the databank maintained by the Indian Institute of Corporate Affairs.

In terms of Rule 8(5) of Companies (Accounts) Rules, 2014, the Board is of the opinion that independent directors are persons of integrity, expertise, and proficiency to serve the Company as Independent Directors strengthening the overall composition of the Board.

Fit and Proper and Non-Disqualification Declaration by Directors:

All the Directors of the Company have confirmed that they satisfy the 'fit and proper' criteria as prescribed by RBI, and that they are not disqualified from being appointed /continue as Director in terms of Section 164(1) and (2) of the Act.

Director retiring by rotation

In accordance with the requirements of Section 152(6) (c) of the Companies Act, 2013, Mr. Atul Garg (DIN-07093376), Director retires by rotation from the Board of Directors and, being eligible, offers himself for re-appointment. Brief resume and other details of Mr. Atul Garg who is proposed to be re-appointed as a Director of the Company have been furnished, in the explanatory statement to the notice of the ensuing Annual General Meeting.

The Board recommends the re-appointment of Mr. Atul Garg (DIN-07093376), as Director of the Company retiring by rotation.

Key Managerial Personnel

The following persons were designated as the Key Managerial Personnel ("KMP") of your Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, as on March 31, 2024:

1. Mr. Mayur Modi as Co-CEO & Whole-time Director of the Company
2. Mr. Deepak Aggarwal as Co-CEO, CFO & Whole-time Director of the Company
3. Mr. Semant Juneja as Company Secretary & Compliance Officer of the Company

Meetings of the Board

The Board of Directors are actively involved in formulating the broad business and operational policies and deliberating on the strategies, business performance, financials, investment performance and key risks pertaining to the business of the company. The Board follows a set of appropriate standard procedures in the conduct of Board meetings. All the meetings of the Board and Committees were conducted in compliance with the regulatory requirements prescribed under various statutes and regulations.

In order to address specific urgent needs, meetings are also convened at a shorter notice and in case of business exigencies or urgency of matters, resolutions are also passed by the Board/Committees through circulation. The resolutions passed by circulation are noted at the next meeting of the Board/Committees.

The members of the Board have access to all information of the Company. As and when required, members of Senior Management team are invited to attend the Board and Committee meetings so as to provide additional inputs on the subjects being discussed.

The Board of Directors of the Company met seven times during the financial year 2023-24. The meeting details are provided in the 'Corporate Governance Report' that forms part of this Annual Report.

Meetings of Independent Directors

The Independent Directors met once during the year under review, on March 27, 2024. The Meeting was conducted without presence of the Whole-time Director(s), the Non-Executive Non-Independent Directors or Chief Financial Officer to enable the Independent Directors to discuss matters pertaining to, inter-alia, review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company, assess the quality, quantity and timeliness of flow of information between the Company Management & the Board and its Committees and free flow discussion on any matter that is necessary for the Board to effectively and reasonably perform their duties.

Committees of the Board

In Compliance with the Statutory requirement(s), the Board has the following Committee(s):

1. Audit Committee
2. Nomination and Remuneration Committee

3. Stakeholder Relationship Committee
4. Asset Liability Management Committee
5. Risk Management Committee

The composition and terms of reference of the committees of the Board of the Company is in line with the provisions of the Companies Act 2013, the SEBI Listing Regulations and the RBI Master Directions. Details of the composition of all the committees of the Board, along with their terms of reference, number of meetings held during financial year 2023-24 and attendance of the members there at, is given at length in the Corporate Governance Report which forms part of this Report.

Directors Responsibility Statement

Pursuant to the provisions of Section 134(3)(c) and Section 134(5) of the Act the, Directors hereby confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) The directors of the Company have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit & loss of the Company for that period;
- iii) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts are on* a going concern basis;
- v) Internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Policy on Directors' Appointment and Remuneration

In compliance with the provision of Section 178 of the Companies Act, 2013, the Board has, on the recommendation of the Nomination & Remuneration Committee of the Company, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management, and their remuneration.

The policy of the company on director's appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of section 178 of the Companies Act, 2013 is available on our website at www.moneyboxxfinance.com.

Your Company also affirms that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

Audit Committee

The Audit Committee of the Company comprises of following Directors: Mr. Uma Shanker Paliwal (Chairperson), Ms. Ratna Dharashree Vishwanathan and Mr. Govind Gupta.

