

Date: September 08, 2025

To,
The Listing Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

Subject: Notice of 9th Annual General Meeting ('AGM') and Annual Report for Financial Year 2024-25 of Choice Finserv Private Limited ('the Company').

Dear Sir/Madam,

Pursuant to Regulation 50(2), 53(2) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, please find enclosed the following documents for financial year 2024-25, as circulated to the Shareholders, Debenture Holders, Debenture Trustee and other stakeholders of the Company through electronic mode:

1. Notice of 9th Annual General Meeting ("AGM") of the Company, scheduled to be held on **Tuesday, September 30, 2025 at 12:30 P.M. IST through Video Conferencing or other audio-visual means;** and
2. Annual Report of the Company.

The Annual Report along with the Notice of the AGM for the Financial Year 2024-25 has been sent only by electronic mode to those shareholders whose e-mail address is registered with the Company/Registrar and Transfer Agent of the Company /Depository Participants.

Further, the above-mentioned documents are also available on the website of the Company at: <https://user-manual.choiceindia.com/CFPL/9th-Annual-Report-2025.pdf>

Kindly take the same on your records.

Thanking you,
For **Choice Finserv Private Limited**

KARISHMA
PRAFUL
SHAH

Digitally signed by
KARISHMA PRAFUL
SHAH
Date: 2025.09.08
19:20:54 +05'30'

Karishma Shah
Company Secretary & Compliance Officer
Membership No.: 34441
Place: Mumbai

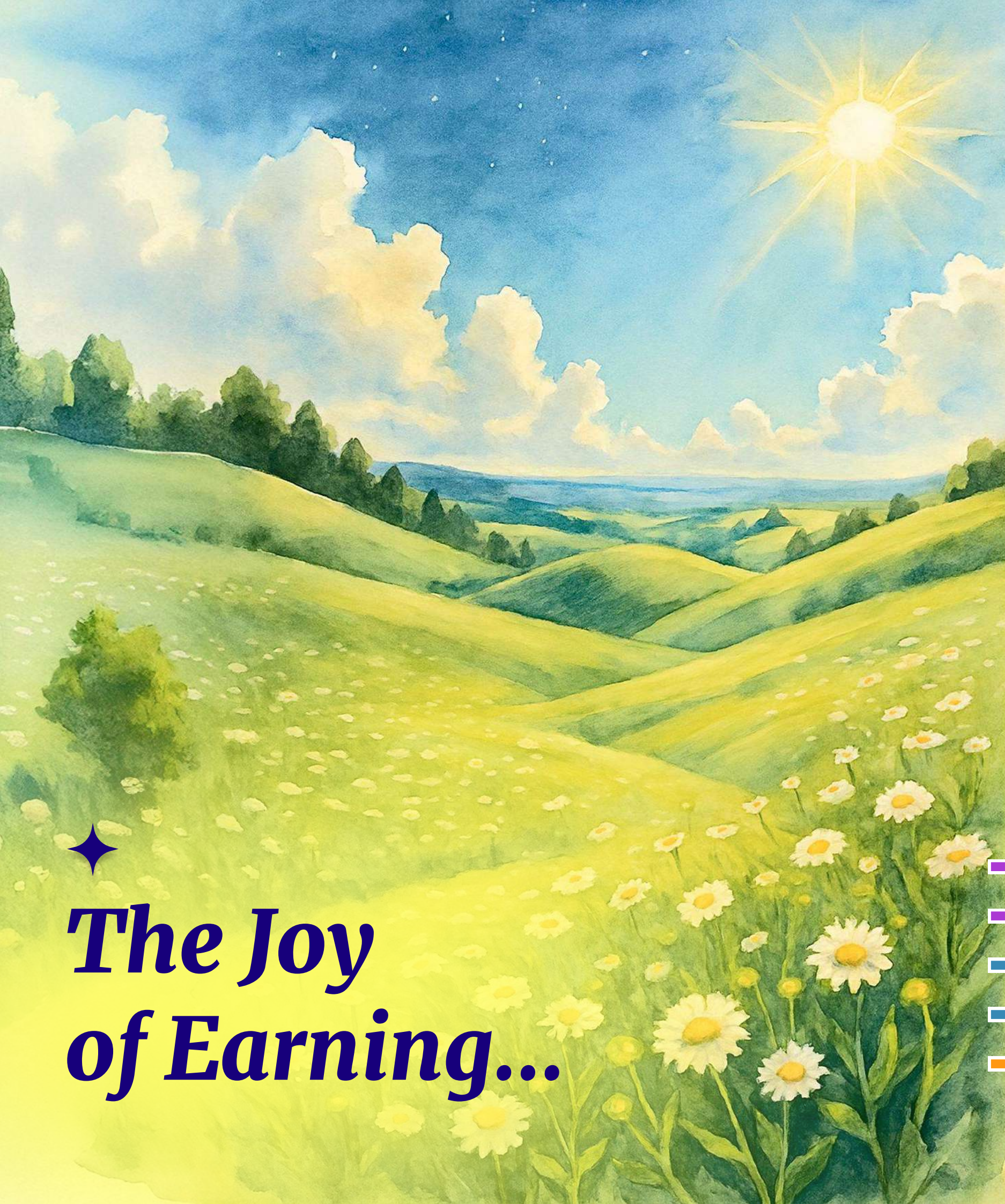
Choice Finserv Pvt. Ltd.
Sunil Patodia Tower, J B Nagar, Andheri East, Mumbai - 99
T +91 22 67079999 E cfpl@choiceindia.com
CIN No. U74999MH2016PTC281908
www.choiceindia.com

Letterheads. Keeping words official.

9th Annual Report of
Choice Finserv Private Limited
FY 2024-25

Growing with India





✦
***The Joy
of Earning...***

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Corporate Information

CORPORATE IDENTIFICATION NUMBER

U74999MH2016PTC281908

DATE OF INCORPORATION

01/06/2016

REGISTERED OFFICE

Sunil Patodia Tower,
Plot No. 156-158, J.B. Nagar,
Andheri (East), Mumbai 400099
Tel: +91-22-6707 9999

BOARD OF DIRECTORS

Mr. Kamal Poddar
Chairman and Whole-time Director (DIN: 01518700)

Mr. Vijendra Singh Shekhawat
Director & CEO (DIN: 09435913)

Mr. Arun Kumar Poddar
Director (DIN: 02819581)

Mr. Ajay Kejriwal
Director (DIN: 03051841)

Mr. Sandeep Kumar Singh
Independent Director (DIN: 02814440)

Mr. Anil Aggarwal
Independent Director (DIN: 10059847)

Mr. Manoj Kumar Verma
Independent Director (DIN: 10335698)

KEY MANAGEMENT PERSONNEL

Mr. Manoj Singhania
Chief Financial Officer

Ms. Karishma Shah
Company Secretary & Compliance Officer

STATUTORY AUDITORS

M/s. Chokshi & Chokshi LLP
LLPIN: AAC-8909

SECRETARIAL AUDITORS

M/s. Suman Sureka & Associates (Company Secretaries)
Certificate of Practice No.: 4892

INTERNAL AUDITOR

Mr. Devee Singh Rathore
Chartered Accountant

HOLDING COMPANY

Choice International Limited

DEBENTURE TRUSTEE

Axis Trustee Services Limited
Axis House, P B Marg, Worli, Prabhadevi,
Mumbai - 400025, Maharashtra
Contact Person: Anil Grover (GM and Head-Operations)
Telephone No.: +91-22-62300451
Email address: debenturetrustee@axistrustee.in
Website: www.axistrustee.in

REGISTRAR AND SHARE TRANSFER AGENT

MUFG Intime India Private Limited
(Formerly known as Link Intime India Private Limited)
Address: C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai - 400083, Maharashtra
Contact Person: Ganesh Jadhav
Contact No: +91-2249186000
Email address: debtca@in.mpms.mufig.com
Website: in.mpms.mufig.com

BOARD’S REPORT

To,
The Members of,
Choice Finserv Private Limited
Sunil Patodia Tower,
Plot No. 156-158,
J B Nagar, Andheri (East), Mumbai - 400099.

Your Directors have pleasure in presenting their 9th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2025 and on the state of affairs of the Company.

Principal Activities

Your Company is registered as a Non-Banking Financial Company (“NBFC”) in the category of Investment and Credit Company pursuant to Certificate of Registration dated January 12, 2018 issued by the Reserve Bank of India (“RBI”) under Section 45IA of the Reserve Bank of India Act, 1934, and is primarily engaged in providing MSME Loans, Vehicle Loans, Solar Loans etc. which are backed by immovable property and hypothecation on funded assets. Pursuant to Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, (“RBI SBR Master Direction”) as amended from time to time, your Company falls under the category of Base Layer Non-Banking Financial Company (“NBFC-BL”).

FINANCIAL PERFORMANCE

The Company’s Financial Performance for the financial year ended on **31st March, 2025** under review along with previous year figures are given hereunder:

(INR in lakhs)

Particulars	2024-2025	2023-2024
Revenue from Operations	11,388.60	8,554.42
Other Income	16.13	16.09
Total Income	11,404.73	8,570.51
Total Expense	10,500.66	8,358.10
Profit/(Loss) before Tax Expense	904.07	212.41
Less: Tax Expense		
Current Tax	185.46	166.70
Earlier Tax Expense	(0.30)	(3.38)
Deferred Tax	351.74	(103.37)
Profit/(Loss) for the year	367.17	152.46
Earnings Per Equity Share (Face Value of Rs. 10/- per Equity Share)		
Basic (INR)	0.46	0.20
Diluted (INR)	0.45	0.19

The revenue from operations has increased from INR 8,554.42 Lakhs in the Financial Year 2023-24 to INR 11,388.60 Lakhs in the Financial Year 2024-25. Similarly, the profit after tax has increased from INR 152.46 in the Financial Year 2023-24 to INR 367.17 in the Financial Year 2024-25.

CHANGE IN THE NATURE OF THE BUSINESS:

There is no change in the nature of the business of the Company during the year under review.

DIVIDEND:

Your Company currently intends to retain the earnings to finance the operation and expansion of our business thus your directors did not recommend any dividend for the year ended 31st March, 2025.

Board’s Report

SHARE CAPITAL:

During the year under review, the Authorized Share Capital of the Company was increased from INR 80,00,00,000/- (Rupees Eighty Crores only) divided into 8,00,00,000 (Eight Crores) equity shares of INR 10/- (Rupees Ten only) each to Rs. 97,40,00,000/- (Rupees Ninety-Seven Crores and Forty Lakhs only) divided into 9,74,00,000 (Nine Crores Seventy-Four Lakhs only) equity shares of Rs 10/- (Rupees Ten only) each. The Authorized Share Capital of the Company was further increased from INR 97,40,00,000/- to INR 1,06,60,00,000/- vide Shareholders’ Resolution dated June 06, 2025. As on March 31, 2025, the Issued, Subscribed and Paid-up Share Capital of the Company was INR 93,53,54,150/- consisting of 9,35,35,415 Equity Shares of INR 10/- each. On June 09, 2025, the Company allotted 92,14,585 equity shares of INR 10 at an Issue Price of INR 108/- (including premium of INR 98/-) to M/s. Choice International Limited on preferential basis pursuant to which the Issued, Subscribed and Paid-up Share Capital of the Company has changed to INR 1,02,75,00,000/-.

DISCLOSURES OF AMOUNTS, IF ANY, TRANSFER TO ANY RESERVES:

Pursuant to Section 45-IC(1) of the RBI Act, 1934, the Board of your Company decided to transfer INR 73.44 Lakhs to the Statutory Reserve for the year under review.

Details of the Board of Directors and Key Managerial Personnel as on date of the report are as follows:

Sr. No.	Name of the Director	DIN	Designation
1.	Mr. Kamal Poddar	01518700	Chairman and Whole Time Director
2.	Mr. Vijendra Singh Shekhawat	09435913	Director & CEO
3.	Mr. Ajay Kejriwal	03051841	Director
4.	Mr. Arun Kumar Poddar	02819581	Director
5.	Mr. Sandeep Kumar Singh	02814440	Independent Director
6.	Mr. Anil Aggarwal	10059847	Independent Director
7.	Mr. Manoj Kumar Verma	10335698	Independent Director
8.	Mr. Manoj Singhania	-	Chief Financial Officer
9.	Ms. Karishma Shah	-	Company Secretary

RETIREMENT BY ROTATION:

In accordance with the provisions of Section 152(6) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (Including any statutory modification(s) or re-enactment(s) thereof for the time being In force), and the Articles of Association of the Company, Mr. Vijendra Singh Shekhawat (DIN: 09435913), Director & CEO of the Company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment.

FIT AND PROPER CRITERIA:

All the Directors meet the fit and proper criteria stipulated by the RBI Master Direction (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (“Master Direction”). Further, all the disclosures in this regard have been obtained from the Directors of the Company.

DEPOSITS:

Since your Company is a non-deposit taking NBFC, it has neither accepted any deposits nor there were any amounts outstanding at the beginning of the year which were classified as ‘Deposits’ in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

COMPLIANCE WITH SECRETARIAL STANDARDS:

Your Company has formulated appropriate systems to ensure Compliance with the provisions of all applicable Secretarial Standards Issued by the Company Secretaries of India and that such systems are adequate & operating effectively.

COMPOSITION OF BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNELS OF THE COMPANY:

As on the date of this Report, the Board of Directors comprises of 7 (Seven) Directors out of which 3 (Three) are Independent Directors and 4 (Four) are Executive Directors.

BORROWINGS:

The Company has sourced its funding requirements through multiple instruments, including:
i. Term loan from various PSU banks, Private Sector banks and NBFCs
ii. Unlisted Non-Convertible Debentures
iii. Inter Corporate Loans

As at 31st March, 2025, the Company’s total outstanding debt across these instruments amounted to INR 471.90 Crores. The Debt/Equity ratio as at 31st March, 2025 was 1.33. The Company has duly serviced all its debt obligations, with no overdue interest or principal as at 31st March, 2025.

CAPITAL ADEQUACY RATIO

Capital Adequacy Ratio as at 31st March, 2025 stood at 38.62% which is well above the minimum regulatory norms for non-deposit accepting NBFCs.

CREDIT RATING:

In the year under review, India Ratings & Research assigned/reaffirmed the following ratings to the Company:

Instrument	Size of Issue (in INR Crores)	Rating Outlook	Rating Action
Non-convertible debentures (NCD)	50	IND BBB/Stable	Assigned
Bank Loans	100	IND BBB/Stable	Assigned
Bank Loans	200	IND BBB/Stable	Affirmed

NUMBER OF BOARD MEETINGS:

The Board of Directors held meeting four (4) times during the year on April 29, 2024; July 15, 2024; October 19, 2024; & January 27, 2025.

COMMITTEES OF BOARD:

A. AUDIT COMMITTEE:

Pursuant to the provisions of Section 177 of the Companies Act, 2013, the Board of Directors constituted the Audit Committee on October 13, 2023, with the following composition:

Sr. No.	Name	Member / Chairperson
1.	Mr. Manoj Kumar Verma	Chairperson
2.	Mr. Anil Aggarwal	Member
3.	Mr. Vijendra Singh Shekhawat	Member

The Audit Committee met four (4) times during the year on April 29, 2024; July 15, 2024; October 19, 2024; & January 27, 2025.

B. NOMINATION AND REMUNERATION COMMITTEE:

On October 13, 2023, the Board of Directors constituted the Nomination and Remuneration Committee in pursuance of the provisions of section 178 of the Companies Act, 2013 with the composition of Committee as follows:

Sr. No.	Name	Member / Chairperson
1.	Mr. Anil Aggarwal	Chairperson
2.	Mr. Sandeep Kumar Singh	Member
3.	Mr. Manoj Kumar Verma	Member

The Nomination and Remuneration Committee met three (3) times during the year on April 29, 2024; July 15, 2024 and October 19, 2024.

C. RISK MANAGEMENT COMMITTEE OF BOARD

On October 13, 2023, the Board of Directors constituted the Risk Management Committee in accordance with the RBI guidelines applicable to the Company, with the following composition:

Sr. No.	Name	Member / Chairperson
1.	Mr. Kamal Poddar	Chairperson
2.	Mr. Manoj Kumar Verma	Member
3.	Mr. Anil Aggarwal	Member
4.	Mr. Vijendra Singh Shekhawat	Member

The Risk Management Committee met four (4) times during the year on April 29, 2024; July 15, 2024; October 19, 2024; and January 27, 2025.

D. MANAGEMENT COMMITTEE OF BOARD

During the year under review the Company constituted Management Committee of Board on October 13, 2023 to comply with the RBI Guidelines applicable to the Company. The composition of the Committee is as follows:

Sr. No.	Name	Member / Chairperson
1.	Mr. Kamal Poddar	Chairperson
2.	Mr. Ajay Kejriwal	Member
3.	Mr. Vijendra Singh Shekhawat	Member

The Management Committee of Board met twelve (12) times during the year on May 17, 2024; May 31, 2024; June 13, 2024; June 25, 2024; August 29, 2024; September 25, 2024; October 01, 2024; November 18, 2024; December 10, 2024; December 27, 2024; February 12, 2025 and March 15, 2025.

E. INFORMATION TECHNOLOGY STRATEGY COMMITTEE

On October 13, 2023, the Board of Directors constituted Information Technology Strategy Committee in accordance with the RBI Guidelines applicable to the Company. The composition of the Committee is as follows:

Sr. No.	Name	Member / Chairperson
1.	Mr. Anil Aggarwal	Chairperson
2.	Mr. Ajay Kejriwal	Member
3.	Mr. Vijendra Singh Shekhawat	Member
4.	Mr. Rohan Kardile	Member

Information Technology Strategy Committee Meeting of the Company was held 3 times during the year on July 15, 2024; October 19, 2024; and January 27, 2025.

F. OTHER MANAGEMENT COMMITTEES

The lists of other committees constituted on Management Level are as follows:

1. Product Approval Committee
2. Investment Committee
3. Asset Liability Management Committee
4. Information Technology Steering Committee
5. Risk Management Committee of Executives

6. Credit Committee of Management
7. Disciplinary Action Committee
8. Credit Committee of Executives
9. Committee of the Executives
10. Consumer Protection Committee

The meetings of the other management committees were held on regular intervals as may be required.

TRANSFER OF UNCLAIMED DIVIDEND TO IEPF:

There were no instances of transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF) for the year under review pursuant to Section 124 (6) of the Companies Act, 2013 read with rules thereunder.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act, 2013 and the Rules thereunder pertain to the Corporate Social Responsibility of the Company.

Your company has adopted Corporate Social Responsibility Policy (CSR) Policy to shoulder its responsibility towards the society to ascertain the activities taken by the Company in the best interest of the society and ensure that the activities as included in CSR Policy of the Company are undertaken by the company.

During the year, the Company contributed an amount of INR 21 lakhs towards “Arthnirmiti – The Financial Inclusion Programme”, undertaken through Sunil Patodia Welfare Foundation as part of its CSR initiatives. The programme was organized for college students with the objective of spreading awareness on financial literacy and promoting financial inclusion. It focused on guiding students on the importance of opening demat accounts, understanding capital market mechanisms, and developing the habit of investing and growing savings through legitimate financial instruments. This initiative not only imparted practical knowledge on managing personal finances but also aligned with the Company’s CSR focus on education, skill development, and empowerment of youth by equipping them with financial awareness and tools for long-term economic growth. The details of the said expenditure form part of ‘Annexure 1’.

STATUTORY AUDITORS:

Pursuant to the provisions of Sections 139 and 142 of the Act and Rules made thereunder, M/s. Chokshi & Chokshi LLP (LLPIN: AAC-8909) were appointed as Statutory Auditors of the Company in place of M/s. ASBS & Co. Chartered Accountants (Firm Registration Number: 135952W) by the members at the Annual General Meeting held on September 02, 2024 to hold office for 3 years i.e. until the conclusion of the 11th Annual General Meeting to be held in the year 2027. M/s. Chokshi & Chokshi LLP, Chartered Accountants, Statutory Auditors of the Company for the financial year 2024–25, have issued an unmodified opinion on the financial statements of the Company. Their report, which forms part of this Annual Report, does not contain any qualification, reservation, adverse

The details of the allottees are mentioned herein below:

Allottee	No. of Equity Shares Allotted	Consideration other than cash (in INR)	% of shareholding
M/s. Paisabuddy Finance Private Limited	1,55,40,540	1,14,99,99,960	15.12%
M/s. Sureworth Financial Services Private Limited	5,44,000	4,02,56,000	0.53%
Total	1,60,84,540	1,19,02,55,960	-

remark, or disclaimer. Further, during the year under review, there were no instances of fraud reported by the Statutory Auditors to the Audit Committee under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

SECRETARIAL AUDITOR

M/s. Suman Sureka & Associates (Company Secretaries) were appointed as the Secretarial Auditor of the Company for conducting the Secretarial Audit for the Financial Year 2024-25.

The Secretarial Audit Report confirms that the Company has complied with all applicable provisions of the Acts, Rules, Regulations, and Guidelines, and does not contain any qualifications, reservations, adverse remarks, or disclaimers.

The Secretarial Audit Report for the FY 2024-25 issued under the Companies Act, 2013 read with applicable rules is annexed to this Report as ‘Annexure 2’.