All the Members of the Committee are Non-Executive Directors and possess strong accounting and financial management knowledge. The Company Secretary of the Company is the Secretary of the Committee.

All the recommendations of the Audit Committee were duly accepted by the Board in the financial year.

The brief terms of reference, number of meetings and attendance record of members for FY24 are given in the Corporate Governance Report

Annual Evaluation of Board's Performance

Pursuant to the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance, the Board committees and individual directors. The evaluation was based on the criteria and questionnaire framed by the Company. The questionnaires were circulated online and feedback received from the directors was discussed and reviewed by the Independent Directors, members of the Nomination and remuneration Committee ("NRC") at their respective meetings.

The performance evaluation of individual directors including the chairman, inter alia, was done based on the criteria such as professional conduct, roles and functions, discharge of duties, their contribution to Board/committees/senior management, preparedness on the issues to be discussed, contribution to the decision making, etc. The evaluation process endorsed the confidence in the ethical standards of the Company, the cohesiveness that exists amongst them, the two-way candid communication between the Board and the management and the openness of the management in sharing strategic information to enable the Board members to discharge their responsibilities effectively.

The Directors expressed their satisfaction with the evaluation process. Further, the evaluation process confirms that the Board and its Committees continue to operate effectively, and the performance of the Directors is satisfactory.

Employee Stock Option Plan

Employee Stock Options have been recognized as an effective instrument to attract talent and align the interest of employees with that of the Company, thereby providing an opportunity to the employees to share in the growth of the Company and to create long-term wealth in the hands of employees.

Pursuant to this, the Company has formulated "MFL Employee Stock Option Plan 2021" approved by Shareholders in an Extra Ordinary General Meeting held on December 27, 2021, in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021. The eligibility of employees to receive grants under the Plan has to be decided by the Nomination and Remuneration Committee (NRC) from time to time upon recommendation of Management of the Company. Vesting of the options shall take place in the manner determined by NRC at the

time of grant provided the vesting period in line with the MFL Employee Stock Option Plan 2021.

Vesting of options shall be subject to the condition that the Grantee shall be in continuous employment with the Company and such other conditions as provided under the MFL Employee Stock Option Plan 2021. The Exercise Price of each grant is determined by NRC at the time of grant. Presently, stock options have been granted under the MFL Employee Stock Option Plan 2021.

Pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2013, following are the details of grant under the MFL Employee Stock Option Plan 2021 as on March 31, 2024:

S.no.	1.	2.	3.	4.	5.
Date of grant	March 01, 2022	August 10, 2022	August 10, 2022	February 09, 2024	February 09, 2024
Options granted	3,25,400	90,700	1,40,000	4,49,600	42,000
Options vested	1,40,325	15,875	70,000	Nil	Nil
Options exercised	72,900	15,875	Nil	Nil	Nil
Vesting Period	4 years	4 years	2 years	4 years	2 years
Total number of shares arising as a result of exercise of options	72,900	15,875	Nil	Nil	Nil
Options lapsed as on March 31, 2024	49,025	29,200	Nil	21,800	Nil
Exercise Price	₹95	₹115	₹115	₹172	₹172
Variation of terms of options	N.A.	N.A.	N.A.	N.A.	N.A.
Money realized by exercise of options	₹69,25,500	₹18,25,625	Nil	Nil	Nil
Total no. of options in force	2,03,475	46,125	1,40,000	4,27,800	42,000
Employees wise details of options granted to:	(i) KMP: Mr. Semant Juneja- 10,000 options.				
	(ii) Any other employee who received options amounting to 5% or more (during FY24):				
	S. No.	Name of Employee	Designation	Options Granted during FY24	
	1.	Mr. Praveen Gupta	Chief Impact Officer	42,000	
	(iii) Identified employees who were granted options equal to or exceeding one percent of issued capital: N.A.				

Further, the Disclosures as required under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 has been hosted on the Company's website at the link: www.moneyboxxfinance.com.

Compliance of Secretarial Standards

Your Company has duly devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

Deposits

The Company being a Base layer non-deposit taking Non-Banking Financial Company has neither invited nor accepted any public deposits during the financial year ended March 31, 2024 and shall not accept any public deposits during the financial year 2024-25 without the prior written approval of the Reserve Bank of India ("RBI").