INTERNAL AUDITOR

The Board, on the recommendation of the Audit Committee, appointed Mr. Deveen Singh Rathore, Chartered Accountant in place of M/s. Kalani & Company, Chartered Accountants, as the Internal Auditor of the Company for conducting the Internal Audit for the Financial Year 2024-2025.

MATERIAL EVENTS OCCURRED DURING THE FINANCIAL YEAR ENDED ON MARCH 31, 2025:

Acquisition of Retail Lending Business of M/s. Paisabuddy Finance Private Limited and M/s. Sureworth Financial Services Private Limited as a going concern basis on slump sale basis:

The Board of Directors, at its Meeting dated October 19, 2024 approved the acquisition of Retail Lending Business of “M/s. Paisabuddy Finance Private Limited” and “M/s. Sureworth Financial Services Private Limited” (hereinafter collectively referred to as ‘Target Companies’) as going concerns on slump sale basis, for a total consideration of INR 17,018.39 lakhs which was paid partly in cash and partly through issuance of equity shares of the Company. Pursuant to a Business Transfer Agreement executed between the parties on October 22, 2024, the businesses of the target companies were agreed to be transferred to the Company. Further, the Members of the Company, at the Extraordinary General Meeting held on December 31, 2024, approved the preferential allotment of up to 1,60,84,540 equity shares of INR 10/- each at a price of INR 74/- (including premium of INR 64/-) per share to the aforesaid companies in consideration of the acquisition.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNELS WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:

During the Financial Year under review, the following change has occurred in the Board of the Company:

1. The Board had appointed Mr. Manoj Kumar Verma (DIN: 10335698) as an Additional Non-Executive Independent Director of the Company with effect from October 13, 2023, in accordance with the provisions of the Companies Act, 2013 and applicable regulations, subject to approval of the shareholders. Subsequently, the appointment of Mr. Manoj Kumar Verma was duly approved by the shareholders at the Extra-Ordinary General Meeting held on June 5, 2024. In the opinion of the Board, Mr. Manoj Kumar Verma brings valuable knowledge and extensive experience in the banking sector, which is expected to be beneficial to the Company.

2. Mr. Arun Kumar Poddar (DIN: 02819581) was appointed as an Additional Executive Director of the Company, in professional capacity with effect from November 27, 2023, pursuant to the applicable provisions of the Companies Act, 2013 and subject to the approval of the shareholders. Subsequently, such appointment was approved by the shareholders in their Extra-Ordinary General Meeting held on June 05, 2024.

During the period under review, there were no resignations from the Board of Directors.

DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS:

The Independent Directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Act. There has been no change in the circumstances affecting their status as an independent Director.

In the opinion of the Board, there has not been any change in the circumstances which may affect their status as Independent Directors of the Company and to the satisfaction of the Board their candidature holds experience (including proficiency), expertise & integrity. In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014 as amended, the Independent Director of the Company have included their names in the data bank of Independent Directors maintained by Indian Institute of Corporate Affairs (IICA).

The Independent Directors have confirmed their compliance with the Code for Independent Directors prescribed under Schedule IV of the Act, as well as with the Code of Conduct adopted by the Company.

NUMBER OF EMPLOYEES ON THE CLOSURE OF THE FINANCIAL YEAR:

Number of Employees as on March 31, 2025	
Female	66
Male	763
Total	829

DETAILS RELATING TO THE ISSUANCE OF SWEAT EQUITY SHARES, DIFFERENTIAL VOTING RIGHTS SHARES, EMPLOYEE STOCK OPTION SCHEME/PLAN OR PROVISION OF MONEY BY COMPANY FOR PURCHASE OF ITS OWN SHARES BY EMPLOYEES OR BY TRUSTEES FOR THE BENEFIT OF EMPLOYEES:

• **Details relating to the Issuance of Employee Stock Option Plan:**
Pursuant to approval of the shareholders of the Company obtained on September 30, 2022, it had set up the Employee Stock Option Scheme titled “Choice Finserv Employee Stock Option Plan 2022” (“Scheme”) with the objects inter alia to create sense of ownership among the employees, attract and retain needed talent and to incentivize them to achieve growth objectives. The Scheme covers eligible employees/executive directors of the Company. The Scheme provides for settlement in Equity and number of equity shares presently reserved under the Scheme for Choice Finserv Private Limited for 75,00,000 equity shares of Face Value INR 10/-. Further, in the Nomination and Remuneration Committee Meeting held on January 12, 2024, it granted 6,35,250 equity shares of Face Value INR 10/- and the Committee also approved the exercise of 1,57,375 options to the eligible employees of the Company.

On April 29, 2024, the Board on recommendation of the Nomination and Remuneration Committee further approved the “Choice Finserv Employee Stock Option Plan 2024” (“ESOP 2024”) with a pool size of 20,00,000 shares to motivate the employees of the Company which was approved by the members at Extra-Ordinary General Meeting held on June 05, 2025 and pursuant to such approval by way of special resolution, 17,00,680 stock options were granted to Mr. Vijendra Singh Shekhawat, Director and CEO of the Company. The grant represents stock options equal to or exceeding 1% of the issued share capital of the Company as on the date of the grant. During the year under review, no stock options were exercised under the ESOP 2024.

Further, a detailed disclosure regarding Employees Stock Option Scheme pursuant to Section 62(1)(b) of the Companies Act, 2013 is enclosed as **‘Annexure 3’** to the report.

• Apart from the above, your Company has neither issued any sweat equity shares and shares carrying Differential Voting Rights and nor has made any provision for purchase

• of its own shares by Employees or by Trustees for the Benefit of Employees and hence no disclosure is made in respect of the same.

DISCLOSURE RELATED TO THE SUBSIDIARY COMPANIES, ASSOCIATE COMPANIES OR JOINT VENTURES, IF ANY

During the year, no company became or ceased to be subsidiaries, joint ventures or associate companies of our Company.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

During the year under review, your Company did not have any subsidiary, associate and joint venture company.

COMPANY’S POLICY RELATING TO DIRECTORS’ APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Board of Directors have framed a Nomination and Remuneration Policy for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis of payment of remuneration. The Policy also provides the criteria for determining qualifications, positive attributes and independence of Directors and criteria for appointment of Key Managerial Personnel, Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates.

The Company has constituted a Nomination and Remuneration Committee (NRC), which is responsible for formulating the criteria for appointment of Directors on the Board of the Company and persons holding Senior Management positions in the Company including their remuneration and other matters as provided under Section 178 of the Companies Act, 2013. It plays a central role in recommending appointments and removals of directors, KMP, and senior management, as well as guiding the Board on their remuneration. The Committee also oversees Board diversity, succession planning, and ensures performance-based rewards. Additionally, it reviews and advises on the extension of Independent Directors’ terms based on performance evaluations and carries out functions as mandated by the Board or statutory requirements.

A) Qualification:
a) The Committee identifies and assesses the integrity, qualifications, expertise, and experience of candidates for appointment as Director, KMP, or Senior Management and recommends their appointment to the Board.

b) Candidates must possess the required qualifications and experience for the respective position, with the Committee deciding if they are satisfactory.

c) The Company does not appoint or retain any person as Managing Director, Whole-time Director, or Manager beyond the age of 70, unless extended with shareholder approval via special resolution, along with justification for the extension.

d) A Special Resolution is required for the appointment or continuation of any Non-Executive Director aged 75 or above.

B) Independence:
The appointment of Independent Directors is carried out in strict adherence to the provisions of Section 149 of the Companies Act, 2013, which outlines the criteria for their eligibility, qualifications, and roles. Additionally, the appointment process complies with the requirements set forth in Schedule IV of the Companies Act, 2013, which specifies the code of conduct, duties, and responsibilities of Independent Directors

C) Remuneration to Whole-Time Director/Managing Director/Executive Director:
The remuneration of the Whole-Time Director/Managing Director is determined by the shareholders, based on the recommendation of the Committee and the Board. The break-up of the pay scale, performance bonus, perquisites (including employer’s contribution to P.F, pension, medical expenses, club fees, etc.) will be decided by the Board, ensuring it remains within the overall remuneration approved by shareholder.

D) Remuneration to Non – Executive / Independent Directors:
i. Remuneration/Profit-Linked Commission: The fixed remuneration or profit-linked commission will comply with the statutory provisions of the Companies Act, 2013 and the applicable rules.

ii. Sitting Fees: Non-Executive Independent Directors may receive sitting fees for attending Board or Committee meetings, subject to the maximum limit prescribed under the Companies Act, 2013 or by the Central Government. The amount of sitting fees will be determined by the Nomination & Remuneration Committee and approved by the Board.

iii. Stock Options: Independent Directors are not entitled to stock options or other share-based payments as per the provisions of the Companies Act, 2013.

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

Internal Complaints Committee (ICC) is constituted at group level consisting of such members and representatives in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, to redress complaints received regarding sexual harassment.

The following is a summary of sexual harassment complaints received and disposed off during the year 2024-25.

No. of complaints received:	Nil
No. of complaints disposed off:	Nil
No. of cases pending for more than ninety days	Nil

DIRECTORS’ RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended March 31, 2025, the Board of Directors hereby confirms that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. Such accounting policies have been selected and applied consistently and the Directors 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 as at March 31, 2025 and of the profit/loss of the Company for that year;
- c. Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts of the Company have been prepared on a going concern basis and
- e. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The Company, being a NBFC registered with the RBI and engaged in the business of giving loans in the ordinary course of its business, is exempt from complying with the provisions of Section 186(11) of the Act with respect to loans. Accordingly, the disclosures of the loans given as required under the aforesaid section have not been made in this Board’s Report.

Particulars of loans and investments outstanding during the financial year are furnished in Note 11, 12, 15 and 18 of the Notes to Financial Statements of the Company.

PARTICULARS OF ARRANGEMENTS OR CONTRACTS WITH RELATED PARTIES AS PRESCRIBED UNDER SECTION 188(1) OF THE ACT:

All transactions entered with related parties during the year under review were on arm’s length basis and in the ordinary course of business. All the transactions with the related parties were reviewed and approved by the Audit Committee and are in accordance with the policy on dealing structure of Related Party framework adopted by the Company. Since all the related party transactions were not material in nature in terms of Section 188 of the Act and thus disclosures in Form AOC-2 in terms of Section 134 of the Act is not required.

Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. The related party transactions entered in to by the Company pursuant to the omnibus approval granted by the Audit Committee is reviewed at least on a quarterly basis by the said Committee.

All Related Party Transactions as required under Indian Accounting Standard IND AS-24 are reported in Note No. 35 of Notes to Accounts to the Financial Statements, forming part of the Board’s Report.

There are no materially significant Related Party Transactions of the Company which have potential conflict with the interest of the Company at large.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE TILL THE DATE OF THE REPORT:

1. Increase in Authorized Share Capital of the Company:
The Board in its Meeting dated June 06, 2025 had given its consent to increase the Authorized Capital of the Company from INR 97,40,00,000/- to INR 1,06,60,00,000/-, subject to the approval of Shareholders of the Company. On the same day the Shareholders approved such increase in Authorized Share Capital. Consequently, the Memorandum of Association

of the Company was altered by substituting the existing Clause V by the following Clause V(A):

“V(A) The Authorised Share Capital of the Company is Rs. 106,60,00,000/- (Rupees One Hundred and Six Crores and Sixty Lakhs Only) divided into 10,66,00,000 (Ten Crores Sixty-Six Lakhs Only) equity shares of Rs. 10/- each (Rupees Ten Only) each.”

2. Preferential Allotment of 92,14,585 Equity Shares to Choice International Limited:

The Board in its Meeting dated June 06, 2025 approved the raising of funds aggregating to INR 99,51,75,180/- through the issuance of 92,14,585 equity shares at an issue price of INR 108/- to M/s. Choice International Limited, the Holding Company on a preferential basis, subject to the approval of the shareholders. In the Extra-Ordinary General Meeting held on the even day, the shareholders also approved the said preferential issue.

Further, the Management Committee of the Board in its Meeting dated June 09, 2025 approved the allotment of 92,14,585 equity shares of face value INR 10/- each at an issue price of INR 108/- including premium of INR 98/- each aggregating to INR 99,51,75,180/- to M/s. Choice International Limited, the Holding Company on a preferential basis.

3. Listing of Non-Convertible Debt Securities of the Company on BSE Limited:

Pursuant to the provisions of Sections 42, 71 and 179(3)(a) of the Companies Act, 2013, read with the applicable rules thereunder, and in accordance with the Reserve Bank of India (RBI) guidelines, the Memorandum and Articles of Association of the Company, and the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Board of Directors of the Company, at its meeting held on January 27, 2025, accorded its approval for the issuance of Secured, Rated, Listed, Fully Paid-up, Redeemable, and Taxable Non-Convertible Debentures (NCDs) of an aggregate amount not exceeding INR 50,00,00,000/- (Rupees Fifty Crores only), having a face value of up to INR 1,00,000/- per NCD, by way of private placement, in one or more tranches, within the overall borrowing limit of INR 1,500 Crores as approved by the shareholders. The said issuance was subsequently approved by the members of the Company at the Extra-ordinary General Meeting held on April 25, 2025.

The Company is in process of applying to BSE Limited for in-principle approval.

NAME OF THE DEBENTURE TRUSTEES WITH FULL CONTACT DETAILS:

With reference to consent letter dated March 17, 2025, Axis Trustee Services Limited had consented to act as the Debenture Trustee for the Secured Listed NCDs. The Contact Details of the said Debenture Trustee:

Contact Person	Anil Grover (GM and Head-Operations)
Address	Axis House, P B Marg, Worli, Prabhadevi, Mumbai - 400025, Maharashtra
Telephone Number	+91-22-62300451
Email	debenturetrustee@axistrusee.in
Website	www.axistrustee.in

RECOMMENDATIONS OF THE AUDIT COMMITTEE:

During the period under review, the Board of Directors of the Company has accepted all the recommendations of the Audit Committee.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars regarding Conservation of Energy, Technology, Absorption and other particulars as required by the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1998 are as follows:

A. Conservation of Energy-

(i) Steps taken or impact on conservation of energy: Your Company is engaged in the business of providing Non-Banking Financial Services (NBFC) and, as such, its operations are not inherently energy-intensive. However, the Company remains conscious of its environmental responsibilities and has implemented several measures to promote energy efficiency across its offices. Efforts are continuously made to optimize energy usage through initiatives such as the use of LED lighting, automatic power shutdown of idle systems, centralized temperature control of HVAC systems, and encouraging employees to adopt energy-saving practices. These initiatives, although modest in scale due to the nature of the business, contribute towards reducing the overall energy footprint of the Company.

(ii) Steps taken by the Company for utilizing alternate sources of energy: The Company actively supports the use of renewable and alternate sources of energy as part of its sustainability and green energy strategy. To this end, rooftop solar power plants have been installed at the Company’s Corporate Office, contributing to a reduction in dependency on conventional electricity sources. The energy generated from the solar panels is utilized for the day-to-day operations of the office, thereby offsetting a portion of the energy requirement from the grid and promoting clean energy use.

(iii) Capital investment on energy conservation equipment: The Company made capital investments towards the installation of rooftop solar power systems at its Corporate Office. This strategic investment not only enhances the Company’s energy efficiency but also aligns with its long-term sustainability goals. The rooftop solar installation is expected to yield cost savings over time and reflects the Company’s

commitment towards adopting environmentally responsible business practices.

B. Technology absorption-

(i) The efforts made towards technology absorption:

The Company has adopted multiple indigenous and global technology platforms across lending, risk, compliance, and customer experience. Major initiatives include:

• Customer communication & verification:

- Gupshup, Interakt, Wotnot, Gnani: AI-driven WhatsApp/ SMS communication, chatbots, voice bots for customer reminders, onboarding, and marketing.

- Knowlarity, Ellision: Dialers and inbound/outbound calling platforms to manage scale in collections and sales.

• Digital documentation & onboarding:

- Digio, eMudra, Signzy: E-signatures, eNACH mandates, pNACH, and document eKYC solutions.

- Miscot (DigiLocker APIs): Automated document verification.

- Workapps VKYC: Video KYC & digital customer due diligence

• Data, risk & compliance solutions:

- Perfios, FinBox: Bank statement analyzers, cash-flow assessment APIs.

- CrimeCheck, Corpository, Zigram: Screening and due diligence for fraud prevention and compliance.

- CAMS, NESL, MFIN: Regulatory reporting and repository integrations.

- CIBIL, Equifax, Trackwizz, Synoriq: Credit bureau and AML monitoring integrations.

• Payments & collections:

- Airtel BBPS, Decfin Tech: Utility bill payment and dynamic QR code-based loan repayment systems.

• Cloud & infrastructure:

- Amazon Web Services: Secure cloud hosting, storage, and compute for LOS/LMS and digital lending applications.

• Technology partners:

- Habilelabs, Innovative Applications, Veefin Solutions: Development partners for digital lending platforms, APIs, and LMS customization.

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

• Product improvement:

- Seamless digital onboarding (VKYC, DigiLocker, eSign) reduced turnaround time from days to hours.

- Automated bank statement analyzers (Perfios, FinBox) improved underwriting accuracy.

- AI bots (Gnani, Interakt, Wotnot) allowed 24x7 customer communication without scaling headcount.

• Cost reduction:

- Reduced manual paperwork, courier costs, and branch dependency due to digital signatures and eNACH mandates.

- Cloud infrastructure (AWS) optimized IT infrastructure cost versus on-premise servers.

- AI chatbots reduced dependence on large call-centers, cutting manpower cost.

• Risk management:

- Credit bureau integrations (CIBIL, Equifax) and fraud screening (CrimeCheck, Zigram) reduced NPAs and enhanced portfolio quality.

- AML and KYC solutions (Trackwizz, Synoriq, CAMS) improved compliance while reducing manual review workload.

• Product development & innovation:

- Enabled launch of digital-first loan products such as fully paperless small-ticket loans and instant approvals for repeat borrowers.

- Dynamic QR codes and BBPS channels created multiple repayment avenues for customers, reducing delinquency.

• Import substitution:

- The Company relied on indigenous Indian tech providers (Gupshup, Digio, Perfios, etc.), reducing reliance on foreign technologies.

(iii) Imported technology (last three financial years) - No foreign technology has been imported in the last three years. All platforms are locally available solutions, fully absorbed into operations.

(iv) the expenditure incurred on Research and Development: During the financial year, the Company incurred an aggregate expenditure of approximately INR 2.8 crore towards technology enablement and digital infrastructure, focused on improving operational efficiency, customer experience, and regulatory compliance.

C. Foreign exchange earnings and Outgo- There were no Foreign Exchange earnings and outgo during the year under review.

STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT:

The Company has established and implemented a comprehensive Risk Management Policy to identify, assess, monitor, and mitigate key risks—credit, liquidity, operational, and fraud—while aligning business objectives with its defined risk appetite. The Board, supported by the Risk Management Committee and other specialized committees, ensures robust governance through risk appraisal, monitoring via Key Risk Indicators, contingency planning, internal controls, and compliance with RBI regulations.. As of now, no significant risk has been identified that could threaten the existence or operations of the Company.

ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:

In accordance with provisions of the Act and the criteria specified in the Nomination and Remuneration Policy of the Company, the Board has carried out an annual performance evaluation of its own performance, and of the directors individually, as well as the evaluation of the functioning of all the committees of the Board.

The performance evaluation was conducted by obtaining inputs from all Directors and Members of the Committees, as applicable. Additionally, the Independent Directors held a separate meeting to assess the performance of the Non-Independent Directors, the Chairperson, and the overall functioning of the Board along with its Committees. Following the evaluation, the Independent Directors expressed their satisfaction with the performance and effectiveness of the Board, the individual Non-Independent Directors, and the Chairperson.

The Nomination and Remuneration Committee as approved by the Board of the Company has stated the following criteria for evaluation of Independent Directors and the Board:

i. **Executive Director:** The Executive Directors shall be evaluated on the basis of targets / Criteria given to executive Directors by the Board from time to time.

ii. **Non-Executive Director:** The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e. Whether they:

- a) act objectively and constructively while exercising their duties;
- b) exercise their responsibilities in a bona fide manner in the interest of the Company;
- c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- d) do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- e) refrain from any action that would lead to loss of his independence;
- f) inform the Board immediately when they lose their independence;
- g) assist the Company in implementing the best corporate governance practices;
- h) strive to attend all meetings of the Board of Directors and the Committees;
- i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- j) strive to attend the general meetings of the Company;
- k) keep themselves well informed about the Company and the external environment in which it operates;
- l) do not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
- n) Abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.

DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE:

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations. Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

DISCLOSURE, AS TO WHETHER MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013, IS REQUIRED BY THE COMPANY AND ACCORDINGLY SUCH ACCOUNTS AND RECORDS ARE MADE AND MAINTAINED:

The provision relating to maintenance of Cost Records as specified by the Central Government under sub-section (1) of the Section 148 of the Companies Act, 2013 are not applicable to the Company.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS PURSUANT TO RULE 8 (5) (viii) OF COMPANIES (ACCOUNTS) RULES, 2014:

The Company has established a robust system of internal financial controls with reference to its Financial Statements, which are adequate and commensurate with the size, scale, and complexity of its operations. These controls are designed to ensure the accuracy and reliability of financial reporting, safeguard assets, and ensure compliance with applicable laws and regulations.

During the year under review, the effectiveness of these controls was evaluated by the Management, considering the essential components of a sound internal control system as prescribed by relevant standards and best practices. The assessment did not reveal any reportable material weaknesses or significant deficiencies in the design or operational effectiveness of the internal financial controls. However, the Company acknowledges that no internal control system can provide absolute assurance against all possible risks or irregularities. Therefore, it remains committed to maintaining the integrity of its financial controls through continuous monitoring, regular internal audits, and periodic review mechanisms to strengthen & enhance the existing framework.

The Report on Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 is duly placed before the Audit Committee of the Company.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company has a robust Vigil Mechanism in place through its Whistle Blower Policy, duly approved by the Board of Directors. This framework enables employees and stakeholders to report genuine concerns or grievances, with adequate safeguards to prevent victimization. It also ensures direct access to senior management and the Chairman of the Audit Committee, promoting transparency and accountability.

During the year under review, no complaints or reports were received under this mechanism.

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 and read with Rule 12 of the Companies (Management and administration) Rules, 2014 every company shall place a copy of Annual Return on website of the Company, if any and shall also disclose the web link of such Annual Return in the Board’s Report. The annual return of your Company as on March 31, 2025, in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is available on your Company’s website at <https://user-manual.choiceindia.com/CFPL/Annual-Return-2025.pdf>

DETAILS OF THE APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the year under review, the Company has not undergone any Corporate Insolvency Resolution Process pursuant to the relevant provisions under Insolvency and Bankruptcy Code, 2016 read with Rules or Regulations, if any.

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

During the Financial Year 2024– 25, the Company has not made any settlement with its Bankers from which it has accepted any term loan.

COMPLIANCE REGARDING MATERNITY BENEFIT ACT, 1961

The Company has complied with the provisions of the Maternity Benefit Act, 1961, to the extent applicable, and has also adopted a structured Maternity Policy at group level, to support its women employees. This includes granting maternity leave with full benefits as per statutory requirements, providing additional support such as leave for miscarriage, medical termination of pregnancy, and adoption,

as well as nursing breaks and protection of employment during maternity. The policy further emphasizes a safe and inclusive workplace, ensuring that no employee is discriminated against on grounds of maternity.

RBI GUIDELINES

The Company has complied with and continues to comply with all applicable laws, rules, circulars and regulations, including the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and guidelines notified thereunder.

SCALE BASED REGULATIONS

Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (the Directions) for NBFCs was notified by the Reserve Bank of India ("RBI") vide its circular number RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, with immediate effect. Pursuant to the Directions, the RBI has classified your Company as NBFC in Base Layer (“BL”). Your Company has ensured full compliance with various requirements prescribed under these Directions for NBFC-BL within the specified timelines.

ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation to the whole-hearted help and co-operation the Company has received from the business associates, partners, vendors, clients, government authorities, and bankers of the Company.

The relations between the management and the staff were cordial during the period under review.

The Company also wishes to put on record the appreciation of the work done by the staff. Your Directors appreciate & value the trust imposed upon them by the members of the Company.

For and on Behalf of the Board of Directors
Choice Finserv Private Limited

Sd/-
Kamal Poddar
Whole-time Director
DIN: 01518700

Sd/-
Vijendra Singh Shekhawat
Director & CEO
DIN: 09435913

Place: Mumbai
Date: July 19, 2025

- Annexures to Board Report:
- 1) Annual Report on CSR Activities
 - 2) Secretarial Audit Report
 - 3) ESOP Disclosure
 - 4) Statement of Disclosure of Managerial Remuneration

ANNEXURE TO BOARD REPORT

ANNEXURE-1

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2024-25

1. Brief outline of the CSR Policy of the Company: The Company has framed a Corporate Social Responsibility (CSR) Policy in line with the Companies Act, 2013 and the applicable CSR Rules. The Policy outlines the Company’s vision to contribute towards social, economic, and environmental development of the community through sustainable measures. The identified focus areas include healthcare, education, rural development, women empowerment, environmental sustainability, promotion of art and culture, disaster relief, and other permissible activities under Schedule VII of the Act. The Policy further sets out the constitution of a CSR Committee, formulation of an annual CSR action plan, mechanisms for implementation either directly or through eligible entities, monitoring and reporting requirements, and treatment of CSR expenditure in compliance with the law.

2. Composition of CSR Committee: Since the CSR Obligation for the FY 2024-25 did not exceed Rs. 50 Lakhs, there was no requirement of constituting a CSR Committee.

Sr. No.	Name of the Director	Designation/Nature of Directorship	Number of Meetings of CSR held during the year	Number of meetings of CSR Committee attended during the year
-	-	-	-	-

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. <https://choiceindia.com/cfpl-policies-and-disclsoures>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) - **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount Available for set off from preceding Financial Years (in Rs.)	Amount Required to be set off for the Financial year, if any (in Rs.)
-	-	-	-

6. Average net profit of the company as per section 135(5). – **Rs. 10,36,88,245/-**

7. (a) Two percent of average net profit of the company as per section 135(5) – **Rs. 20,73,765/-**

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years. – **NIL**

(c) Amount required to be set off for the financial year, if any – **NIL**

(d) Total CSR obligation for the financial year (7a+7b- 7c). – **Rs. 20,73,765/-**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
21,00,000	-	-	-	-	-

ANNEXURE TO BOARD REPORT

8. (b) Details of CSR amount spent against ongoing projects for the financial year-

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes /No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementat ion – Direct (Yes /No)	Mode of Implementation – Through Implementing Agency
				State	Distr ict						
-	-	-	-	-	-	-	-	-	-	-	-

8. (c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of Implementa tion – Direct (Yes /No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Arthnirmiti – The Financial Inclusion Programme	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Thane, Pune, Nagpur, Ratnagiri, Kolhapur, Ratnagiri	21,00,000	No	Sunil Patodia Welfare Foundation	CSR00012985

- (d) Amount spent in Administrative Overheads – NIL
- (e) Amount spent on Impact Assessment, if applicable – Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) – 21,00,000

ANNEXURE TO BOARD REPORT

8. (g) Excess amount for set off, if any-

Sr. No.	Particulars	Amount (in Rs.)
1.	Two percent of average net profit of the company as per section 135(5)	20,73,765
2.	Total amount spent for the Financial Year	21,00,000
3.	Excess amount spent for the financial year [(ii)-(i)]	26,235
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	26,235

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amonut (in Rs)	Date of transfer	
-	-	-	-	-	-	-	-

10. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA

For and on Behalf of the Board of Directors
Choice Finserv Private Limited

Sd/-
Kamal Poddar
Whole-time Director
DIN: 01518700

Sd/-
Vijendra Singh Shekhawat
Director & CEO
DIN: 09435913

Place: Mumbai
Date: July 19, 2025

ANNEXURE TO BOARD REPORT

ANNEXURE TO BOARD REPORT

ANNEXURE-2

SUMAN SUREKHA & ASSOCIATES
COMPANY SECRETARIES

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED AS ON MARCH 31, 2025

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies)
(Appointment and Remuneration of Managerial Personnel Rules, 2014)

To,
The Members,
CHOICE FINSERV PRIVATE LIMITED

Sunil Patodia Tower,
Plot No. 156-158, J.B. Nagar,
Andheri (East), Mumbai-400099

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHOICE FINSERV PRIVATE LIMITED (CIN: U74999MH2016PTC281908)** ("the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

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

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

- i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder; **(Not applicable to the Company during the Audit Period)**
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the Company during the Audit Period)**
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment. **(Not applicable to the Company during the Audit Period)**
- v) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

vi) The following Regulations and Guidelines including any other Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act') to the extent applicable to the Company:-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period)**
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the Audit Period)**
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
- d. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **(Not applicable to the Company during the Audit Period)**
- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
- g. 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; **(Not applicable to the Company during the Audit Period)**
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not applicable to the Company during the Audit Period)**

vii) Other applicable laws as specifically identified by the Company, and Rules made thereunder along with notifications and circulars as issued by the appropriate authorities from time to time.

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

- i) Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013.
- ii) The Company is not listed on any Recognised Stock Exchange or any National Stock Exchange in India. Therefore, being a non-listed entity during the period under review, the compliances related to listing regulation (SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) are not applicable to the Company.

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

We further report that –

During the period under audit, the Company has filed annual returns and financial statements with the Registrar of Companies on timely basis and have complied with the provisions of the Act.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. During the period under review:

- Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent in respect of a meetings held during the period under review.
- Adequate system exists in the Company for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Decisions at the Board Meetings were taken with requisite majority wherever required as per the Act.
- During the period under audit, all the resolutions at the Board Meetings were passed unanimously, and the same were duly recorded in minutes of such Board Meetings.

We further report that during the audit period, the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

GRANT OF EMPLOYEE STOCK OPTION PLAN 2024

The Company has granted up to 20,00,000 (Twenty Lakhs) stock options to eligible employees as defined under ESOP 2024 by way of passing of special resolution in the Extra Ordinary General Meeting held on 5th June, 2024.

The Company has granted 17,00,680 Employee Stock Options equal to or more than 1% of the issued capital of the Company to the Identified employees i.e. Mr. Vijendra Singh Shekhawat Chief Executive Officer and Director of the Company, under ESOP 2024 by way of passing of special resolution in the Extra Ordinary General Meeting held on 5th June, 2024.

CHANGE IN DIRECTORSHIP

Mr. Manoj Kumar was appointed as an Additional Director of the Company w.e.f 13th October, 2023 and regularised in the Extra Ordinary General Meeting held on 5th June, 2024.

Mr. Arun Kumar Poddar was appointed as an Additional Director of the Company w.e.f 27th November, 2023 and regularised in the Extra Ordinary General Meeting held on 5th June, 2024.

ALLOTMENT OF SECURED, REDEEMABLE, RATED, UNLISTED, NON- CONVERTIBLE DEBENTURES

The Company allotted 258 secured, redeemable, rated, unlisted, non- convertible debentures in the management committee meeting held on 25th June, 2024.

INCREASE IN AUTHORISED SHARE CAPITAL AND AMENDMENT IN THE CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION

The Company has increased the authorised share capital of the company from Rs. 80 crores to Rs. 97.40 crores and amended the capital clause of the Memorandum of Association in the Extra Ordinary General Meeting held on 31st December, 2024.

PREFERENTIAL ALLOTMENT

The Company has allotted 1,60,84,540 Equity Shares of Rs. 10 each at a price of Rs. 74/- each (including premium of Rs 64/-) to M/s Paisabuddy Finance Private Limited and M/s Sureworth Financial Services Private Limited by way of preferential allotment in the Board Meeting held on 27th January, 2025.

APPROVAL OF SECURED, REDEEMABLE, RATED, LISTED, NON- CONVERTIBLE DEBENTURES

The company has approved the issue of Secured, Rated, Listed, Redeemable, Taxable, Non-Convertible Debentures (NCDS) of not more than Rs. 50,00,00,000 (Rupees Fifty Crores Only) valued at no more than face value Rs. 1,00,000 (Rupees One Lakh Only) in one or more series/tranches on Private Placement Basis in the Board Meeting held on 27th January, 2025.

ANNEXURE TO BOARD REPORT

We Further Report that, during the audit period, there were no instances of the following:

- i) Public issue/ Rights issue/ Preferential issue/ Debentures/ Sweat Equity, etc.
- ii) Redemption/ buy-back of securities
- iii) Foreign technical collaborations
- iv) Major decisions taken by members Pursuant to Section 180 of Companies Act, 2013
- v) Merger/ amalgamation/ reconstruction, etc.

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

We further report that the compliance by the Company of applicable financial laws including but not limited to direct and indirect tax laws has not been reviewed in this audit since the same have been subject to review by statutory financial auditor and other designated professional.

For Suman Sureka & Associates,
Company Secretaries

Sd/-
Suman Sureka
Proprietor
C.P. No. 4892
M.NO F6842
UDIN: F006842G000780747
Peer Review Certificate No. 2104/2022
Place: Mumbai
Date: July 15, 2025

Note - This report is to be read with my letter, annexed as Annexure – A and it forms an integral part of this report.

ANNEXURE TO BOARD REPORT

ANNEXURE - A

SUMAN SUREKHA & ASSOCIATES
COMPANY SECRETARIES

To,
The Members
CHOICE FINSERV PRIVATE LIMITED
Sunil Patodia Tower,
Plot No.156-158, J. B. Nagar,
Andheri (East), Mumbai-400099

Our report to be read along with this letter.

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

For Suman Sureka & Associates,
Company Secretaries

Sd/-
Suman Sureka
Proprietor
C.P. No. 4892
M.NO F6842
UDIN: F006842G000780747
Peer Review Certificate No. 2104/2022
Place: Mumbai
Date: July 15, 2025

ANNEXURE TO BOARD REPORT

ANNEXURE-3

Disclosure regarding Employees Stock Option Scheme (ESOS) pursuant to Section 62(1)(b) of the Companies Act, 2013

In accordance with Section 62(1)(b) of the Companies Act, 2013, the Company discloses details regarding its Employee Stock Option Scheme, "Choice Finserv Employee Stock Option Plan 2022," as part of the Directors’ Report for the financial year ended March 31, 2025.

A. Disclosures under Accounting Standard 15 - Employee Benefits

(a) The Company has implemented the Choice Finserv Employee Stock Option Plan 2022 (ESOP 2022), under which stock options have been granted to eligible employees, with vesting scheduled from time to time as per the terms of the plan.

Under ESOP 2022:

- Eligible employees are granted stock options with a defined vesting schedule.
- Vesting of options is conditional upon continued employment with the Company from the date of grant until the respective vesting dates.
- Vested options may be exercised at the exercise price determined on the grant date.
- All options are to be settled by way of delivery of equity shares.

Criteria	Details
Exercise Price	As determined on the respective grant date
Settlement	Equity settled
Vesting Conditions	Continued employment from grant date to vesting date
Vesting Schedule (Type 1 & 3)	25% per annum, starting from 1 st anniversary of grant date
Vesting Schedule (Type 2)	25% per annum, starting from 2nd anniversary of grant date
Minimum Vesting Period	1 year
Maximum Vesting Period	5 years (100% vesting over 5 years)
Exercise Period	Up to 7 years from the grant date
Resignation Clause	Vested options may be exercised up to the last working day

The Scheme complies with Section 62(1)(b) of the Companies Act, 2013, and applicable regulations. The granted options, exercise price, vesting period, and other terms are in alignment with the Scheme and regulatory requirements.

(b) The movement of share options and weighted average exercise prices for the year is as follows:

Particulars	No. of Options	Weighted Avg Exercise Price (INR)
Outstanding at the beginning of the year	27,22,805	38.98
Additional Granted during the year	Nil	N.A.
Forfeited/cancelled during the year	3,75,875	105.02
Lapsed during the year	Nil	N.A.
Vested during the year	Nil	N.A.
Expired during the year	Nil	N.A.
Exercised during the year	Nil	N.A.
Outstanding at the end of the year	23,46,930	28.4
Exercisable at the end of the year	10,33,653	19.6
Money realised by exercise of options	Nil	N.A.

ANNEXURE TO BOARD REPORT

(c) Variation in terms of options: Not Applicable.

(d) Employee-wise Details of Stock Options Granted During the Year:

Category	Name of Employee	Designation	No. of Options Granted
(a) Key Managerial Personnel (KMP)	NA	NA	NA
(b) Employees receiving ≥5% of total options granted in a year	NA	NA	NA
(c) Identified employees granted options ≥1% of issued capital	Mr. Vijendra Singh Shekhawat	Director and CEO	17,00,680

For and on Behalf of the Board of Directors
Choice Finserv Private Limited

Sd/-
Kamal Poddar
Whole-time Director
DIN: 01518700

Sd/-
Vijendra Singh Shekhawat
Director & CEO
DIN: 09435913

Place: Mumbai
Date: July 19, 2025

ANNEXURE TO BOARD REPORT

ANNEXURE-4

STATEMENT OF DISCLOSURE OF REMUNERATION

(Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

Sr No.	Requirements	Disclosure	
		Name of the Director	Ratio
1.	The ratio of the remuneration of each director to the median remuneration of all the employees of the Company for the financial year	Mr. Kamal Poddar	40.28
		Mr. Vijendra Singh Shekhawat	90.39
		The median remuneration of all the employees of the company was Rs. 99,315/-.	
2.	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year	Mr. Kamal Poddar	0.00%
		Mr. Vijendra Singh Shekhawat	20.06%
3.	The percentage increase/decrease in the median remuneration of employees in the financial year.	During FY 2025, the percentage increase in the median remuneration of employees as compared to previous year was 29.74%.	
4.	The number of permanent employees on the rolls of Company	There were 820 employees as on March 31, 2025.	
5.	The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration	Average percentile of salaries of employees other than managerial personnel is decreased by 29.86% due merger of company (As No. of employees are increased).	
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration.	

Note:

1. The remuneration is counted on the Gross amount paid.
2. In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the statement containing relevant details of the top ten employees in terms of remuneration drawn is available for inspection by the Members at the Registered Office of the Company between 11 a.m. to 1:00 p.m. on any working day up to the date of 9th Annual General Meeting of the Company. Any Member who is interested in obtaining such information may write to the Company Secretary at cfpl@choiceindia.com and the same will be furnished on such request.

For and on Behalf of the Board of Directors
Choice Finserv Private Limited

Sd/-
Kamal Poddar
Whole-time Director
DIN: 01518700

Sd/-
Vijendra Singh Shekhawat
Director & CEO
DIN: 09435913

Place: Mumbai
Date: July 19, 2025

Audit Report

INDEPENDENT AUDITOR’S REPORT

To the Members of Choice Finserv Private Limited Report on the Audit of the Financial Statements

1. Opinion

We have audited the accompanying Financial Statements of **CHOICE FINSERV PRIVATE LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss, and the Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of Significant Accounting Policies and Other Explanatory Information [hereinafter referred to as “the Financial Statements”].

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those 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 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 on the Financial Statements.

3. Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Directors 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 during the course of our audit or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a

material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

4. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company’s financial reporting process.

5. Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

a. 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.

b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. 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.

e. 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.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

6. Other Matter

The audit of the Financial Statements for the year ended March 31, 2024 was carried out and reported by the previous auditor, ASBS & Co. vide their unmodified Audit Report dated April 29, 2024 which has been furnished to us by the Management and relied upon by us for the purpose of our audit of the Financial Statements.

Our opinion is not modified in respect of this matter.

7. Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the CentralGovernment of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give inthe “Annexure A”, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with bythis Report are in agreement with the books of account;

(d) In our opinion and to the best of our information and explanation given to us, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that section 197 is notapplicable to Private Company. Hence, reporting as per section 197(16) is not required.

(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, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c. Based on such audit procedures which 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(i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year is in accordance with section 123 of the Companies Act, 2013. Hence, clause is not applicable.

III. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 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 the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **CHOKSHI & CHOKSHI LLP**
Chartered Accountants
FRN. 101872W/W100045

Kiran Bhoir
Partner
M. No. 159960
UDIN. 25159960BMMJJC8630

Place: Mumbai
Date: April 19, 2025

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 7 (I) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Choice Finserv Private Limited of even date]

To the best of our information and according to the explanation provided to us by the Company and the book of accounts and the records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- (a)

A. The Company is maintaining 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.
- agreement with the books of accounts of the Company;
- iii. During the year, the Company has not provided any guarantee or security. The Company has made investments, granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties, if so -

(b) The Company has a program of physical verification of Property, Plant and Equipment which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment and Right-of-use Assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination the Company does not hold any Immovable Properties.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets during the year.

(e) As informed to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii)(a) of the said Order are not applicable to the Company.

(b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the Company with such banks or financial institutions are in

agreement with the books of accounts of the Company;

iii. During the year, the Company has not provided any guarantee or security. The Company has made investments, granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties, if so -

(a) The principal business of the Company is to provide loans or advances in the nature of loan or stood guarantee or provided security to any other entity during the year. Hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company.

Having regard to the voluminous nature of loan transactions, it is not practical to furnish entity wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause), in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except for 2,062 instances having amount outstanding of Rs.8,472.64 lakhs as at March 31, 2025 where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of loans and advances in the nature of loans, the total amount of cases which are overdue for more than ninety days as at March 31, 2025 is Rs.1,642.96 lakhs details of which are mentioned in below table. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

No. of borrowers	Principal amount overdue (Rs. in Lakhs)	Interest overdue (Rs. in Lakhs)	Total overdue (Rs. in Lakhs)
327	1,517.75	125.21	1,642.96

(e) The requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company, since the Company's principal business is to give loans.

(f) To the best of our knowledge and according to information and explanation given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii) (f) is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon.