As per the requisite provisions of the Master Direction – Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 issued by RBI, a resolution in this regard was passed by the Board on April 25, 2024.

Management Discussion and Analysis Report

The Management Discussion and Analysis ('MDA') Report gives details of the overall industry structure, developments, performance and state of affairs of the Company's business and other material developments during the Financial Year. The MDA report forms an integral part of this Annual Report.

Particular of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the prescribed format and annexed herewith as **Annexure - A** to this Annual Report.

Details of top ten employees in terms of the remuneration and employees in receipt of remuneration as prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, containing details prescribed under rule 5(3) of the said Rules, which form part of this Report, will be made available to any member on request, as per provisions of section 136(1) of the Act.

Human Resources

Employees are one of the key foundations of any successful Organization. Human Resources plays a significant role in developing positive business culture and improving employee engagement and productivity. The HR function takes the lead on organization development, employee wellness and personal development.

At Moneyboxx, HR department actively nurtures a culture of integrity, honesty and continuous learning, while upholding principles of equality and preventing harassment. Committed to fostering respectful and secure work environments, the Company strives to provide its employees with careers rather than mere jobs, promoting trust, confidence and transparency.

Company embraces the principle that meaning at work is created when people relate to the purpose of the organization, feel connected to the leaders, and have a sense of belonging. During the year, the Company had conducted familiar interactions between the employees of the Company to sharing information about the Company's long-term perspective, its growth along with the growth of employees.

Corporate Governance

A separate chapter titled 'Corporate Governance Report' has been included in this Annual Report pursuant to SEBI Listing Regulations, along with it, the certificate from the Secretarial Auditors of the Company confirming the compliance with regulations of corporate governance under the SEBI Listing Regulations is annexed to the Report.

Vigil Mechanism / Whistle Blower Policy

The Company has in place a Vigil Mechanism (Whistle Blower Policy) for directors and employees to report genuine concerns. The policy provides for adequate safeguards against victimization of directors or employees or any other person who avails the mechanism.

The Whistle Blower Policy provides employees and other stakeholders a platform to communicate instances of frauds/misconducts that they have come across. In terms of the Policy, any person including employees, customers and vendors may report malpractice, actual or suspected fraud, violations of the company's code of conduct or any other act with an intention of unethical personal gain that may cause damage to the company or its employee.

Internal Financial Control Systems and Their Adequacy

Your Company has in place adequate internal financial controls with reference to the financial statements.

The controls comprise of policies and procedures for ensuring orderly and efficient conduct of the Company's business, including adherence to its 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.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee.

The board is of the opinion that the Company's internal financial controls are adequate and effective during the financial year 2023-24.

Audit and Auditors

a) Statutory Auditor

The members of the Company in the 25th Annual General Meeting ("AGM"), approved the appointment of M/s. Gaur & Associates, Chartered Accountants (Firm Registration No. 005354C), as the Statutory Auditors, for a period of five (5) years i.e., from the conclusion of the 25th AGM till the conclusion of 30th AGM of the Company. M/s. Gaur & Associates, Chartered Accountants, Statutory Auditors of the Company, have conducted the statutory audit for the financial year 2023-24 and shall cease to be the auditors of the Company post the conclusion of the ensuing AGM.

The Board of the Directors, on the recommendation made by the Audit Committee, have re-appointed M/s. Gaur & Associates, Chartered Accountants, (Firm registration no. 005354C), as the Statutory Auditors of the Company, for a further period of 5 (Five) consecutive financial years commencing from the conclusion of the ensuing AGM till the conclusion of 35th AGM. This re-appointment is subject to the approval of the members at this AGM. The necessary resolution seeking the members' approval for re-appointment of M/s. Gaur & Associates, Chartered Accountants, as the Statutory Auditors is included in the Notice convening the 30th AGM of the Company.

The statutory audit report for the year 2023-24 is unmodified, does not contain any qualification, reservation or adverse remark or disclaimer by the statutory auditor.

b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors based on the recommendation made by the Audit Committee, has appointed M/s Shashank Pashine & Associates, (partner at Juris Consultants Private Limited) having Membership No. FI 1665 and CP.No. 21229, to undertake the Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report for the financial year ended as on March 31, 2024, is annexed as Annexure - B and forms an integral part of this Report.