Further in our opinion and according to information and explanation given to us, the Company being a Non-Banking Financial Company (NBFC), the Company is exempt from section 186 of the Companies Act, 2013 and relevant rules in respect of loans & guarantees. In respect of investments the Company has complied with the provisions of section 186(1) of the Companies Act, 2013.

v. According to information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The Central Government has not prescribed the maintenance of cost records under Sub-section (1) of Section 148 of the Companies Act 2013, for any of the services rendered by the Company. Accordingly, clause 3(vi) of the Companies (Auditor's Report) Order 2020 is not applicable to the Company.

vii. In respect of statutory dues, on the basis of information and explanations given to us and on the basis of our examination of the records of the company, we report that:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

(c) There are no details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes.

viii. As per information and explanation given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. According to information and explanations given to us,

(a) the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;

(b) the Company is not declared willful defaulter by any bank or financial institution or other lender;

(c) The term loans were applied for the purpose for which the loans were obtained;

(d) funds raised on short term basis have not been utilised for long term purposes,

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies; hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year.

xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year;

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT - 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report;

(c) We have been informed by the management that no whistle-blower complaints have been received by the Company during the year and upto the date of this report.

xii. According to information and explanation given to us the Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. According to information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards;

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business;
(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. (a) The Company is a Non- Banking Financial Company and has obtained registration under section 45-IA of the Reserve Bank of India Act 1934;
(b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India 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 Reserve Bank of India, hence reporting under clause 3 (xvi)(c) of the order is not applicable;

(d) According to information and explanations provided to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi) (d) of the order is not applicable.

xvii. On the basis of our examination of the records of the Company, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) the Company is not required to transfer unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;
(b) no amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

For **CHOKSHI & CHOKSHI LLP**
Chartered Accountants
FRN. 101872W/W100045

Kiran Bhoir
Partner
M. No. 159960
UDIN. 25159960BMMJJC8630

Place: Mumbai
Date: April 19, 2025

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 7 (II)(f) under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Choice Finserv Private Limited on the Financial Statements for the year ended March 31, 2025]

Report on the Internal Financial Controls under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **CHOICE FINSERV PRIVATE LIMITED** ("The Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 judgment, 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

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

Inherent Limitations of Internal Financial Controls 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 internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **CHOKSHI & CHOKSHI LLP**
Chartered Accountants

FRN. 101872W/W100045

Kiran Bhoir
Partner
M. No. 159960
UDIN. 25159960BMMJJC8630

Place: Mumbai
Date: April 19, 2025

NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT FOR THE YEAR ENDED MARCH 31, 2025

To,
The Board of Directors of
CHOICE FINSERV PRIVATE LIMITED

Sunil Patodia Tower,
Plot No. 156-158, J. B. Nagar,
Andheri (East), Mumbai-400099

We have audited the accompanying Financial Statements of Choice Finserv Private Limited ("the Company"), which comprises of the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, and the Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of Significant Accounting Policies and Other Explanatory Information (hereinafter referred to as "the Financial Statements") and issued our Audit Report dated April 19, 2025. These Financial Statements are the responsibility of the Company's management. Our responsibility was to express an opinion on these financial statements based on our audit. Our audit was conducted in the manner specified under the section "Auditor's Responsibility for the Audit of the Financial Statements" of the said audit report. We also draw reference to the section Responsibilities of Management and Those Charged with Governance for the Financial Statements" in the Audit Report which applies to this report.

As required by the "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016" issued by the Reserve Bank of India (RBI), on the matters specified in Chapter - II of the said Directions to the extent applicable to the Company, based on our audit referred to the aforesaid paragraph and according to the information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that:

1. The Company is engaged in the business of Non-Banking Financial Institution, having valid certificate of registration as a Finance Company issued by Reserve Bank of India vide No. N-13.02216 dated January 12, 2018. Further, the Company is entitled to continue to hold such registration in terms of its asset/income pattern as on March 31, 2025.
2. In our opinion and to the best of our information and according to the explanations given to us, the Company is meeting the required net owned fund requirement as laid down in the Master Direction.
3. The Company is registered as Non-deposit accepting Finance Company with RBI. The Board of Directors has passed resolution in its meeting held on April 19, 2025 for non-acceptance of any public deposit in future without obtaining prior written permission of Reserve Bank of India.
4. The Company has not accepted any public deposits during the financial year ended March 31, 2025.
5. In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts in the preparation of the financial statements for the year ended March 31, 2025, to the extent applicable in terms of the Master Direction.

We have no responsibility to update this report for events occurring after the date of submission of signed copy of this report. Also, this report is issued solely for reference of the Company pursuant to the requirement as per the said Directions and is not to be used or distributed for any other purpose.

For **CHOKSHI & CHOKSHI LLP**
Chartered Accountants

FRN. 101872W/W100045

Kiran Bhoir
Partner
M. No. 159960
UDIN. 25159960BMMJJE5588

Place: Mumbai
Date: April 19, 2025

Financial Statements

Balance Sheet as at March 31, 2025

(INR in lakhs)

Particulars	Note no.	As at March 31, 2025	As at March 31, 2024
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	2	9,353.54	7,745.09
(b) Reserves and Surplus	3	26,169.07	15,270.87
		35,522.61	23,015.96
2. Non-Current Liabilities			
(a) Long-Term Borrowings	4	25,385.00	11,850.09
(b) Long-Term Provisions	5	65.38	43.04
		25,450.38	11,893.13
3. Current Liabilities			
(a) Short Term Borrowings	6	21,805.28	17,831.72
(b) Trade Payables	7	-	-
(i) Dues to Micro, Small and Medium Enterprises		2.25	14.74
(ii) Other than Micro, Small and Medium Enterprises		365.84	351.90
(c) Other Current Liabilities	8	6,482.98	1,616.84
(d) Short-Term Provisions	9	1,541.18	515.38
		30,197.53	20,330.58
Total		91,170.52	55,239.67
II. ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment and Intangible Assets	10		
Tangible Assets		568.98	304.21
Intangible Assets under Development		627.70	910.52
Intangible Assets		6,038.25	-
(b) Non Current Investments	11	749.90	403.59
(c) Long-Term loan and Advances	12	39,204.47	17,665.81
(d) Deferred Tax Assets	13	362.25	117.99
(e) Other Non-Current Assets	14	728.91	246.32
		48,280.46	19,648.44
2. Current Assets			
(a) Current Investments	15	2,500.00	-
(b) Cash and Bank Balances	16	10,677.80	7,838.76
(c) Trade Receivables	17	122.78	12.98
(d) Short-Term Loans and Advances	18	27,637.83	26,801.90
(e) Other Current Assets	19	1,951.65	937.59
		42,890.06	35,591.23
Total		91,170.52	55,239.67
Summary of Significant Accounting Policies The accompanying notes form an integral part of the Financial Statements	1		

In terms of our report attached

For Chokshi & Chokshi LLP
Chartered Accountants
Firm No.: 101872W/W100045

Sd/-
Kiran Bhoir
Partner
Membership No. 159960

Mumbai | April 19, 2025

For and on behalf of the Board of Directors
Choice Finserv Private Limited
CIN: U74999MH2016PTC281908

Sd/-
Kamal Poddar
Director
DIN: 01518700

Sd/-
Vijendra Singh Shekhawat
Director
DIN: 09435913

Mumbai | April 19, 2025

Sd/-
Manoj Singhania
Chief Financial Officer

Sd/-
Karishma Shah
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2025 (INR in lakhs)

Particulars		Note no.	For the Year ended March 31, 2025	For the Year ended March 31, 2024
	Income			
I	Revenue from Operations	20	11,388.60	8,554.42
II	Other Income	21	16.13	16.09
III	Total Income (I+II)		11,404.73	8,570.51
IV	Expenses			
	Employee Benefits Expense	22	3,393.56	3,101.37
	Depreciation	10	177.42	67.39
	Finance Costs	23	4,278.23	3,101.76
	Other Expenses	24	2,651.45	2,087.58
	Total Expenses		10,500.66	8,358.10
V	Profit before tax (III-IV)		904.07	212.41
VI	Tax Expense:			
	(a) Current Tax Expense		185.46	166.70
	(b) Earlier Tax Expense		(0.30)	(3.38)
	(c) Deferred Tax		351.74	(103.37)
	Total Tax Expense		536.90	59.95
VII	Profit for the year (V-VI)		367.17	152.46
X	Earnings Per Equity Share (Face Value INR 10 Per Share):	25		
	Basic (Rs.)		0.46	0.20
	Diluted (Rs.)		0.45	0.19

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Chokshi & Chokshi LLP
Chartered Accountants
Firm No.: 101872W/W100045

Sd/-
Kiran Bhoir
Partner
Membership No. 159960

Mumbai | April 19, 2025

For and on behalf of the Board of Directors
Choice Finserv Private Limited
CIN: U74999MH2016PTC281908

Sd/- Sd/- Sd/-
Kamal Poddar Vijendra Singh Shekhawat
Director Director
DIN: 01518700 DIN: 09435913

Mumbai | April 19, 2025

Sd/- Sd/-
Manoj Singhania Karishma Shah
Chief Financial Officer Company Secretary

Cash Flow Statement for the year ended March 31, 2025 (INR in lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
A. Cash Flow from Operating Activities		
Net profit before tax	904.07	212.41
Adjustments for:		
Depreciation and amortisation expenses	177.42	67.38
Provision for Leave Encashment	8.89	15.24
Provision for Gratuity	(4.30)	23.28
Share Based Payments	236.91	361.45
Provision on Standard and Sub Standard Assets	(113.47)	418.55
Gain on sale of Investments	(54.93)	(5.91)
Finance Costs	4,278.23	3,101.76
Operating profit before working capital changes	5,432.82	4,194.15
Changes in Working Capital		
(Increase) in long term Loans and Advances	(21,538.66)	(9,530.51)
(Increase) in short term Loans and Advances	(835.93)	(11,156.58)
(Increase) in Other Current Assets	(1,025.43)	(583.49)
(Increase) in Trade Receivables	(109.80)	-
(Increase) in Other Non-Current Assets	(482.60)	(192.33)
(Increase) in Trade Payables	1.45	43.54
(Increase) in Other Liabilities & Provisions	4,866.14	770.50
(Decrease)/Increase in Long term Provisions	26.64	(0.94)
(Increase) in Short term Provisions	1,130.38	0.72
Cash used in Operations	(12,535.00)	(16,454.94)
Income tax paid	(173.79)	(219.75)
Net cash (used in)/flow from operating activities (A)	(12,708.79)	(16,674.69)
B. Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipments	(360.43)	(56.55)
Purchase of Intangible Assets	(6,716.01)	-
Purchase of Intangible Assets under Development	282.82	(402.79)
Purchase of Investment	(4,846.31)	(1,903.59)
Sale of Investments	2,054.93	1,505.91
Redemption/(Purchase) of Fixed Deposits	(4,277.71)	6,978.24
Net Cash flow from/(used in) Investing Activities (B)	(13,862.71)	6,121.22
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	11,902.56	639.37
Proceeds from issue of Debentures	2,290.00	694.00
Finance Costs paid	(4,278.23)	(3,101.76)

Cash Flow Statement for the year ended March 31, 2025 (Continued..) (INR in lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Amount borrowed from related parties	(2,080.79)	1,058.14
Amount borrowed from/(repaid) to others	17,299.30	14,640.98
Net cash flow from/(used in) Financing Activities	25,132.84	13,930.73
Net increase in Cash and Cash Equivalents	(1,143.67)	3,377.26
Opening Cash and Cash Equivalents	7,324.48	3,947.22
Closing Cash and Cash Equivalents (Refer Note 16)	5,885.81	7,324.48

Note: The Cash Flow Statement has been prepared under the ‘Indirect Method’ as set out in the Accounting Standard-3 on Cash Flow Statements notified under the Companies (Accounting Standards) Rules, 2006.

Reconciliation of Liabilities from Financing Activities for the year ended March 31, 2025 (INR in lakhs)

Particulars	As at March 31, 2024	Proceeds	Repayment	As at March 31, 2025
Loans from Related Party	2,080.81	4,782.20	6,863.01	-
Loans from Other Party	26,907.00	55,371.92	38,072.65	44,206.28
Debentures	694.00	2,290.00	-	2,984.00
Total	29,681.81	62,444.12	44,935.66	47,190.28

Reconciliation of Liabilities from Financing Activities for the year ended March 31, 2024 (₹ in lakhs)

Particulars	As at March 31, 2024	Proceeds	Repayment	As at March 31, 2025
Loans from Related Party	1,022.70	3,868.40	2,810.29	2,080.81
Loans from Other Party	12,266.02	1,00,313.14	85,672.16	26,907.00
Debentures	-	694.00	-	694.00
Total	13,288.72	1,04,875.54	88,482.44	29,681.81

Note: Proceed & repayments in loan from other Party includes multiple utilisation & repayments from CC/OD limits.

For Chokshi & Chokshi LLP
Chartered Accountants
Firm No.: 101872W/W100045

Sd/-
Kiran Bhoir
Partner
Membership No. 159960

Mumbai | April 19, 2025

For and on behalf of the Board of Directors
Choice Finserv Private Limited
CIN: U74999MH2016PTC281908

Sd/-
Kamal Poddar
Director
DIN: 01518700

Sd/-
Vijendra Singh Shekhawat
Director
DIN: 09435913

Mumbai | April 19, 2025

Sd/-
Manoj Singhania
Chief Financial Officer

Sd/-
Karishma Shah
Company Secretary

Significant Accounting Policies for the year ended on March 31, 2025

Corporate Information

Background

Choice Finserv Private Limited (CFPL/ the Company) is incorporated in India as a private limited company and categorized in base layer as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and registered with the Reserve Bank of India (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in investment, lending and allied activities. The Company received the certificate of registration from the RBI on January 12, 2018, enabling the Company to carry on business as a Non-Banking Finance Company. The Financial Statements have been approved for issue by the Board of Directors of the Company in accordance with a resolution passed on April 19, 2025.

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of accounting and preparation of financial Statements

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") and Guidelines issued by Reserve Bank of India. The Financial Statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year except provisioning of loans and advances as mentioned in point N of accounting policies.

Statement of Compliance

The Financial Statements of the Company comply with AS notified under the Companies (Accounting Standards) Rules, 2006 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms/guidelines. The Balance Sheet, Statement of Profit and Loss are prepared and presented as per the requirements of Division I of Schedule III to the Companies Act, 2013 applicable for Non-Banking Financial Companies (NBFCs). The Statement of Cash Flows has been prepared and presented as per the requirements of AS 3 ‘Cash Flow Statements’.

B. Use of estimates

The preparation of Financial Statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the Financial Statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Actual results could differ from these estimates. Any change in the estimates is recognised prospectively in current and future period.

C. Revenue Recognition

Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. In addition, the following criteria must be met before revenue is recognised:

(i) Interest and other dues on Lending is recognised on accrual basis, except in case of Non-Performing Assets (NPAs), wherein income is recognized on realisation of the same. NPAs are determined in accordance with the Guidelines issued by the Reserve Bank of India.All other charges such as cheque return charges, legal charges, penalty interest, etc. are recognised on realisation basis.

(ii) Profit or Loss on sale of investments is determined based on FIFO (First in First Out) cost of investments and is recognized on trade date basis.

D. Property, Plant & Equipment Tangible assets

Tangible assets:

Property, plant and equipments are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.

Intangible assets:

Intangible asset including intangible assets under development are stated at cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets acquired separately are measured on initial recognition at cost. The amortization period and the amortisation method are reviewed at the end of each financial year. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with infinite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Significant Accounting Policies for the year ended on March 31, 2025 (Continued..)

E. Depreciation & Amortization

Depreciation has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation on addition to fixed assets is provided on a pro-rata basis from the date of addition. Computer softwares are amortized over a period of 5 years in accordance with the Accounting Standard 26 "Accounting for Intangible Assets".

The estimated useful life of intangible assets and the amortization period are reviewed at the end of each financial year and amortization method is revised to reflect the changed pattern.

F. Cash & Cash Equivalent

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

G. Finance Costs

Interest cost is recognised as expenses in the period in which the cost is incurred. Other finance Charges includes origination fees and other ancillary costs with respect to funds.

H. Employee benefits

(i) **Short-term:** Short-term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company. These includes Salary, Compensated leave encashment, Bonus, etc.

(ii) **Long-term:** The Company has both defined-contribution and defined-benefit plans. The defined-contribution plans are financed by the company along with its employees.

• Defined-contribution Plans

These are plans in which a company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the Employees' Provident Fund and Family Pension Fund. The Company's payments to the defined contribution plans are reported as expenses in the period in which the employees perform the services that the payment covers.

• Defined-benefit Plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet

represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

I. Share Based Payment Arrangements

Choice Finserv Private Limited grants options to eligible employees of the Company under Choice Finserv Employee Stock Option Plan 2022. The options vest over a period of five years.

The cost of equity settled transactions is determined by the fair value at the grant date. The fair value of the employee share options is based on the Black Scholes model.

The grant-date fair value of equity-settled share-based payment granted to employees is recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share based payment awards with market performance conditions and non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Choice International Limited, the Holding company, also grants options to eligible employees of the Company under Choice Employee Stock Option Scheme 2022. The options vest over a period of four years. The fair value determined on the grant date is expensed on a straight line basis over the vesting period with a corresponding increase in the equity as a contribution from the Holding company.

J. Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments, all other investments are classified as non-current investments. Investments are valued in accordance with the RBI guidelines and Accounting Standard-13 on "Accounting for investments".

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

Quoted current investments are valued at lower of cost and market value of investments on a category basis. Unquoted current investments are valued at lower of cost and breakup value/fair value of investments in accordance with RBI Guidelines.

Significant Accounting Policies for the year ended on March 31, 2025 (Continued..)

Inter-class transfer of investments from one category to the other, if any, is done in accordance with the RBI guidelines at the lower of book value and fair value / market value on the date of transfer.

K. Lease

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight-line basis in the Statement of Profit and Loss over the lease term.

L. Accounting for Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

The promulgated Taxation Law (Amendment) Ordinance 2019 has inserted section 115BAA in the Income Tax Act, 1961 providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The Company has irreversibly opted for the new tax rate i.e. 25.17% and consequently.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. The effect on Deferred Tax Assets and Liabilities of a change in tax rates is recognised in the Statement of Profit and Loss in the year of substantive enactment of the change. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

M. Provisions, contingent liabilities and contingent assets

A Provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that

may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29 – "Provisions, Contingent Liabilities and Contingent Assets" is made. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

N. Provisioning under Prudential Norms

(i) NPAs are identified and categorised according to the Guidelines issued by the Reserve Bank of India (RBI). Provisions are made against sub-standard, doubtful and loss assets at the rates prescribed in the RBI guidelines. In addition to provisions created as per the RBI provisioning norms, Company also performs quarterly internal assessments where Company follows "Three-stage" model for impairment in the form of Expected Credit Loss (ECL) based on changes in credit quality since initial recognition. The provisioning is done after considering both the approaches provided that the provision is not lower than the amount calculated as per RBI provisioning norms. In addition to provision calculated, additional provision may be created depending on management overlay considering various factors.

(ii) Provisioning for NPAs is dependent upon, inter alia, whether the NPA is secured or unsecured. Loans are considered as secured, where the Company has valid recourse to assets / recovery by Pledge of shares, units, other securities.

iii) As per the RBI Master Directions, provision for standard sssets is to be made at 0.25% on the outstanding standard assetsIn addition to provisions created as per the RBI provisioning norms, Company also performs quarterly internal assessments where Company follows "Three-stage" model for impairment in the form of Expected Credit Loss (ECL) based on changes in credit quality since initial recognition. The provisioning is done after considering both the approaches provided that the provision is not lower than the amount calculated as per RBI provisioning norms. In addition to provision calculated, additional provision may be created depending on management overlay considering various factors.

(iv) Impairment in the investment portfolio, if any, is provided as per the Guidelines issued by the RBI, unless an accelerated provision / write-off is warranted on a case to case basis.

O. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. For the purpose of Cash Flow Statement, cash and cash equivalents includes fixed deposits which are freely remissible includes interest accrued on fixed deposits.

Significant Accounting Policies for the year ended on March 31, 2025 (Continued..)

P. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

Q. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Statement of Profit and Loss to the extent the carrying amount of assets exceeds their estimated recoverable amount.

R. Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Accompanying notes to the financial statements as at March 31, 2025

Note 2: Share Capital

(INR in lakhs)

(a) Details of authorised, issued and subscribed share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised Capital*		
9,74,00,000 (PY 8,00,00,000) Equity Shares of Rs. 10/- each	9,740.00	8,000.00
Issued Capital**		
9,35,35,415 (PY 7,74,50,875) Equity Shares of Rs. 10/- each	9,353.54	7,745.09
Subscribed and Paid up Capital**		
9,35,35,415 (PY 7,74,50,875) Equity Shares of Rs. 10/- each	9,353.54	7,745.09
	9,353.54	7,745.09

*During the year, the company increased the authorized share capital of equity shares from 8,00,00,000 to 9,74,00,000 equity shares, each having a face value of Rs. 10.

**During the year, the company issued and allotted 1,60,84,540 equity shares with a face value of Rs. 10 each at Rs. 74 per share to Paisabuddy Finance Private Limited & Sureworth Financial Services Private Limited under a Business Transfer agreement.

Rights, preferences and restrictions attached to each class of shares -

The Company has only one class of share capital, i.e., equity shares having face value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The Shareholders are entitled to interim dividend if proposed by the Board of Directors. The Final dividend is subject to approval of the shareholders in the Annual General Meeting.

(b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2025	As at March 31, 2024
	Number of Shares (in lakhs)	Number of Shares (in lakhs)
No. of shares at the beginning of the year	7,74,50,875	7,68,88,500
Add : shares issued during the year	1,60,84,540	5,62,375
No. of shares at the end of the year	9,35,35,415	7,74,50,875

(c) Details of number of equity shares held by the holding company

Particulars	As at March 31, 2025	As at March 31, 2024
	Number of Shares (in lakhs)	Number of Shares (in lakhs)
Choice International Limited & its nominee	7,53,88,500	7,53,88,500

(d) Shareholders holding more than 5% of equity shares as at the end of the year

Particulars	As at March 31, 2025	As at March 31, 2024
	Number of Shares (in lakhs)	Number of Shares (in lakhs)
Choice International Limited & its nominee	7,53,88,500	7,53,88,500
% Holding	80.60%	97.34%
Paisabuddy Finance Private Limited	1,55,40,540	-
% Holding	16.61%	-

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

(e) Details of shareholding of promoters and promoter groups

Particulars	As at March 31, 2025	As at March 31, 2024
	Number of Shares (in lakhs)	Number of Shares (in lakhs)
Promoter name		
Promotor Groups		
Choice International Limited & its nominee	7,53,88,500	7,53,88,500
% Holding	80.60%	97.34%

Note 3: Reserves and Surplus (INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
a) Statutory reserve		
Opening Balance	622.23	591.74
Add : Transferred from statement of profit & loss	73.44	30.49
Closing Balance	695.67	622.23
b) Securities Premium		
Opening Balance	11,640.56	11,014.90
Add : Received on shares issued during the year	10,294.11	583.14
Add : Transferred from Shared Based Payment Reserve	-	42.52
Closing Balance	21,934.67	11,640.56
c) Surplus in Statement of Profit and Loss		
Opening Balance	2,485.41	2,363.45
Add : Profit for the year	367.17	152.45
Add : Transfer to Statutory Reserve	(73.44)	(30.49)
Closing Balance	2,779.14	2,485.41
d) Share Based Payment Reserve		
Opening Balance	491.81	193.01
Add : Addition for the year	225.48	341.83
Add : Transfer to Securities Premium	-	(42.52)
Add : Transfer to General Reserve	(8.80)	(0.51)
Closing Balance	708.49	491.81
e) Deemed Equity Contribution from the Holding Company		
Opening Balance	30.35	10.73
Add : Compensation of options granted during the year	11.44	19.62
Closing Balance	41.79	30.35
f) General Reserve		
Opening Balance	0.51	-
Add : Transfer from Shared Based Payment Reserve	8.80	0.51
Closing Balance	9.31	0.51
Total (a+b+c+d+e+f)	26,169.07	15,270.87

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Note 3.1: Nature and purpose of reserve (₹ in lakhs)

Statutory reserve u/s 45-IC of RBI Act
This is a statutory reserve created in accordance with section 45 IC(1) of the RBI act, 1934 which requires the Company to transfer a specified sum (not less than 20% of its profit after tax) to reserve fund based on its net profit as per the statement of profit and loss. As per Section 45 IC(2) of the RBI act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC.

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

Surplus in Statement of Profit and Loss
Surplus in Statement of Profit and Loss represents total of all profits retained since the Company's inception. Surplus in Statement of Profit and Loss are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

Share based payment reserve
This reserve is created by debiting the statement of profit and loss account with the fair value of share options granted to the employees by the Company. On exercise of the options so granted, the reserve will move to share capital and securities premium and unvested portion in any, will be transferred to securities premium account.

Deemed Equity Contribution from the Holding Company
This reserve is created by debiting the statement of profit and loss account with the value of share options granted to the employees by Choice International Limited ("parent company"). This reserve is in the nature of an equity contribution by the parent company in respect of options granted and not available for distribution to shareholders as dividend.

General Reserve
General reserve is a free reserve, retained from company's profit and can be utilised upon fulfilling certain conditions in accordance with the statute of the relevant act.

Note 4: Long Term Borrowings (INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
Term Loan From Banks	10,931.17	8,186.71
Less - Current Maturities of long term borrowings	(5,950.91)	(3,499.01)
Term Loan From Financials Institutions	28,680.32	15,176.56
Less - Current Maturities of long term borrowings	(15,378.58)	(8,708.17)
Non Convertible Redeemable Debentures of Rs. 100,000 each	2,984.00	694.00
Less - Current Maturities	(381.00)	-
Unsecured loans	4,500.00	-
	25,385.00	11,850.09

4(a) *Terms of repayment of long term Borrowing (repayment schedule mentioned below represents principal outstanding) as on March 31, 2025

Particulars	0-1 year	1-2 years	2-5 years	More than 5 years	Total
Rate of Interest 8.00% to 14.00% From Banks					
Rate of Interest 8.00% to 10.00%	4.93	5.37	2.59	-	12.89

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

4(a) *Terms of repayment of long term Borrowing (repayment schedule mentioned below represents principal outstanding) as on March 31, 2025 (Continued..) (INR in lakhs)

Particulars	0-1 year	1-2 years	2-5 years	More than 5 years	Total
Rate of Interest 10.00% to 12.00%	1,950.00	411.94	-	-	2,361.94
Rate of Interest 12.00% to 14.00%	3,979.32	2,659.19	1,901.16	-	8,539.67
Rate of Interest 14.00% to 16.00%	16.66	-	-	-	16.66
From financial institutions					
Rate of Interest 10.00% to 12.00%	3,557.36	1,782.03	426.77	-	5,766.16
Rate of Interest 12.00% to 14.00%	10,154.81	6,962.70	3,285.91	-	20,403.42
Rate of Interest 14.00% to 16.00%	1,666.42	844.32	-	-	2,510.74
From Others					
Rate of Interest 10.00% to 12.00%	-	-	4,500.00	-	4,500.00

4(b) *Terms of repayment of long term Borrowing (repayment schedule mentioned below represents principal outstanding) as on March 31, 2024 (INR in lakhs)

Particulars	0-1 year	1-2 years	2-5 years	More than 5 years	Total
Rate of Interest 8.00% to 14.00% from Banks					
Rate of Interest 8.00% to 10.00%	4.52	4.92	7.97	-	17.41
Rate of Interest 10.00% to 12.00%	2,783.31	2,491.64	931.56	-	6,206.51
Rate of Interest 12.00% to 14.00%	711.18	846.34	405.27	-	1,962.79
From financial institutions					
Rate of Interest 10.00% to 12.00%	2,558.57	2,413.00	805.69	-	5,777.26
Rate of Interest 12.00% to 14.00%	6,149.59	3,249.71	-	-	9,399.30

- (i) The term loans availed by the company are secured by way of hypothecation on receviables. Few Term loans are also secured by Fixed deposits and corporate guarantee of Choice International Limited (the holding company) and/or personal guarantee of directors.
- (ii) The company has not defaulted in the repayment of dues to its lenders.
- (iii) Periodical returns or statements of loan receivables filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- (iv) The company has not breached any covenant of loan availed or debt securities issued.

4(c) ***Detail of Redeemable Non-Convertible Debentures (redeemable at par) (₹ in lakhs)

Series	Date of allotment	Date of redemption	Total no. of debentures	Rate of Interest	Face Value (In Rs)	As at March 31, 2025	As at March 31, 2024
I	21-09-2023	21-09-2025	44.00	9.50%	1,00,000	44.00	44.00
II	21-09-2023	21-09-2025	87.00	9.99%	1,00,000	87.00	87.00
III	21-09-2023	21-09-2026	65.00	10.00%	1,00,000	65.00	65.00
IV	21-09-2023	21-09-2026	412.00	11.08%	1,00,000	412.00	412.00
V	21-09-2023	21-09-2026	50.00	10.00%	1,00,000	50.00	50.00
VI	21-09-2023	21-09-2027	36.00	10.50%	1,00,000	36.00	36.00

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

(INR in lakhs)

Series	Date of allotment	Date of redemption	Total no. of debentures	Rate of Interest	Face Value (In Rs)	As at March 31, 2025	As at March 31, 2024
I	25-06-2024	25-06-2027	180.00	11.00%	5,00,000	900.00	-
II	25-06-2024	25-06-2028	78.00	11.50%	5,00,000	390.00	-
NCD 2024	31-05-2024	25-11-2027	1,000.00	13.65%	1,00,000	1,000.00	-

- (i) Non convertible debentures are redeemable at par.
- (ii) The debentures were non convertible and redeemable debentures with coupon 9.50% to 13.65% and secured by way of hypothecation on receivables.

Note 5: Long Term Provisions (INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for Employee Benefits Expenses	65.38	43.04
	65.38	43.04

Note 6: Short Term Borrowings (INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured loans		
Current maturities of Term Loan From Banks	5,950.91	3,499.01
Current maturities of Term Loan From Financials Institutions	15,378.58	8,708.17
Loan From Financial Institutions	-	3,100.00
*Overdrafts from Banks	94.79	443.72
Non Convertible Redeemable Debentures of Rs. 100,000 each	381.00	-
Unsecured loans		
Loans taken from related parties	-	2,080.82
	21,805.28	17,831.72

*Bank overdraft facility taken from bank is secured against lien on fixed deposits are repayable on demand and carry interest rates ranging of 7.50%.

Note 7: Trade Payables (INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Dues to Micro, Small and Medium Enterprises	2.25	14.74
Other than Micro, Small and Medium Enterprises	365.84	351.90
	368.09	366.64

- (i) Details of dues under Micro, small and medium enterprises
- Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**
- The amount due to the Micro and Small Enterprise as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of the information available with the Company, which has been relied upon by the auditors.

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

(INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) (i) The principal amount remaining unpaid to supplier as at end of the accounting year	2.25	14.74
(ii) Interest due thereon remaining unpaid to supplier as at end of the accounting year	-	-
(b) 'The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Trade Payable Ageing schedule as on March 31, 2025 is as follows

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME (Micro, small & Medium Enterprises)	2.25	-	-	-	2.25
Others	332.04	33.80	-	-	365.84
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-

Trade Payable Ageing schedule as on March 31, 2024 is as follows

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME (Micro, small & Medium Enterprises)	14.74	-	-	-	14.74
Others	351.90	-	-	-	351.90
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-

*Based on information received by the Company from its suppliers regarding their status under the Micro, Small and Medium Enterprises (MSME) Development Act, 2006 and relied upon by the auditors.

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Note 8: Other Current Liabilities

(INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory Dues	143.48	123.42
Other Liabilities	5,837.84	975.23
Interest Accrued But not Due	291.68	131.10
Refundable Security Deposits	209.98	380.04
Unamortised Interest Income	-	7.04
	6,482.98	1,616.84

Note 9: Short Term Provisions

(INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for Employee Benefits	84.89	36.57
Contingent provision against standard loan assets	185.11	370.46
Provision against sub-standard assets	1,271.18	108.35
	1,541.18	515.38

Note 9.1 : As per the RBI Master Directions, provision for standard sssets is to be made at 0.25% on the outstanding standard assets. Company will also perform internal calculation based on the various products and assocaited risk factors and if required, create provision higher than the rate prescribed by RBI in FY 2023-24.

Imapct on Profit & loss & Balance sheet due to change in Accounting Policy:- FY 2023-24

(INR in lakhs)

Contingent provision against standard loan assets	Provision created in books	Provision as per	Difference
Impact on balance sheet (Short term Provisions)	370.46	109.49	260.97
Impact on Profit & Loss	311.16	50.20	260.97

Note 10: Property, Plant and Equipment

(INR in lakhs)

Particulars	Computer Hardware	Office Equipments	Server & Network	Vehicles	Furnitures & Fixtures	Total
As at April 01, 2023	93.02	36.57	4.45	13.33	195.31	342.68
Additions / Transfer	33.73	1.59	0.12	10.99	10.12	56.55
Disposals	-	-	-	-	-	-
As at March 31, 2024	126.75	38.16	4.57	24.32	205.43	399.23
Additions / Transfer	82.41	29.95	1.53	22.25	224.29	360.43
Disposals	-	-	-	-	-	-
As at March 31, 2025	209.16	68.11	6.10	46.57	429.72	759.66
Accumulated Depreciation						
As at April 01, 2023	18.87	3.55	0.48	0.92	3.81	27.63
Depreciation charge during the year	37.78	7.19	0.76	2.65	19.01	67.39
Accumulated depreciation on deletions	-	-	-	-	-	-

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Note 10: Property, Plant and Equipment (Continued..) (INR in lakhs)

Particulars	Computer Hardware	Office Equipments	Server & Network	Vehicles	Furnitures & Fixtures	Total
As at March 31, 2024	56.65	10.74	1.24	3.57	22.82	95.02
Depreciation charge during the year	55.37	9.04	0.90	3.92	26.43	95.66
Accumulated depreciation on deletions	-	-	-	-	-	-
As at March 31, 2025	112.02	19.78	2.14	7.49	49.25	190.68
Net carrying amount as at March 31, 2025	97.14	48.33	3.96	39.08	380.47	568.98
Net carrying amount as at March 31, 2024	70.10	27.42	3.33	20.75	182.61	304.21
Net carrying amount as at March 31, 2023	74.15	33.02	3.97	12.41	191.50	315.05

10(a) Intangible Assets (INR in lakhs)

Particulars	Intangible Assets	Goodwill	Intangible Asset under development	Total
As at April 01, 2023	-	-	507.73	507.73
Additions / Transfer	-	-	402.79	402.79
Disposals	-	-	-	-
As at March 31, 2024	-	-	910.52	910.52
Additions / Transfer	753.74	5,366.27	470.92	6,590.93
Disposals / Transfer	-	-	(753.74)	(753.74)
As at March 31, 2025	753.74	5,366.27	627.70	6,747.71
As at March 31, 2022				
Amortization during the year	-	-	-	-
Accumulated depreciation on deletions	-	-	-	-
As at April 01, 2023	-	-	-	-
Amortization during the year	-	-	-	-
Accumulated depreciation on deletions	-	-	-	-
As at March 31, 2024	-	-	-	-
Amortization during the year	81.76	-	-	81.76
Accumulated depreciation on deletions	-	-	-	-
Net carrying amount as at March 31, 2025	671.98	5,366.27	627.70	6,665.95
Net carrying amount as at March 31, 2024	-	-	910.52	910.52
Net carrying amount as at March 31, 2023	-	-	507.73	507.73

Intangible assets under development ageing schedule for the year ended March 31, 2025

Intangible assets under development	Amount in Intangible Assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Software under process	470.91	156.79	-	-	627.70

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Intangible assets under development ageing schedule for the year ended March 31, 2024 (INR in lakhs)

Intangible assets under development	Amount in Intangible Assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Software under process	402.78	507.74	-	-	910.52

Note 11: Non Current Investments (INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Unquoted		
Investment in Pass Through Certificates	403.59	403.59
Investment In Security Receipt	346.31	-
	749.90	403.59

All Investments represented above are made in India

Note 12: Long Term Loan & Advances (INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured Loans - Considered Good	48,129.18	16,992.58
Less - Current Maturities	(11,546.93)	(3,963.00)
Secured Loans - Considered Doubtful	1,318.95	310.50
Less - Current Maturities	(474.99)	(108.37)
Unsecured Loans - Considered Good	3,166.39	6,510.98
Less - Current Maturities	(1,477.03)	(2,438.09)
Unsecured Loans - Considered Doubtful	186.22	618.44
Less - Current Maturities	(97.32)	(257.21)
	39,204.47	17,665.81

Note 13: Deferred Tax Assets (INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets		
Provision for employee benefit expenses	16.93	11.07
Provision for standard loan assets	366.52	111.71
Deferred Tax Liabilities		
Property , Plant & Equipment	21.20	4.79
	362.25	117.99

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

13(a) Movement in Deferred Tax Assets/Liabilities (INR in lakhs)

Particulars	Employee Benefit Expenses	Property, Plant and Equipment	Provision for Standard Loan Assets	Total
Opening Balance as on March 31, 2023	0.31	(0.65)	21.92	21.58
Charged to Profit & Loss	10.76	(4.14)	89.79	96.41
Closing Balance as on March 31, 2024	11.07	(4.79)	111.71	117.99
DTA Created through Goodwill - Business Transfer Agreement	11.00	-	585.00	596.00
Charged to Profit & Loss	(5.14)	(16.41)	(330.19)	(351.74)
Closing Balance as on March 31, 2025	16.93	(21.20)	366.52	362.25

Note 14: Other Non Current Assets (INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
*Fixed Deposits	663.05	193.41
Security Deposits	65.86	52.91
	728.91	246.32

*The fixed deposits are under lien against overdraft facilities, Term Loan & Securitization transactions.

Note 15: Current Investments (INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Quoted		
Investment in Mutual Funds	2,500.00	-
	2,500.00	-

All Investments represented above are made in India

Note 16: Cash and Bank Balances (INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash & Cash Equivalents		
Cash on Hand	0.03	0.03
Bank Balances:		
In current account	5,885.78	2,732.73
Deposits with original maturity of less than three months	-	4,591.72
Cash & Cash equivalents (as per AS-3 “Cash Flow Statements”)	5,885.81	7,324.48
Other Bank Balances		
*Fixed deposit	4,791.99	514.28
Cash and Bank Balances	10,677.80	7,838.76

*The fixed deposits are under lien against overdraft facilities, Term Loan & Securitization transactions. Fixed Deposits amounted Rs 1000.17 lacs is not lien marked.

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Note 17: Trade Receivables (INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured considered good	122.78	12.98
	122.78	12.98

Trade Receivables ageing schedule as on March 31, 2025 is as follows (INR in lakhs)

Particulars	Outstanding for following periods from the date of the transaction					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - Considered Good	122.78	-	-	-	-	122.78
Undisputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-
Disputed Trade receivables - Considered Good	-	-	-	-	-	-
Disputed Trade receivables - Considered Doubtful	-	-	-	-	-	-

Trade Receivables ageing schedule as on March 31, 2024 is as follows (INR in lakhs)

Particulars	Outstanding for following periods from the date of the transaction					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - Considered Good	12.98	-	-	-	-	12.98
Undisputed Trade Receivables - Considered Doubtful	-	-	-	-	-	-
Disputed Trade receivables - Considered Good	-	-	-	-	-	-
Disputed Trade receivables - Considered Doubtful	-	-	-	-	-	-

Note 18: Short Term Loans and Advances (INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current Maturities of Secured Loans		
Considered Good	11,546.93	3,963.00
Considered Doubtful	474.99	108.37
Current Maturities of Unsecured Loans		
Considered Good	1,477.03	2,438.09
Considered Doubtful	97.32	257.21
Other Short Term Loans		
Secured		

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

(INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Considered Good	-	3,034.35
Considered Doubtful	128.55	34.50
Unsecured		
Considered Good	13,913.01	16,966.37
	27,637.83	26,801.90

18(a) The Company has assigned a pool of certain loans having outstanding amount of Rs. 3465.71 lakhs (P.Y 3722.85 lakhs) by way of a Pass through certificate & direct assignment transaction. Out of this Outstanding amount of direct assignment is Rs 1710.13 lakhs (P.Y 888.12 lakhs) & securitization Rs 1755.58 lakhs (P.Y 2834.73 lakhs) as on March 31,2025. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets is an absolute assignment and transfer on a ‘no-recourse’ basis. The Company has transferred its receivables through securitization agreement with a first loss default guarantee (FLDG) such as corporate guarantee, cash collateral, subscription to subordinated pass through certificates (PTCs) etc.

18(b)

(INR in lakhs)

Type of Borrower	As at March 31, 2025		As at March 31, 2024	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	0%	-	0%
Directors	-	0%	-	0%
KMPs	-	0%	-	0%
Related Parties	-	0%	-	0%

Note 19: Other Current Assets

(INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due	699.18	346.38
Interest accrued and due	184.92	45.86
Prepaid Expenses	25.07	14.58
Other Receivables	298.93	154.24
GST Recoverable	100.32	105.64
Deposit with Third Parties	387.21	3.50
Advance Tax (net of provision for tax)	255.79	267.16
Advances to staff	0.23	0.23
	1,951.65	937.59

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Note 20: Revenue from Operations

(INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Interest Income	9,694.79	7,656.03
Processing Fees and Other Charges	1,354.47	802.15
Net Profit on sale of Investment	54.93	5.91
Interest on Fixed Deposits	284.41	90.33
	11,388.60	8,554.42

Note 21: Other Income

(INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Interest on Income Tax Refund	10.93	10.41
Miscellaneous Income	5.20	5.68
	16.13	16.09

Note 22: Employee Benefit Expenses

(INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Salaries and allowances	3,003.13	2,575.42
Gratuity Expenses	(4.30)	23.28
Share Based Payment Expenses	236.91	361.45
Staff Welfare Expenses	14.18	18.73
Contribution to PF & other funds	143.64	122.49
	3,393.56	3,101.37

Note 23: Finance Costs

(INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Interest Expense on borrowings from		
Banks	1,210.87	958.91
Financial Institutions	2,304.88	1,493.22
Related Parties	137.18	397.31
Debentures	219.77	39.02
Others	278.32	0.00
Processing Fees	127.21	213.30
	4,278.23	3,101.76

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Note 24: Other Expenses (INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Legal & Professional Fees	386.70	385.57
Director Sitting Fees	11.40	6.70
Credit Assessment Expenses	194.03	90.73
Bank Charges	1.66	2.81
Rates & Taxes	172.00	125.67
Provision against Sub standard loan assets	(126.15)	107.39
Provision against standard loan assets	12.68	311.16
Commission and Payouts	499.94	318.79
Printing and Stationery	22.68	14.10
Business Promotion	30.22	18.17
Electricity Expenses	32.86	26.56
Rent and Brokerage	266.55	195.12
Repair & maintenance	8.17	5.13
General Expenses	79.69	29.35
Business Support Expenses	120.81	87.27
Manpower Supply Cost	4.61	5.43
Communication Expenses	40.94	39.48
Loss on Loan Settlements	545.38	68.83
Meeting and Seminar Expenses	10.97	19.85
Travelling & Conveyance	303.46	201.34
Payment to Auditors		
Audit Fees	11.00	0.75
Tax Audit Fees	0.07	0.30
Other Certification Fees	0.78	0.57
*CSR Expenses	21.00	26.50
	2,651.45	2,087.58

*As per section 135 of the Companies Act, 2013, the company is mandatorily required to spend on corporate social responsibility (CSR) activities.