The Secretarial Audit Report for the year 2023-24 is unmodified, does not contain any qualification, reservation or adverse remark or disclaimer by the Secretarial Auditor.

Cost Audit

The provisions of Section 148 read with the Cost Audit Rules and Cost Audit are not applicable to the Company.

Annual Return

In accordance with the requirements under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013 and the applicable rules, the Annual Return as on March 31, 2024 is available on the website of the Company at www.moneyboxxfinance.com.

Particulars of Loans, Guarantees and Investments

The loans made, guarantee given, or security provided in the ordinary course of business by a NBFC registered with the Reserve Bank of India are exempt from the applicability of the provisions of Section 186 of the Companies Act, 2013. As such, the particulars of loans and guarantees have not been disclosed in this Report.

Related Party Transactions

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 23 of SEBI Listing Regulations, all Related Party Transactions were placed before the Audit Committee for its prior approval during the year under review and these transactions were reviewed by the Committee. Details of transactions with related parties during the year under review are provided in the notes to the financial statements. All related party transactions during the year were conducted at arms' length and were in the ordinary course of business.

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for the financial year 2023-24 and hence does not form part of this Report.

Further, the Directors draw attention of the members to Note No. 37 of the Notes to the Financial Statements which set out related party transactions.

The Company in terms of Regulation 23 of the SEBI Listing Regulations, submits disclosures of related party transactions, in the format specified by SEBI vide its circular dated November 22, 2021 to the stock exchange.

The Policy on Materiality of and Dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at www.moneyboxxfinance.com.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/ Outgo

As the Company is engaged in the financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section

134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is not applicable to the Company.

The Company is vigilant on the need for conservation of energy and has taken adequate measures for conservation of energy and usage of alternative source of energy, wherever required. The Company has been in the forefront in implementing latest information technology and tools towards enhancing stakeholder's convenience

Foreign exchange earnings and Outgo:-

The Company did not enter into any foreign currency transactions in the current year and previous year.

Risk Management

Risk management forms an integral part of the Company's business. As a lending institution, the Company is exposed to various risks that are related to its lending business and operating environment. Your Company has a well defined risk management framework in place. The risk management framework works at various levels across the Company. The risk management framework is based on assessment of all risks through proper analysis and understanding of the underlying risks before undertaking any transactions and changing or implementing processes and systems. This risk management mechanism is supported by regular review, control, self-assessments and monitoring of key risk indicators.

The Risk Management structure includes identification of elements of risk, including those which in the opinion of the Board, may threaten the existence of the Company. The Board of Directors monitor and manage the risks faced by the Company through its committees – the Risk Management Committee and the Asset Liability Management Committee.

Reporting of Frauds By Auditors

During the year under review, none of the auditors (statutory, secretarial and internal auditor) have reported to the Audit Committee or the Board, under Section 143 (12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

Statement of Deviations or Variations

There has been no deviation in the utilization of issue proceeds raised through private placement basis, from the objects stated in the Explanatory Statement annexed with the Notice/Offer Document for the year ended March 31, 2024.

Details of Significant and Material Orders Passed By the Regulators or Courts

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

Disclosures under the Insolvency and Bankruptcy Code, 2016

Neither any application has been made nor is any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company has duly adopted a policy on prevention, prohibition and Redressal of Sexual harassment at workplace and has constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under.

The Company has not received any complaints on sexual harassment during the year.

Recovery expense fund

The Company has also created and maintained recovery expense fund in terms of Regulation 11 of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 with respect to the NCDs issued by it.

General

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.

2. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any Scheme save and except Employees Stock Option Schemes (ESOS).
3. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company.
4. The Company has not made any one-time settlement for loans taken from the Banks or Financial Institutions, and hence the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.
5. There was no revision of financial statements and Board's Report of the Company during the year under review
6. There was no buyback of the equity shares during the year under review.
7. There was no suspension of trading of securities of the Company on account of corporate action or otherwise.

Acknowledgement

The Directors express their sincere gratitude to the Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions, and the Company's bankers for the ongoing support extended by them. The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in the Company. The Directors sincerely appreciate the commitment displayed by the employees across all levels, resulting in successful performance during the year.