Details of CSR Expenditure: (INR in lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
(a) Amount unspent for the last year		
(b) Amount required to be spent by the company during the year	21.00	26.50
(c) Amount of expenditure incurred	21.00	26.50
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	21.00	26.50

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

(INR in lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
(d) Shortfall at the end of the year	-	-
(e) Total of previous years shortfall	-	-
(f) Net shortfall	-	-
(g) Nature of CSR activities	The Company has undertaken CSR activities as per schedule VII of the Companies Act, 2013.	The Company has undertaken CSR activities as per schedule VII of the Companies Act, 2013.
(h) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	21.00	26.50
(i) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-
(j) Details of related party transactions	Sunil Patodia Welfare Foundation	Lion Mumbai Choice Foundation

k) Details of related party transactions in relation to CSR expenditure as per AS 18, related party disclosures (Refer Note no. 35)

Note 25: The following reflects the profit and share data used in the basic and diluted EPS computations (INR in lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Profit/(loss) after tax	367.17	152.46
Less: dividends on convertible preference shares & tax thereon	-	-
Net profit/(loss) for calculation of basic EPS	367.17	152.46
Add: dividends on convertible preference shares & tax thereon	-	-
Net profit/(loss) for calculation of diluted EPS	367.17	152.46
Weighted average number of equity shares in calculating basic EPS (in lakhs)	802.71	769.48
Effect of dilution	14.31	14.64
Weighted average no. of equity shares for Diluted EPS (in lakhs)	817.02	784.12
Earning per equity share		
Basic	0.46	0.20
Diluted	0.45	0.19

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Note 26: Gratuity and other post-employment benefit plans (INR in lakhs)

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed in accordance with the rules as prescribed under the payment of Gratuity Act, 1972.

Employee benefits

The Company has classified the various benefits provided to employees as under:

1. Defined Contribution Plan

During the year, the Company has incurred and recognised the following amounts in the Statement of Profit and Loss (INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Employers' Contribution to Provident Fund	143.64	122.49
Total	143.64	122.49

2. Defined Benefit Plans

The Company offers the Gratuity as employee benefit schemes to its employees. The Company operates funded post retirement defined plans for gratuity, details for which are as follows:- (INR in lakhs)

Expenses recognised in the statement of profit & Loss	As at March 31, 2025	As at March 31, 2024
Components of employer expense		
Current service cost	34.97	24.83
Interest cost	3.17	1.55
Actuarial (gains)	(42.44)	(3.10)
Total expense recognised in the Statement of Profit and Loss	(4.30)	23.28

(INR in lakhs)

Table Showing Change in the Present Value of Defined Benefit Obligation	As at March 31, 2025	As at March 31, 2024
Present Value of Benefit Obligation at the Beginning of the Period	44.13	20.84
Net transfer in/(out) obligation	-	0.00
Current Service cost	34.97	24.83
Interest cost	3.18	1.56
Liability Transferred In/Acquisitions	27.58	0.02
Liability Transferred Out/Divestments	-	-0.02
Actuarial (gain)	(42.44)	(3.10)
Past Service Cost	-	-
Benefits paid	-	-
Closing Defined Benefit Obligation	67.42	44.13

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

(INR in lakhs)

Actuarial assumptions	As at March 31, 2025	As at March 31, 2024
Discount Rate	6.73% p.a	7.20% p.a
Salary Growth Rate	6.00% p.a	6.00% p.a
Withdrawal Rate	For Service up to 2 years 40%, 3 to 4 years 20% p.a. For Service 5 years and above 10% p.a.	For Service up to 2 years 40%, 3 to 4 years 20% p.a. For Service 5 years and above 10% p.a.
Retirement Age	65 Years	65 Years
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

*The discount rate is based on the prevailing market yields of Government of India securities as at the BalanceSheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors. The above information is certifiedby the actuary and relied upon by auditors.

(INR in lakhs)

Gratuity Balance Sheet Reconciliation	As at March 31, 2025	As at March 31, 2024
Opening Net Liability	43.98	20.70
Expense for the period for Gratuity	(4.30)	23.28
Net Liability Transfer In	27.58	0.02
Net (Liability) Transfer Out	-	(0.02)
Closing Net Liability Recognized	67.26	43.98

(INR in lakhs)

Actuarial (Gains)/Losses Recognized in the Statement of Profit or Loss for Current Period	As at March 31, 2025	As at March 31, 2024
Actuarial (Gains) on Obligation For the Period	(42.44)	(3.10)
Actuarial Losses on Plan Asset For the Period	0.00	0.00
Actuarial (Gains) Recognized in the Statement of Profit or Loss	(42.44)	(3.10)

(INR in lakhs)

Actual Return on Plan Assets	As at March 31, 2025	As at March 31, 2024
Expected Return on Plan Assets	0.01	0.01
Actuarial (Losses) on Plan Assets - Due to Experience Adjustment	(0.00)	(0.00)
Actual Return on Plan Assets	0.01	0.01

(INR in lakhs)

Change in the Fair Value of Plan Assets	As at March 31, 2025	As at March 31, 2024
Fair Value of Plan Assets at the Beginning of the Period	0.15	0.14
Expected Return on Plan Assets	0.01	0.01
Actuarial Gains /(Losses) on Plan Assets - Due to Experience Adjustment	(0.00)	(0.00)
Fair Value of Plan Assets at the End of the Period	0.16	0.15

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Note 27: Compensated absences

The Company has created provision for compensated absences on estimate basis for unavailed leave as on March 31, 2025.

Amount recognised in the statement of profit and loss for compensated absences is as under: (INR in lakhs)

Particulars for the year ended	March 31, 2025	March 31, 2024
Compensated absences	8.89	15.24

The Company has created provision for compensated absences on estimate basis for unavailed leave as on March 31, 2025.

Particulars for the year ended	March 31, 2025	March 31, 2024
Provision for Leave Encashment	83.00	35.63

Note 28: Share option plans (equity- settled) (INR in lakhs)
Description of share-based payment arrangements

The Company has Choice Finserv Employee Stock Option Plan 2022, under which options have been granted to eligible employees to be vested from time to time. The Company has established share option plans that entitle the employees of the Company and its subsidiary companies to purchase the shares of the Company. Under these plans, holders of the vested options are entitled to purchase shares at the exercise price of the shares determined at the respective date of grant of options. The key terms and conditions related to the vesting of grants under these plans are continued employment with the company from the date of grant of option till the date of vesting; all options are to be settled by the delivery of shares.

ESOP will vest to eligible employees as per vesting schedule and vesting ratio as mentioned above for respective Grants. All options will vest with minimum vesting period of 1 year and maximum vesting period of 5 years, so by next 5 years all 100% ESOP will be vested. For ESOPs Granted in Financial Year 2023-24, as summarised in table above, For Type 2 ESOPs, Vesting schedule is vesting starting from 2nd year anniversary and 25 p.a. Graded vesting, whereas for Type 1 and Type 3 (if any) vesting schedule is vesting starting from 1st anniversary and 25% p.a. Graded vesting.

Vested Options shall be eligible to be Exercised subject to a maximum period of 7 (Seven) years from the Grant date. In case of resignation, vested options can be Exercised by last working day.

Measurement of fair values

The fair value of the employee share options has been measured using Black-Scholes Option pricing model.

Table Showing Nature and characteristics of ESOP plans issued during period- No ESOP Granted during FY 2024-25

Particulars	FY 2024-25	FY 2023-24
Grant Date	-	12-01-2024
Vesting requirement-2024-Type 1	-	1 Year to 4 Years
Vesting requirement-2024-Type 2	-	1 Year to 5 Years
Vesting ratio-2024-Type 1	-	25:25:25:25
Vesting ratio-2024-Type 2	-	0:25:25:25:25
Method of settlement	-	Equity settled
Exercise Price	-	145.00
Share Price on Grant Date	-	144.27
Accounting method	-	Fair Value method (Black Scholes)

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment options granted during the year are as follows:

Particulars	FY 2024-25	FY 2023-24
Grant Date	-	12-01-2024
Option Price Model	-	Black Scholes Method
Exercise Price	-	145.00
Share Price on Grant Date	-	144.27
Expected Volatility	-	45%
Expected time to exercise shares	-	2 to 5 years
Risk free rate of return	-	7.14%-7.25%
Dividend Yield	-	0%
Fair Value of ESOP at Grant Date	-	43.74-78.35
Weighted Average Fair Value of ESOP at Grant Date	-	61.59
Method used to determine expected volatility	-	The expected volatility is based on price volatility of Choice International Limited.

Table Showing options movement during year:

Particulars	March 31, 2025	March 31, 2024
Outstanding at the beginning of the year	27,22,805	24,87,680
Granted during the year	-	6,35,250
Forfeited during the year	3,75,875	2,42,750
Expired during the year	-	-
Exercised during the year	-	1,57,375
Outstanding at the end of the year	23,46,930	27,22,805
Exercisable at the end of the year	10,33,653	4,38,920

Table showing Weighted average exercise prices of options (amount in INR)

Particulars	March 31, 2025	March 31, 2024
Outstanding at the beginning of the year	38.98	17.91
Granted during the year	N.A.	145.00
Forfeited during the year	105.02	103.08
Expired during the year	N.A.	N.A.
Exercised during the year	N.A.	35
Outstanding at the end of the year	28.4	38.98
Exercisable at the end of the year	19.6	10.78

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Table Showing Stock Options outstanding at the end of period

Particulars	March 31, 2025	March 31, 2024
Exercise Price (INR)		
Grant Date: 17-10-2022	10-35	10-35
Grant Date: 12-01-2024	145	145
Weighted average remaining contractual life (Years)		
Grant Date: 17-10-2022	4.55	5.55
Grant Date: 17-10-2022	5.79	6.79

Vesting schedule of number of ESOPs Granted and Vesting schedule

Grant Date	Number of ESOPs Granted	Vesting Date Part 1	Vesting Date Part 2	Vesting Date Part 3	Vesting Date Part 4
17-Oct-22	7,67,000	17-Oct-23	17-Oct-24	17-Oct-25	17-Oct-26
17-Oct-22	1,02,500	17-Oct-24	17-Oct-25	17-Oct-26	17-Oct-27
17-Oct-22	17,00,680	17-Oct-23	17-Oct-24	17-Oct-25	17-Oct-26
12-Jan-24	3,15,250	12-Jan-25	12-Jan-26	12-Jan-27	12-Jan-28
12-Jan-24	3,20,000	12-Jan-26	12-Jan-27	12-Jan-28	12-Jan-29
Total	32,05,430				

The Fair value (Cost of ESOP) of Equity-settled share-based payment are tabulated below:

Particulars	Grant Date	Fair Value of Vesting Tranche 1	Fair Value of Vesting Tranche 2	Fair Value of Vesting Tranche 3	Fair Value of Vesting Tranche 4
2022 Type 1	17-Oct-22	27.02	28.17	29.24	30.24
2022 Type 2	17-Oct-22	28.17	29.24	30.24	31.15
2022 Type 3	17-Oct-22	39.22	39.57	39.91	40.24
2024 Type 1	12-Jan-24	43.74	54.59	63.68	71.43
2024 Type 2	12-Jan-24	54.59	63.68	71.43	78.35

Total Expense to be recognised in Financial Year 2024-25 is as follows:

ESOP Grant Type	Opening ESOP O/s Reserve Balance as of 01-Apr-2024	Total Expense Charged in P&L for Financial Year 2024-25	Exercise Transfer to Security Premium for Financial Year 2024-25	Vested Forfeited to General Reserve for Financial Year 2024-25	Closing ESOP O/s Reserve Balance as of 31-03-2025
2022 Type 1	69.57	24.31	-	(6.10)	87.77
2022 Type 2	2.01	1.40	-	(2.47)	0.94
2022 Type 3	399.49	155.58	-	-	555.07
2024 Type 1	14.88	39.64	-	(0.22)	54.30
2024 Type 2	5.87	4.54	-	-	10.41
Total	491.81	225.48	-	(8.79)	708.49

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Total Expense to be recognised in Financial Year 2023-24 is as follows:

(INR in lakhs)

ESOP Grant Type	Opening ESOP O/s Reserve Balance as of 01-Apr-2023	Total Expense Charged in P&L for Financial Year 2023-24	Exercise Transfer to Security Premium for Financial Year 2023-24	Vested Forfeited to General Reserve for Financial Year 2023-24	Closing ESOP O/s Reserve Balance as of 31-03-2024
2022 Type 1	43.07	69.52	(42.52)	(0.51)	69.57
2022 Type 2	3.05	(1.04)	-	-	2.01
2022 Type 3	146.88	252.61	-	-	399.49
2024 Type 1	-	14.88	-	-	14.88
2024 Type 2	-	5.87	-	-	5.87
Total	193.01	341.83	(42.52)	(0.51)	491.81

Total Expense Recognized for Fair value of ESOP for the FY 2024-25 is 225.48 lakhs (PY 341.83 lakhs).

Choice Employee Stock Option Plan 2022

The Company Choice International Limited (Parent Company) has formulated Choice Employee Stock Option Plan 2022, under which options have been granted to eligible employees to be vested from time to time.

The Parent Company has established share option plans that entitle the employees of its own Company and its subsidiary companies to purchase the shares of the Parent Company. Under these plans, holders of the vested options are entitled to purchase shares at the exercise price of the shares determined at the respective date of grant of options.

The key terms and conditions related to the vesting of grants under these plans are continued employment with the company from the date of grant of option till the date of vesting; all options are to be settled by the delivery of shares.

ESOP will vest to eligible employees as per vesting schedule and vesting ratio for respective Grants. All options will vest with minimum vesting period of 1 year and maximum vesting period of 4 years, so by next 4 years all 100% ESOP will be vested. For all ESOPs Granted in Financial Year 2022-23 vesting ratio is 25:25:25:25 (yearly graded vesting). Vested Options shall be eligible to be Exercised subject to a maximum period of 7 (Seven) years from the Grant date. In case of resignation, vested options can be Exercised by Last working day.

Total Expenses to be recognised in Financial Year 2024-25:

(INR in lakhs)

ESOPs granted to employees of the Company	Opening ESOPs o/s reserve balance as on April 01, 2024	Expenses charged to profit and loss for the year	Closing ESOPs reserve balance as on March 31, 2025
Choice Finserv Private Limited	30.35	11.44	41.79

Total Expenses to be recognised in Financial Year 2023-24:

(INR in lakhs)

ESOPs granted to employees of the Company	Opening ESOPs o/s reserve balance as on April 01, 2023	Expenses charged to profit and loss for the year	Closing ESOPs reserve balance as on March 31, 2024
Choice Finserv Private Limited	10.73	19.62	30.35

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Note 29: Disclosure pursuant to RBI notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021

The company has undertaken 1 assignment transactions during the year ended March 31, 2025 (P.Y. 1 transactions).

a) Details of loans (not in default) transferred through assignment: (INR in lakhs)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
i	No. of accounts	270	295
ii	Aggregate value (net of provisions) of accounts sold	1,284.42	935.92
iii	Aggregate consideration	1,284.42	935.92
iv	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v	Aggregate gain/(loss) over net book value	-	-
vi	Weighted Average Maturity (Remaining)	5.88 Years	2.36 Years
vii	Weighted Average Holding (After Origination)	17.57 Months	9.08 Months
viii	Retention of Beneficial Economic Interest (Average)	10%	10%
ix	Coverage of Tangible Security Coverage	100%	100%
x	Rating wise Distribution of rated Loans Unrated Unrated	Unrated	Unrated
xi	No. of Instances (Transactions) where transferor has agreed to replace the transferred loans	NIL	NIL
xii	No of Transferred Loans Replaced or paid damages rising out of any represnataion or warranty	NIL	NIL

b) Details of loans (not in default) acquired through assignment -NIL

c) Details of stressed loans transferred during the year -loans classified as NPA (INR in lakhs)

Sr. No.	Particulars	To ARCs	To Others	To ARCs	To Others
		31-03-2025	31-03-2025	31-03-2024	31-03-2024
1.	No of accounts	197	442	-	-
2.	*Aggregate principal outstanding of loans transferred	874.51	1,521.34	-	-
3.	Weighted average residual tenor of the loans transferred	Less than 2 years	More than 2 years	-	-
4.	*Net book value of loans transferred (at the time of transfer)	719.81	456.40	-	-
5.	Aggregate consideration	437.00	456.40	-	-
6.	Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-

*Including Impairment of loans for the year ended March 31, 2025: 282.78 lakhs

The Company has not reversed any amount of provision in Statement of Profit and Loss (including other comprehensive income) on account of sale of stressed loans.

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Note 30: Details of ratings of SRs outstanding (INR in lakhs)

Rating	Rating Agency	Recovery Rating	As at March 31, 2025	As at March 31, 2024
			Gross Value of outstanding SRs*	Gross Value of outstanding SRs*
Security Receipts	Infomerics Ratings	IVR RR 1 [IVR Double ROne]	410.00	-

Note 31: Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI as at 31 March 2025 (INR in lakhs)

Type of Restructuring-Others		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured accounts as on 1.04.2024	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
Fresh restructuring during the year	No. of borrowers	-	3.00	-	-	3.00
	Amount outstanding	-	33.80	-	-	33.80
Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
Downgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
Write-offs/Settlements/ Recoveries of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
Restructured accounts as on 31.03.2025	No. of borrowers	-	3.00	-	-	3.00
	Amount outstanding	-	33.80	-	-	33.80

Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI as at 31 March 2024: NIL

Note 32: Disclosure pursuant to RBI notification - RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177 /2021-22 dated September 24, 2021: Details of securitisation transactions (INR in lakhs)

Sr. No.	Particulars	No./amount	
		As at March 31, 2025	As at March 31, 2024
i	No of SPVs (i.e. special purpose vehicle) sponsored by the NBFC for securitization transactions	2	2
ii	Total amount of securitized assets as per books of the SPVs sponsored by the NBFC	1,763.99	2,834.74
iii	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

(INR in lakhs)

Sr. No.	Particulars	No./amount	
		As at March 31, 2025	As at March 31, 2024
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss (in the form of term deposit)	152.23	152.23
	• *Others	403.59	403.59
iv	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
v	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	2,640.98	2,640.98
vi	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	1,763.99	2,834.74
vii	Performance of facility provided.	-	-
	Credit enhancement facility		
	Fixed deposit		
	(a) Amount paid	-	-
	(b) Repayment received	-	-
	(c) Outstanding amount	152.23	152.23
	Servicing Agent		
	(a) Amount paid	36.21%	-
	(b) Repayment received	45.18%	-
	(c) Outstanding amount	8.97%	-

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

(INR in lakhs)

Sr. No.	Particulars	No./amount	
		As at March 31, 2025	As at March 31, 2024
viii	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc (may mention average default rate of previous 5 years)	-	-
ix	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
x	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

* MRR including securitization investments

Note 33: Exposure

(INR in lakhs)

a) Exposure to real estate sector

The Company has exposure to real estate sector as on March 31, 2025 and March 31, 2024 which is given herein below:

Category	As at March 31, 2025	As at March 31, 2024
i) Direct exposure		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	-	291.41
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	1,911.78
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures – i. Residential ii. Commercial Real Estate ii) Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	-	2,203.19

b) Exposure to capital market

The Company has exposure to capital market as on March 31, 2025 and March 31, 2024 which is given herein below:

Category	As at March 31, 2025	As at March 31, 2024
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

(INR in lakhs)

Category	As at March 31, 2025	As at March 31, 2024
ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	2,838.19	3,854.15
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds	-	-
Total exposure to capital market	2,838.19	3,854.15

c) Sectoral exposure

Sectors	As at March 31, 2025			As at March 31, 2024		
	Total Exposure (includes on balance sheet and off- balance sheet exposure) (₹ Lakhs)	Gross NPAs (₹ Lakhs)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off- balance sheet exposure) (₹ Lakhs)	Gross NPAs (₹ Lakhs)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	711.87	38.33	5.38%	1,408.26	-	-
2. Industry						
2.1 Micro and Small	11,270.91	350.43	3.11%	10,386.97	191.83	1.85%
2.2 Medium	894.69	18.03	2.02%	1,080.48	-	-
2.3 Others	479.23	36.53	7.62%	2,126.37	-	-
Total of Industry (i+ii+...+Others)	12,644.83	404.99	3.20%	13,593.82	191.83	1.41%

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Sectors	As at March 31, 2025			As at March 31, 2024		
	Total Exposure (includes on balance sheet and off- balance sheet exposure) (₹ Lakhs)	Gross NPAs (₹ Lakhs)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off- balance sheet exposure) (₹ Lakhs)	Gross NPAs (₹ Lakhs)	Percentage of Gross NPAs to total exposure in that sector
3. Services						
3.1 Transport Operators	10,047.35	444.88	4.43%	3,366.89	168.60	5.01%
3.2 Computer Software	12.90	-	-	-	-	-
3.3 Tourism, Hotel and Restaurants	759.54	6.11	0.80%	28.56	-	-
3.4 Professional Services	4,102.80	31.76	0.77%	4,354.25	34.50	0.79%
3.5 Wholesale Trade (other than Food Procurement)	822.88	28.37	3.45%	-	-	-
3.6 Retail Trade	13,657.36	379.55	2.78%	7,225.92	413.74	5.73%
3.7 NBFCs	32.86	-	-	855.52	-	-
3.8 Commercial real Estate & Other Services	23,015.50	502.12	2.18%	13,478.95	154.77	1.15%
Total of Services (i+ii+...+Others)	52,451.19	1,392.79	2.66%	29,310.09	771.62	2.63%
3.a Micro and Small	37,704.54	1,242.94	3.30%	16,198.13	744.95	4.60%
3.b Medium	2,492.96	-	-	3,895.57	-	0.00%
3.c Large	2,993.48	-	-	3,279.01	-	0.00%
3.d Others, if any, Please specify	9,260.21	149.85	1.62%	5,937.38	26.67	0.45%
4. Personal Loans						
Advances to Individuals against Shares, Bonds	-	-	-	-	-	-
Others	2,789.99	-	-	2,990.28	-	-
Total of Personal Loans (i+ii+...+Others)	2,789.99	-	-	2,990.28	-	-
Total	68,597.88	1,836.11	-	47,302.45	963.45	-

The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumption. The same has been relied upon by auditors.