By order and on behalf of the Board

Moneyboxx Finance Limited

Sd/-

(Mayur Modi)

Co- CEO & Whole-time Director

DIN: 08021679

Sd/-

(Deepak Aggarwal)

Co- CEO, CFO & Whole-time Director

DIN: 03140334

Date: August 08, 2024

Place: Gurugram, Haryana

ANNEXURE-A**Pursuant to Section 197 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014****Details Related to Managerial Remuneration:**

A) Details pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

S No	Requirement of Rule 5(1)	Disclosure										
1	The ratio of the remuneration of each director to the median remuneration of all the employees of the Company for the financial year	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of the Director</th> <th style="text-align: left;">Ratio (in x times)</th> </tr> </thead> <tbody> <tr> <td>Mr. Mayur Modi (Co-CEO & Whole-time Director)</td> <td>58.70</td> </tr> <tr> <td>Mr. Deepak Aggarwal (Co-CEO, CFO & Whole-time Director)</td> <td>58.70</td> </tr> </tbody> </table> <p>a. The Median Remuneration of all the employees of the Company was ₹4,34,412 pa.</p> <p>b. For this purpose, Sitting Fees paid to the Directors has not been considered as remuneration.</p> <p>c. Figures have been rounded off wherever necessary. - where 'x' can be defined as median remuneration of employees.</p>	Name of the Director	Ratio (in x times)	Mr. Mayur Modi (Co-CEO & Whole-time Director)	58.70	Mr. Deepak Aggarwal (Co-CEO, CFO & Whole-time Director)	58.70				
Name of the Director	Ratio (in x times)											
Mr. Mayur Modi (Co-CEO & Whole-time Director)	58.70											
Mr. Deepak Aggarwal (Co-CEO, CFO & Whole-time Director)	58.70											
2	Percentage increase in remuneration of each director, CFO, CEO, CS or Manager in the financial year	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: left;">% Increase</th> </tr> </thead> <tbody> <tr> <td>a) Mr. Mayur Modi¹</td> <td>44.89</td> </tr> <tr> <td>b) Mr. Deepak Aggarwal²</td> <td>44.89</td> </tr> <tr> <td>c) Ms. Bhanu Priya*</td> <td>-</td> </tr> <tr> <td>d) Mr. Semant Juneja</td> <td>N.A.</td> </tr> </tbody> </table>	Particulars	% Increase	a) Mr. Mayur Modi ¹	44.89	b) Mr. Deepak Aggarwal ²	44.89	c) Ms. Bhanu Priya*	-	d) Mr. Semant Juneja	N.A.
Particulars	% Increase											
a) Mr. Mayur Modi ¹	44.89											
b) Mr. Deepak Aggarwal ²	44.89											
c) Ms. Bhanu Priya*	-											
d) Mr. Semant Juneja	N.A.											
3	The percentage increase in the median remuneration of employees in the financial year	24.68% increase in the median remuneration of the employees in the financial year.										
4	The number of permanent employees on the rolls of the company	There were 1300 employees on permanent roll of the company as on March 31, 2024.										
5	The Average percentage increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in remuneration is 24.68% for Employees other than Managerial Personnel and increase in remuneration is 44.89% for Managerial personnel.										
6	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, it is affirmed that the remuneration paid to employees and KMP's were based on the Remuneration Policy.										

Note:

* Ms. Bhanu Priya ceased to be the Company Secretary of the Company w.e.f. August 12, 2023, and Mr. Semant Juneja was appointed as the Company Secretary w.e.f. November 10, 2023.

ANNEXURE-B

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024

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

To,
The Members,
MONEYBOXX FINANCE LIMITED
523-A, Somdutt Chamber-II 9,
Bhikaji Cama Place,
New Delhi- 110066, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Moneyboxx Finance Limited (hereinafter called "the Company")**. The Secretarial Audit was conducted in a manner which provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period); and
- h) The Securities and Exchange Board of India (Debenture Trustees) Regulations 1993.
- i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and
- j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during audit period);

- vi. **I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on a test-check basis, the Company has complied with the laws, i.e., as stated in the **Annexure I** attached herewith, applicable specifically to the Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations 2015;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable;