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Note 34: Intra-group exposures

i) Total amount of intra-group exposures of INR 32.84 lakhs in FY 2024-25 & INR 84.38 lakhs in FY 2023-24.

ii) Total amount of top 20 intra-group exposures (INR in lakhs)

Advances	As at March 31, 2025	As at March 31, 2024
Choice Consultancy Services Private Limited	0.05	0.02
Choice Corporate Services Private Limited	-	79.10
S K Patodia & Associates	-	5.26
Choice Connect Private Limited	30.75	-
Choice International Limited	2.04	-
Total	32.84	84.38

iii) Percentage of intra-group exposures to total exposure of the NBFC: 0.05% 0.18%

Note: The prescribed exposure limit of credit and investment concentration of single party and single group of parties has not exceeded during the year 2024-25 and 2023-24.

Note 35: Related Party Disclosure

(i) Details of Related Parties -

Description of Relationship	Names of Related Parties
a. Holding Company	Choice International Limited
b. Fellow Subsidiaries	Choice Consultancy Services Private Limited
	Choice AMC Private Limited (Formerly known as Portfolio Management Services Private Limited)
	Choice Capital Advisors Private Limited
	Choice Corporate Services Private Limited
	Choice Wealth Private Limited
	Choice Equity Broking Private Limited
	Choice Techlab Solutions Private Limited
	Choice Connect Private Limited
	Choice Insurance Broking India Private Limited
	Choice Housing Finance Private Limited
	SKP Green Ventures Private Limited
	Sankalp Industrial Infratech Private Limited (formerly known as Fatehgarh Four SKP Green Ventures Private Limited) (upto 23-10-2024)
	Bhadla Three SKP Green Ventures Private Limited (upto April 26, 2024)
	Bikaner Three SKP Green Ventures Private Limited (upto 04-11-2024)
	Choice Global Advisory Services Limited
	Choice Trustees Services Private Limited (With effect from Feb 20, 2025)
	Arete Capital Services Private Limited (With effect from March 28, 2025)

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Description of Relationship	Names of Related Parties
c. Key Management Personnel (KMP)	Kamal Poddar (Director)
	Arun Poddar (Director w.e.f. November 27, 2023)
	Ajay Kejriwal (Director)
	Vijendra Singh Shekhawat (Director)
	Manoj Singhania (Chief Financial Officer)
	Karishma Shah (Company Secretary)
d. Relatives of Key Management Personnel	Manju Poddar (Relative of KMP)
	Hemlata Poddar (Relative of KMP)
	Shreya Poddar (Relative of KMP)
	Sonu Poddar (Relative of KMP)
	Meenu Bajaj (Relative of KMP)
	Babita Kejriwal (Relative of KMP)
	Rajendra Kejriwal (Relative of KMP)
	Maltidevi Kejriwal (Relative of KMP)
	Harsh Kejriwal (Relative of KMP)
	Mehek Kejriwal (Relative of KMP)
	Vijay Kejriwal (Relative of KMP)
	Manisha Dattani (Relative of KMP)
	Praful Shah (Relative of KMP)
	Falguni Shah (Relative of KMP)
	Kkunal Parar (Relative of KMP)
	Savita Singhania (Relative of KMP)
	Rama Shekhawat (Relative of KMP)
	Prahalad Singh Shekhawat (Relative of KMP)
	Bhanwar Kanwar (Relative of KMP)
	Devansh Singh Shekhawat (Relative of KMP)
	Manisha Shekhawat (Relative of KMP)
	Saroj Kanwar (Relative of KMP)
	Suman Kanwar (Relative of KMP)
e. Enterprises over which KMP have significant influence	Thoughts Consultants Jaipur P L in JV with Choice Consultancy Services P L
	S K Patodia & Associates LLP (Upto May 06, 2024)
	CCSPL - I&R JV
	CCSPL - PD&EX JV

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Description of Relationship	Names of Related Parties
	Choice Consultancy Services JV Mars Planning & Engineering
	De Starwings Couriers LLP
	Choice Strategic Advisors LLP
	Sunil Patodia Welfare Foundation (formly known as Lion Mumbai Choice Foundation)
	Optimo Investment Advisors Private Limited
	Middlepath Advisors LLP (with effect from 07-10-2024)
	Shreeyam Trade Dynamics Private Limited (Formerly known as NS Technical Consultancy Services Pvt Ltd)
	Soansrishti Properties Private Limited (Formely Known as Rupang Properties Private Limited)
	Santosh Poddar HUF
	Kamal Poddar HUF
	Arun Poddar HUF
	NRSP Foundation (Formerly known as Farmer's Evolvment Foundation)
	Ajay R. Kejriwal HUF
	Vijay Kejriwal HUF
	Sunil Patodia Kiss Foundation

(i) Details of Related Party transactions - Current Year - (April 24 - March 25) (INR in lakhs)

Particulars	Holding Company	Fellow Subsidiary Company	KMP & their relatives	Enterprises over which KMP and their relatives have significant influences	Total
Infusion of share capital					
Vijendra Singh Shekhawat	-	-	-	-	-
Loans taken from					
Choice International Limited	1,795.00	-	-	-	1,795.00
Choice Portfolio Management Services Private Limited	-	-	-	-	-
Choice Capital Advisors Private Limited	-	850.00	-	-	850.00
Loan repaid					
Choice International Limited	3,070.28	-	-	-	3,070.28
Choice Portfolio Management Services Private Limited	-	417.76	-	-	417.76
Choice Capital Advisors Private Limited	-	1,361.25	-	-	1,361.25
Loan Given					
Choice Equity Broking Private Limited	-	2,000.00	-	-	2,000.00

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

(INR in lakhs)

Particulars	Holding Company	Fellow Subsidiary Company	KMP & their relatives	Enterprises over which KMP and their relatives have significant influences	Total
Repayment of Loan received from					
Choice Equity Broking Private Limited	-	2,000.00	-	-	2,000.00
Syndication Fees					
Choice Connect Private Limited	-	136.51	-	-	136.51
Business Support Income					
Choice Equity Broking Private Limited	-	4.82	-	-	4.82
Finance Costs					
Choice International Limited	31.79	-	-	-	31.79
Choice Capital Advisors Private Limited	-	67.96	-	-	67.96
Choice Insurance Broking India Private limited	-	-	-	-	-
Choice Portfolio Management Services Private Limited	-	37.43	-	-	37.43
Director Remuneration					
Kamal Poddar	-	-	40.00	-	40.00
Vijendra Singh Shekhawat	-	-	67.86	-	67.86
Office Rent					
Choice International Limited	10.00	-	-	-	10.00
Issue of Debenture					
Choice Wealth Private Limited	-	-	990.00	-	990.00
Business Support Service Expenses					
Choice International Limited	49.08	-	-	-	49.08
Choice Equity Broking Private Limited	-	14.13	-	-	14.13
Choice Techlab Solutions Private Limited	-	12.01	-	-	12.01
Choice Connect Private Limited	-	50.53	-	-	50.53
Consideration for Intangible asset under development					
Choice Techlab Solutions Private Limited	-	139.63	-	-	139.63
ROC Expenses					
Choice International Limited	0.01	-	-	-	0.01
Gratuity Obligation transferred from					
Choice Consultancy Services Private Limited	-	0.05	-	-	0.05
Gratuity Obligation transferred to					
Choice Equity Broking Private Limited	-	-	-	-	-
Deemed Equity Contribution from Parent Company					
Choice International Limited	11.44	-	-	-	11.44
CSR Expenses					
Sunil Patodia Welfare Foundation	-	-	-	21.00	21.00

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

(INR in lakhs)

Particulars	Holding Company	Fellow Subsidiary Company	KMP & their relatives	Enterprises over which KMP and their relatives have significant influences	Total
Balance at the end of year					
Intangible asset under developmemt					
Choice Techlab Solutions Private Limited	-	74.89	-	-	74.89
Other Advances					
Choice International Limited	2.04	-	-	-	2.04
Choice Consultancy Services Private Limited	-	0.05	-	-	0.05
Choice Connect Private Limited	-	30.75	-	-	30.75
Deemed Equity Contribution from Parent Company					
Choice International Limited	41.79	-	-	-	41.79
Trade Payable					
Choice Connect Private Limited	-	22.85	-	-	22.85
Choice Equity Broking Private Limited	-	1.78	-	-	1.78

(iii) Details of Related Party transactions - (Previous Year) - March 24 (INR in lakhs)

Particulars	Holding Company	Fellow Subsidiary Company	KMP & their relatives	Enterprises over which KMP and their relatives have significant influences	Total
Infusion of share capital					
Vijendra Singh Shekhawat	-	-	584.29	-	584.29
Loans taken from					
Choice International Limited	3,255.00	-	-	-	3,255.00
Choice Portfolio Management Services Private Limited	-	5.42	-	-	5.42
Choice Capital Advisors Private Limited	-	308.00	-	-	308.00
Choice Insurance Broking India Private Limited	-	300.00	-	-	300.00
Loan repaid					
Choice International Limited	2,489.66	-	-	-	2,489.66
Choice Portfolio Management Services Private Limited	-	-	-	-	-
Choice Capital Advisors Private Limited	-	20.63	-	-	20.63
Choice Insurance Broking India Private Limited	-	300.00	-	-	300.00
Issue of Debentures					
Choice Wealth Private Limited	-	188.00	-	-	188.00
Commission Income					
Choice Corporate Services Private Limited	-	70.00	-	-	70.00

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

(INR in lakhs)

Particulars	Holding Company	Fellow Subsidiary Company	KMP & their relatives	Enterprises over which KMP and their relatives have significant influences	Total
Business Support Income					
Choice Equity Broking Private Limited	-	5.68	-	-	5.68
Finance Costs					
Choice Capital Advisors Private Limited	-	33.75	-	-	33.75
Choice International Limited	320.96	-	-	-	320.96
Choice Portfolio Management Services Private Limited	-	39.06	-	-	39.06
Choice Insurance Broking India Private Limited	-	3.55	-	-	3.55
Director Remuneration					
Kamal Poddar	-	-	60.00	-	60.00
Vijendra Singh Shekhawat	-	-	74.77	-	74.77
Office Rent					
Choice International Limited	12.00	-	-	-	12.00
Brokerage Payout					
Choice Wealth Private Limited	-	10.41	-	-	10.41
Reimbursement of Expenses					
S K Patodia & Associates LLP	-	-	-	0.01	0.01
Business Support Service Expenses					
Choice International Limited	41.98	-	-	-	41.98
Choice Equity Broking Private Limited	-	20.33	-	-	20.33
Choice Connect Private Limited	-	24.45	-	-	24.45
Choice Techlab Solutions Private Limited	-	180.00	-	-	180.00
Gratuity Obligation transferred from					
Choice Consultancy Services Private Limited	-	0.02	-	-	0.02
Gratuity Obligation transferred to					
Choice Equity Broking Private Limited	-	0.02	-	-	0.02
Deemed Equity Contribution from Parent Company					
Choice International Limited	19.62	-	-	-	19.62
CSR Expenses					
Lion Mumbai Choice Foundation	-	-	-	26.50	26.50
Balance at the end of year					
Intangible asset under developmemt					
Choice Techlab Solutions Private Limited	-	290.00	-	-	290.00
Other Advances					
Choice Consultancy Services Private Limited	-	0.02	-	-	0.02
Choice Corporate Services Private Limited	-	79.10	-	-	79.10
S K Patodia & Associates LLP	-	-	-	5.26	5.26

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

(INR in lakhs)

Particulars	Holding Company	Fellow Subsidiary Company	KMP & their relatives	Enterprises over which KMP and their relatives have significant influences	Total
Deemed Equity Contribution from Parent Company					
Choice International Limited	30.35	-	-	-	30.35
Short Term Borrowings					
Choice Capital Advisors Private Limited	-	450.08	-	-	450.08
Choice International Limited	1,246.67	-	-	-	1,246.67
Choice Portfolio Management Services Private Limited	-	384.07	-	-	384.07
Trade Payable					
Choice International Limited	10.75	-	-	-	10.75
Choice Equity Broking Private Limited	-	0.02	-	-	0.02
Choice Connect Private Limited	-	6.78	-	-	6.78
Choice Techlab Solutions Private Limited	-	101.80	-	-	101.80

Note 36 (a): Disclosure of complaints

Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No.	Particulars	From 01-04-2024 to 31-03-2025	From 01-04-2023 to 31-03-2024
	Complaints received by the NBFC from its customers		
1.	Number of complaints pending at beginning of the year	NIL	NIL
2.	Number of complaints received during the year	19	60
3.	Number of complaints disposed during the year	19	60
3.1	Of which, number of complaints rejected by the NBFC	NIL	NIL
4	Number of complaints pending at the end of the year	NIL	NIL
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5.*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	NIL	NIL
5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	NIL	NIL
5.2	Of 5, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	NIL	NIL
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	NIL	NIL
6.*	Number of Awards unimplemented within the stipulated time (other than those appealed)	NIL	NIL

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in ‘Reserve Bank - Integrated Ombudsman Scheme, 2021’ (Previously ‘The Ombudsman Scheme for Non-Banking Financial Companies, 2018’) and covered within the ambit of the Scheme.

* It shall only be applicable to NBFCs which are included under ‘Reserve Bank - Integrated Ombudsman Scheme, 2021

Note 36 (b):

Sr. No.	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the Year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Number of complaints pending beyond 30 days
	1	2	3	4	5	6
	March 31, 2025					
1.	CIBIL related query	-	1	-50%	-	-
2.	Tenure issue	-	-	-100%	-	-
3.	Staff behaviour	-	-	0%	-	-
4.	ROI Issue	-	-	-100%	-	-
5.	Loan amount/Charges related*	-	12	-76%	-	-
6.	Others	-	6	50%	-	-
	Total	-	19	-68%	-	-
	March 31, 2024					
1.	CIBIL related query	-	2	100%	-	-
2.	Tenure issue	-	1	100%	-	-
3.	Staff behaviour	-	-	0	-	-
4.	ROI Issue	-	4	100%	-	-
5.	Loan amount/Charges related*	-	49	100%	-	-
6.	Others	-	4	100%	-	-
	Total	-	60	-	-	-

*This includes pending complaint at the end of previous year also.

Note 37

(₹ in lakhs)

(a) Schedule as per Annexure VIII as required in terms of Regulation 31 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

Liabilities side	Amount Outstanding	Amount Overdue
1) Loans & advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures		
Secured	3,079.92	-
Unsecured	-	-
other than falling within the meaning of public deposits*	-	-
(b) Deferred credits	-	-
(c) Term loans	39,807.26	-
(d) Inter-corporate loans and borrowing	-	-

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

(INR in lakhs)		
Liabilities side	Amount Outstanding	Amount Overdue
(e) Commercial paper (at face value)	-	-
(f) Public Deposits	-	-
(g) Other loans (specify nature)	-	-
Bank overdraft	94.79	-
Others- related party	-	-
Others	4,500.00	-
Total:	47,481.97	-
*As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.		
2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a) In the form of Unsecured debentures	NIL	NIL
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	NIL	NIL
(c) Other public deposits	NIL	NIL
3) Break-up of loans and advances including bills receivables (other than those included in (4) below):		
(a) Secured	49,576.68	
(b) Unsecured	17,265.63	
	66,842.31	
4) Break-up of leased assets and stock on hire and other assets counting towards AFC activities:		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	NIL	
(b) Operating lease	NIL	
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	NIL	
(b) Repossessed assets	NIL	
(iii) Other loans counting towards AFC activities:		
(a) Loans where assets have been repossessed	NIL	
(b) Loans other than (a) above	NIL	
5) Break-up of investments:		
Current investments -		
1) Quoted -		
(i) Shares		
(a) Equity	NIL	
(b) Preference	NIL	

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

(INR in lakhs)		
Liabilities side	Amount Outstanding	Amount Overdue
(ii) Debentures and bonds	NIL	
(iii) Units of mutual funds	NIL	
(iv) Government securities	NIL	
(v) Others (please specify)	NIL	
2) Unquoted -	NIL	
(i) Shares		
(a) Equity	NIL	
(b) Preference	NIL	
(ii) Debentures and bonds	NIL	
(iii) Units of mutual funds	NIL	
(iv) Government securities	NIL	
(v) Others (please specify)	NIL	
Long term investments -		
1) Quoted -	NIL	
(i) Shares		
(a) Equity	NIL	
(b) Preference	NIL	
(ii) Debentures and bonds	NIL	
(iii) Units of mutual funds	2,500.00	
(iv) Government securities	NIL	
(v) Others (please specify)	NIL	
2) Unquoted -	NIL	
(i) Shares		
(a) Equity	NIL	
(b) Preference	NIL	
(ii) Debentures and bonds	NIL	
(iii) Units of mutual funds	NIL	
(iv) Government securities	NIL	
(v) Others (Securitization & Security receipt)	749.90	
	3,249.90	

6) Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	Amount net of provisions*		
	Secured	Unsecured	Total
1. Related parties			
(a) Subsidiaries	NIL	NIL	NIL

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

(INR in lakhs)

Category	Amount net of provisions*		
	Secured	Unsecured	Total
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	48,313.77	17,072.24	65,386.01
Total:	48,313.77	17,072.24	65,386.01

Category	Market value/Break-up or fair value or NAV	Book value (Net of provisions)
7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
1. Related parties		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties**	3,253.96	3,249.90
Total:	3,253.96	3,249.90
8) Other information		
(i) Gross non-performing assets		
(a) Related parties	NIL	
(b) Other than related parties	1,633.73	
(ii) Net non-performing assets		
(a) Related parties	NIL	
(b) Other than related parties	362.55	
(iii) Assets acquired in satisfaction of debt	NIL	

* Provisioning norms shall be applicable as prescribed in theses Directions.
** As per accounting standard of ICAI.

Note 38: Disclosure on Liquidity Risk

Disclosure on Liquidity Risk, as per extant RBI guidelines on Liquidity Risk Management Framework for Non Banking Financial Companies as at March 31, 2025 is as follows:

A. Funding Concentration based on Significant Counterparty

Number of Significant Counterparties	(INR in lakhs)	% of Total Deposits	% of Total Liabilities
22	43,450.88	NA	78.08%

B. Top 20 Large Deposits (amount in Rs. lakhs and % of Total Deposits) - Not Applicable

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

C. Top 10 Borrowings

Particulars Amount	(INR in lakhs)
Total Value of top 10 Borrowings	30,710.84
% of Total Borrowings	65.08%

D. Funding Concentration based on Significant Instrument/Product

Sr. No.	Name of the Instrument/Product Amount	(INR in lakhs)	% of Total Liabilities
1.	Term Loans	39,611.49	71.18%
2.	Working Capital /Overdraft facilities	94.79	0.17%
3.	Commercial Papers	-	0.00%
4.	Non Convertible debentures	2,984.00	5.36%
5.	Inter corporate deposits	-	0.00%
6.	Other Loan - Unsecured	4,500.00	8.09%
	Total	47,190.28	84.80%

E. Ratios

Sr. No.	Name of the Instrument/Product	%
1 (a)	Commercial Papers as a % of Total Public Funds	0.00%
(b)	Commercial Papers as a % of Total Liabilities	0.00%
(c)	Commercial Papers as a % of Total Assets	0.00%
2 (a)	Non-Convertible Debentures (original maturity of less than one year) as a % of Total Public Funds	0.00%
(b)	Non-Convertible Debentures (original maturity of less than one year) as a % of Total Liabilities	0.00%
(c)	Non-Convertible Debentures (original maturity of less than one year) as a % of Total Assets	0.00%
3 (a)	Other Short-Term Liabilities as a % of Total Public Funds	63.99%
(b)	Other Short-Term Liabilities as a % of Total Liabilities	54.27%
(c)	Other Short-Term Liabilities as a % of Total Assets	33.12%

F. Institutional set-up for Liquidity Risk Management

The Board has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Risk Management Committee (RMC), which is a committee of the Board, is responsible for evaluating the overall risks including liquidity risk. The meetings of RMC are held at regular intervals. The Asset Liability Management Committee (ALCO) is responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy. The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions at an entity level. The minutes of ALCO meetings are placed before the RMC during its regular meetings for its noting.