I further report that

The Board of Director(s) of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Director(s) that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all director(s) to schedule the board meetings and agenda and detailed notes on the agenda were sent at least seven days in advance except where the meeting was held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board and Committees were carried with the requisite majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary & Compliance Officer and taken on record by the Board of Director(s) at their meeting(s), I have an opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has passed the following special /ordinary resolutions which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Ordinary resolution passed for obtaining consent of members in the General Meeting for approving the increase of the authorised share capital of the company and consequential alteration of capital clause of memorandum of association of the company;
2. Special resolution passed to approve the issuance of Equity Shares by way of Preferential Issue on Private Placement;
3. Special resolution passed to consider and approve the issue of Non-Convertible Debentures on Private Placement Basis;
4. Special resolution passed to increase in the borrowing limits of the Company upto ₹1500 Crores;
5. Special resolution passed to increase the power to create charge on the assets of the company up to ₹1500 Crores;
6. Special resolution passed for re-Appointment of Mr. Deepak Aggarwal as Whole-Time Director of the company;
7. Re-Appointment of Mr. Uma Shankar Paliwal as Non-Executive Independent Director of the company;
8. Re-Appointment of Ms. Ratna Dharashree Vishwanathan as Non-Executive Independent Director of the company.

I further report that during the audit period, the Company has transacted the following activities through the approval of the

Board/committee resolutions, which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Approving the allotment of 72,900 equity shares against stock options;
2. Approving the revision in remuneration and Bonus of Mr. Mayur Modi and Mr. Deepak Aggarwal;
3. Approving alteration in Articles of Association (AOA) of the Company;
4. Approving issuance of Non-Convertible Debentures for an aggregate amount of ₹20,00,00,000.00 (Rupees Twenty Crores Only);
5. Approving issuance of Non-Convertible Debentures for an aggregate amount of ₹25,00,00,000.00 (Rupees Twenty Five Crores Only) on private placement basis;
6. Approved the increase of the limit of raising funds for its general corporate purposes up to ₹400,00,00,000.00 (Rupees Four Hundred Crores Only);
7. Approving the issuance of Non-Convertible Debentures for an aggregate amount of ₹7,50,00,000.00 (Rupees Seven Crore Fifty Lakhs Only);
8. Approving the allotment of 43,12,001 Equity Shares of face value ₹10 each at a premium of ₹162 per share aggregating to ₹74,16,64,172.00 (Rupees Seventy-Four Crore Sixteen Lakhs Sixty-Four Thousand One Hundred Seventy-Two Only);
9. Approving the issuance of Non-Convertible Debentures for an aggregate amount of ₹24,50,00,000.00 (Rupees Twenty-Four Crore Fifty Lakhs Only).

For **Shashank Pashine & Associates,**
Company Secretaries,
ICSI Unique Code: S2018DE639400
Peer Review Cert. No.: 2790/2022

Sd/-
CS Shashank Pashine
Proprietor
Membership No: FI 1665
CP.No: 21229
UDIN No.: F011665F000927514

Date: August 08, 2024
Place: New Delhi

This report is to be read with my letter of even date which is annexed as "**Annexure II**" and forms an integral part of this report.

Annexure I

List of applicable laws to the Company

Sr. No.	Particulars
1.	The Reserve Bank of India Act, 1934.
2.	Chapter V of Finance Act, 1994.
3.	The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
4.	The Payment of Gratuity Act, 1972.
5.	The Payment of Bonus Act, 1965.
6.	The Employee State Insurance Act, 1948.
7.	The Income Tax Act, 1961.
8.	The Industrial Dispute Act, 1947.
9.	The Indian Stamp Act, 1899.
10.	The State Stamp Acts
11.	Negotiable Instruments Act, 1881.
12.	Goods and Services Tax Act, 2017

Annexure II

To,
The Members,
MONEYBOXX FINANCE LIMITED
523-A, Somdutt Chamber-II 9,
Bhikaji Cama Place,
New Delhi-110066,
India

Our Secretarial Audit Report for the Financial Year March 31, 2024, is to be read along with this letter.

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for my opinion.
4. Wherever required, I have obtained the management's representation about compliance of laws, rules and regulations and happenings of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future visibility of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
6. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **Shashank Pashine & Associates,**
Company Secretaries,
ICSI Unique Code: S2018DE639400
Peer Review Cert. No.: 2790/2022

Sd/-
CS Shashank Pashine
Proprietor
Membership No: FI 1665
CP.No: 21229
UDIN No.: F011665F000927514

Date: August 08, 2024
Place: New Delhi