Notes:

- 1) Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on liquidity risk management framework for Non- Banking Financial Companies & Core Investment Companies.
- 2) Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies.

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

- 3) Total borrowing is on Principal Outstanding basis.
- 4) Public funds, for the company is same as Total Borrowings.
- 5) Other Short term liabilities include all liabilities which are payable within a period of 1 year.
- 6) Total liabilities has been computed as sum of all liabilities (balance sheet figure) less equities and reserves/surplus.

Note 39:

With reference to Business Transfer Agreement, Choice Finserv Private Limited “CFPL” (the Company/Acquirer/Purchaser “Purchasing Company”) has entered into a Business Transfer Agreement with Paisabuddy Finance Pvt. Ltd. “PBFPL” (Selling Company 1) & Sureworth Financial Services Pvt. Ltd. “SWFSPL” (Selling Company 2) for the acquisition of retail lending business pertaining to loans to micro, small and medium sized enterprises on a “going concern” basis under a slump sale transaction.

Name and description of the acquiree	Paisabuddy Finance Pvt. Ltd & Sureworth Financial Services Pvt. Ltd.
Acquisition date	31-12-2024
	(INR in lakhs)
Total Purchase consideration	17,018.39
Goodwill arising due to business combination	5,366.27
Assets taken over	28,986.82
Liabilities taken over	17,428.16

Note 40: Movement of Non Performing Assets (NPAs) (INR in lakhs)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
(i)	Net NPAs to Net Advances (%)	0.55%	1.93%
(ii)	Movement of Gross Non Performing Assets		
	Opening Balance	963.45	9.65
	Addition during the year	1,601.97	953.80
	Reduction during the year	(931.69)	-
	Closing Balance	1,633.73	963.45
(iii)	Movement of Net Non Performing Assets		
	Opening Balance	855.09	8.68
	Addition during the year	334.80	846.41
	Reduction during the year	(827.34)	-
	Closing Balance	362.55	855.09
(iv)	Movement of provision for Non Performing Assets (Excluding provisions on standard assets)		
	Opening Balance	108.35	0.96
	Addition during the year	1,267.18	107.39
	Reduction during the year	(104.35)	-
	Closing Balance	1,271.18	108.35

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Note 41: Loans to Directors, Senior Officers and Relatives of Directors (INR in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

Note 42: Asset Liability Management Maturity Pattern of Certain Items of Assets and Liabilities (INR in lakhs)

For the year 2024-25	Liabilities			Assets		
	Borrowings	Foreign Currency Assets	Foreign currency Liabilities	Advances	Investments	Deposits
1 to 7 days	887.83	-	-	2,363.13	-	-
8 to 14 days	221.75	-	-	320.52	-	-
15 to 30/31 days	824.10	-	-	383.87	-	-
Over one month to 2 months	2,007.78	-	-	4,264.14	2,500.00	-
Over 2 months upto 3 months	2,102.57	-	-	1,278.61	-	-
Over 3 months to 6 months	5,896.54	-	-	6,771.99	-	-
Over 6 months to 1 year	9,864.71	-	-	11,554.71	-	-
Over 1 year to 3 years	18,827.60	-	-	18,323.19	749.90	-
Over 3 years to 5 years	6,557.40	-	-	12,132.58	-	-
Over 5 years	-	-	-	9,449.56	-	-

Note 43: Asset Liability Management Maturity Pattern of Certain Items of Assets and Liabilities (INR in lakhs)

For the year 2023-24	Liabilities			Assets		
	Borrowings	Foreign Currency Assets	Foreign currency Liabilities	Advances	Investments	Deposits
1 to 7 days	314.56	-	-	1,067.51	-	-
8 to 14 days	93.79	-	-	588.68	-	-
15 to 30/31 days	621.26	-	-	837.33	-	-
Over one month to 2 months	1,097.71	-	-	3,647.53	-	-
Over 2 months upto 3 months	1,321.05	-	-	1,299.02	-	-
Over 3 months to 6 months	6,247.79	-	-	7,080.87	-	-
Over 6 months to 1 year	8,135.56	-	-	11,880.85	-	-
Over 1 year to 3 years	11,811.51	-	-	9,579.80	-	-
Over 3 years to 5 years	38.59	-	-	5,415.37	403.59	-
Over 5 years	-	-	-	3,070.73	-	-

Note: Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI.

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Note 44:

Detail of resolution plan implemented under the resolution framework for Covid-19 related stress as per RBI circular dated August 06, 2020 (resolution framework-1.0) and May 5, 2021 (resolution framework-2.0) for the year ended March 31, 2025 as given below : NIL

Note 45:

Disclosure in accordance with RBI circular number DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 related to COVID19 Regulatory Package - Asset Classification and Provisioning : NIL

Note 46:

Disclosure pursuant to RBI notification - RBI/2020-21/17 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 (Resolution framework for Covid-19 related stress) and RBI Notification – RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 (for restructuring of accounts of Micro, small and Medium Enterprises (MSME) sector – Restructuring of Advances having exposure less than or equal to Rs. 25 crores). : NIL

Note 47: Details of ratings assigned by Credit Rating Agencies & Migration of Ratings during the year

The Company has been assigned following credit rating from all rating agencies during the financial year ended March 31, 2025

Instrument	Rating agency	Date of rating assigned/ reviewed	Rating valid up to	Rating assigned	
				2024-25	2023-24
Bank Loans	India Rating & Research	08-04-2024	07-04-2025	IND BBB/Stable	IND BBB/Stable
Non convertible debentures	India Rating & Research	08-04-2024	07-04-2025	IND BBB/Stable	-

Note 48: Analytical Ratios

Particulars	FY 2024-25	FY 2023-24	Increase/ Decrease	Remarks
Current ratio	1.42	1.75	-18.87%	-
Debt-Equity ratio	1.33	1.29	3.01%	-
Debt Service Coverage Ratio	0.21	0.24	-10.76%	-
Return on Equity	1.25%	0.68%	84.63%	ROE has increased as a result of increase in profit
Return on Capital Employed	6.81%	6.40%	6.48%	-

Note 49: The Company has not revalued its property, plant and equipment or intangible assets during the FY 2024-25 and FY 2023-24.

Note 50: Expenditure in Foreign Currency : NIL

Note 51: Utilisation of Borrowed Funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

Note 52: Undisclosed Income

There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31,2025 and March 31, 2024, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended March 31, 2025 and March 31, 2024.

Note 53:

The main Business of the Company is Non-Banking Finance activities. All other activities revolve around the main business. Further all activities are carried out within India. As such there are no separate reportable segments as per Accounting Standard (AS)-17 on "Segment Reporting" prescribed under Section 133 of the Companies Act, 2013.

Note 54: Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from financial institution has been applied for the purposes for which such loans were was taken.

Note 55: Disclosure relating to Benami Property held

No proceedings have been initiated on or are pending against the Company for holding Benami Property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Note 56: Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.

Note 57: Compliance with number of layers of Companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

Note 58: Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company has completed the process of creation and statisfaction the charges with Registrar of Companies (ROC) in due course of time.

Note 59: Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Note 60: Relationship with Struck off Companies

The Company has not entered in any transactions with companies struck off under section 248 of the Companies Act ,2013. or section 560 of Companies Act 1956.

Accompanying notes to the financial statements as at March 31, 2025 (Continued..)

Note 61: Overseas assets (for those with joint ventures and subsidiaries abroad)

There are no overseas assets owned by the Company.

Note 62: Contingent liability during the FY 2024-25 & FY 2023-24 is NIL

Note 63: Disclosures on frauds pursuant to RBI Master direction

There were NIL cases reported as fraud during the FY 2024-25 and 2023-24

Note 64: Unhedged foreign currency exposure

The Company has nil unhedged foreign currency exposure as at March 31, 2025 and March 31, 2024.

Note 65: The Company does not have any subsidiary, associate or joint venture.

Note 66: Details of penalties imposed by RBI and other regulators

No penalty was levied during the year ended March 31, 2025 and March 31, 2024.

Note 67: Registration obtained from other financial sector regulators

The Company has not obtained registration from other financial sector regulators except Reserve Bank of India.

Note 68: Previous year figures have been regrouped/ rearranged to conform to current year classification.

For Chokshi & Chokshi LLP
Chartered Accountants
Firm No.: 101872W/W100045

Sd/-
Kiran Bhoir
Partner
Membership No. 159960

Mumbai | April 19, 2025

For and on behalf of the Board of Directors
Choice Finserv Private Limited
CIN: U74999MH2016PTC281908

Sd/-
Kamal Poddar
Director
DIN: 01518700

Sd/-
Vijendra Singh Shekhawat
Director
DIN: 09435913

Mumbai | April 19, 2025

Sd/-
Manoj Singhania
Chief Financial Officer

Sd/-
Karishma Shah
Company Secretary

Notice of 9th Annual General Meeting of Choice Finserv Private Limited

Choice
The Joy of Earning

CHOICE FINSERV PRIVATE LIMITED

Sunil Patodia Tower, Plot No. 156-158, J.B. Nagar, Andheri (East), Mumbai-400 099
Tel No.: +91-22-6707 9999, Website: www.choiceindia.com
Email ID: cfpl@choiceindia.com
CIN: U74999MH2016PTC281908

NOTICE

Notice is hereby given that the 9th Annual General Meeting of the Members of M/s. Choice Finserv Private Limited will be held on Tuesday, September 30, 2025 at 12:30 P.M. (IST) through Video Conferencing or Other Audio-Video Mode which shall deemed to be held at the registered office of the Company to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2025 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Vijendra Singh Shekhawat (DIN: 09435913) who retires by rotation and being eligible to offer himself for re-appointment.

SPECIAL BUSINESS:

3. To alter Articles of Association of the Company in terms of Regulation 23(6) of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

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

“RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and in accordance with Regulation 23(6) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and other applicable provisions, if any, of SEBI regulations, and subject to such approvals, consents, permissions and sanctions as may be required from appropriate authorities, the consent of the shareholders of the Company be and is hereby accorded to alter the Articles of Association of the Company to insert the following new Article:

‘Appointment of Debenture Trustee Nominee Director Notwithstanding anything contained in these Articles, the Board of Directors shall, upon receipt of a written nomination from the debenture trustee(s) pursuant to the provisions of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, appoint the person so nominated as a director on the Board of Directors of the Company and such Director shall have the rights and obligations as provided under applicable law and as may be specified by the debenture trustee(s) and the applicable SEBI Regulations.’

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any committee thereof) be and is hereby authorized to do all such acts, deeds, matters, and things as may be necessary, proper or expedient to give effect to this resolution, including making necessary filings with the Registrar of Companies, Stock Exchanges and any other relevant authority, and to accept and make such modifications/alterations to the proposed amendment as may be required by any regulatory authority or as they may deem fit in the best interest of the Company.”

4. To approve granting loans, guarantees and security under Section 185 of the Companies Act, 2013:

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

“RESOLVED THAT pursuant to Section 185 and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto (including any statutory modification(s) or re-enactments thereof, for the time being in force) and subject to necessary approvals, the consent of the members be and is hereby accorded to the Board of Directors of the Company (including any Committee or person(s) authorized by the Board), to:

- advance loans (including those represented as book debts),
- give guarantees, and/or
- provide securities

in one or more tranches, in connection with any financial assistance availed or to be availed by any entity falling within the scope of Section 185 of the Companies Act, 2013 including fellow subsidiaries, associates, joint ventures, or any other entity/person as the Board may deem fit and in the best interest of the Company in which any Director may be interested or deemed to be interested; provided that the total amount of such loans, guarantees, and securities shall not exceed Rs. 100 Crores (Rupees One Hundred Cores only) at any time.

RESOLVED FURTHER THAT the aforementioned loan(s) and/or guarantee(s) and/or security(ies) shall only be utilized by the borrower(s) for the purpose of its principal business activities.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take from time to time all decisions and steps in respect of the above loans, guarantees, securities and investment including the timing, amount and other terms and conditions of such loans, guarantees, securities and investment and varying the same either in part or in full as it may deem appropriate and to do and perform all such acts, deeds, matters and things as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard including power to sub-delegate in order to give effect to this resolution.”

**By Order of the Board of Directors
for Choice Finserv Private Limited**

**Sd/-
Karishma Shah
Company Secretary & Compliance Officer
Membership No: 34441**

Place: Mumbai
Date: July 19, 2025

**Registered Office:
Sunil Patodia Tower,
Plot No. 156-158, J.B. Nagar,
Andheri (East), Mumbai - 400 099
Email ID: cfpl@choiceindia.com.**

NOTES

1. Ministry of Corporate Affairs (“MCA”) vide its General Circular Nos.14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 05, 2020, Circular No.02/2022 dated May 05, 2022, Circular No. 10/2022 dated December 28, 2022, Circular No. 09/2023 dated September 25, 2023 and Circular No.09/ 2024 dated September 19, 2024 (collectively referred to as “MCA Circulars”) and the SEBI vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/ HO/CFD/CMD2/CIR P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated January 05, 2023 and SEBI/HO/DDHS/ DDHS-PoD- 1/P/CIR/2025/83 dated June 05, 2025 (collectively referred to as “SEBI Circulars”) has permitted to conduct the Annual General Meeting through video conferencing (“VC”) or other audio-visual means (“OAVM”) up to September 30, 2025, without the physical presence of the Members at a common venue. In compliance with the above MCA Circulars and SEBI Circulars, the provisions of the Companies Act, 2013 (“hereinafter referred as “Act”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“hereinafter referred to as “LODR Regulations”), the AGM of the Company is being held through VC/ OAVM.
2. In compliance with the relevant MCA and SEBI Circulars, the financial statements (including the Board’s report, Auditor’s report, and any other required documents) along with the Notice of the AGM will be communicated exclusively via email to Members, Trustees of the debenture holders, and all other individuals entitled to receive such documents, using the email addresses registered with the Registrar and Share Transfer Agents of the Company or with the respective Depository Participant/ Depository.
3. In case any member requests a physical copy of the Annual Report, such request may be made by emailing cfpl@choiceindia.com along with the Folio/DP & Client ID details. For members who have not registered their email address with the Company or the Depository, the documents will be sent through alternative modes of service as prescribed under Section 20 of the Companies Act, 2013, and the relevant Rules thereunder.
4. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”) read with Clarification/ Guidance on applicability of Secretarial Standards - 1 and 2 dated April 15, 2020 issued by the ICSI, the deemed venue of the 9th AGM will be the registered office of the Company situated at Sunil Patodia Tower, Plot No. 156-158, J.B. Nagar, Andheri (East), Mumbai – 400 099
5. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
6. Authorized representatives of the corporate members intending to participate in the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/JPG format) of the relevant Board Resolution/Authority letter, etc. authorizing them to attend the AGM, by e-mail to cfpl@choiceindia.com.
7. The Explanatory Statement setting out the material facts pursuant to Section 102(1) of the Act relating to the Special business is annexed to this Notice.
8. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://user-manual.choiceindia.com/CFPL/Notice-9th-AGM-2025.pdf>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com.
10. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (Record date) September 05, 2025.
11. Instructions for Attending the AGM through VC/OAVM:
 - a. In line with the Ministry of Corporate Affairs (MCA) Circulars, the AGM will be conducted through Video Conferencing (VC) or Other Audio-Visual Means (OAVM). Shareholders will be able to attend and participate in the meeting remotely.
 - b. Members can join the AGM between 15 minutes before and 15 minutes after the scheduled start time. This rule does not apply to shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors, etc.
 - c. To ensure a smooth experience, members are encouraged to join the AGM via laptops, smartphones, tablets, or iPads. A stable internet connection is essential to avoid any disruptions. It is recommended to use the latest version of Chrome, Safari, MS Edge, or Firefox. Please note that members using mobile hotspots or unstable network connections may face issues with audio/ video quality. For optimal performance, a stable Wi-Fi or LAN connection is advised.
 - d. For any technical assistance before or during the AGM, Members can reach out by sending an email to cfpl@choiceindia.com.
 - e. Shareholders who wish to ask questions or express their views during the AGM should send their questions in advance to cfpl@choiceindia.com along with their name, demat account number/folio number, email ID, and mobile number. The Company will address the queries during the meeting.

12. The members may further note that voting on all resolutions placed at the AGM will be done through Show of Hands, unless a poll is demanded pursuant to Section 109 of the Act.
13. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. In case of joint holders, only such joint holder who is named first in the order of names will be entitled to vote.
14. All documents referred to in the accompanying Notice and Explanatory Statement will be available for inspection electronically by the Members on the website of the Company cfpl@choiceindia.com, during the time of AGM.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

The following statements set out all the material facts relating to the Ordinary Business /Special Business mentioned in the accompanying Notice:

Item No. 3

The shareholders are hereby informed that the Company is in the process of obtaining in-principle approval from the Bombay Stock Exchange (BSE) for the issuance of Secured, Rated, Listed, Fully Paid, Redeemable, Taxable Non-Convertible Debentures of Choice Finserv Private Limited, bearing ISIN INE04SE07137. In accordance with Regulation 23(6) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 [SEBI NCS Regulations], the Company will need to amend its Articles of Association.

As per Regulation 23(6) of the SEBI NCS Regulations, if the issuer is a company, its Articles of Association must ensure that the Board of Directors appoints a nominee, as designated by the debenture trustee(s), in accordance with Clause (e) of Sub-regulation (1) of Regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993. A nominee director must be appointed by the Debenture Trustee in the following circumstances:

1. Two consecutive defaults in interest payment to debenture holders;
2. Default in creation of security for the debentures;
3. Default in the redemption of debentures.

Although Regulation 23(6) does not specify a timeline for such amendments, the undertaking to be submitted to BSE states that the amendments will be made within six months from the date of listing of the securities.

In light of these regulatory requirements, we propose the following amendment to the Articles of Association:

‘Appointment of Debenture Trustee Nominee Director Notwithstanding anything contained in these Articles, the Board of Directors shall, upon receipt of a written nomination from the debenture trustee(s) pursuant to the provisions of clause (e) of sub- regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, appoint the person so nominated as a director on the Board of Directors of the Company and such Director shall have the rights and obligations as provided under applicable law and as may be specified by the debenture trustee(s) and the applicable SEBI Regulations.’

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in passing the proposed Resolution.

The Board of Directors recommends resolution for approval of the members of the Company by way of passing a Special Resolution.

Item No. 4

As per the provisions of Section 185 of the Companies Act, 2013, no company shall, directly or indirectly, advance any loan including any loan represented by a book debt, business advance, advance for securing supplies of services/goods on a future date to any of its Directors or to any other person in whom the Director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person.

However, in order to promote ease of doing business, the entire Section 185 of the Companies Act, 2013 has been substituted vide Companies (Amendment) Act, 2017 and the same was notified by the Ministry of Corporate Affairs on 7th May, 2018 In terms of the amended Section 185 of the Act, a company may advance any loan, including any loan represented by a book debt, to any person in whom any of the Directors of the Company is interested or give any guarantee or provide any security in connection with any loan taken by any such person, subject to the condition that approval of the shareholders of the Company is obtained by way of passing a Special Resolution and requisite disclosures are made in the Explanatory Statement.

The management is of the view that the Company may be required to invest funds in joint ventures, strategic alliance and other entities in the normal course of its business, make business advances or otherwise, give guarantee or provide any security in connection with any loans/debentures/bonds etc. raised by its associate or fellow subsidiaries/group companies or to any other body corporate(s) in which the Directors of the Company may be interested, as and when required.

Hence, as an abundant caution, the Board decided to seek approval of the shareholders pursuant to the amended provisions of Section 185 of the Act to advance any loan, including any loan represented by book debt, to fellow subsidiaries/group companies or other body corporate(s) in whom any of the Directors of the Company is interested or to give guarantee or provide any security in connection with any loans/debentures/bonds etc. raised by fellow subsidiaries/ group companies or other body corporate(s)in whom any of the Directors of the Company is interested up to an aggregate amount of INR 100 Crores (Rupees One Hundred Crores only).

The Board of Directors recommends resolution for approval of the members of the Company by way of passing a Special Resolution.

Except Mr. Kamal Poddar, Mr. Vijendra Singh Shekhawat, Mr Arun Kumar Poddar and Mr. Ajay Kejriwal or their respective relatives; none of the other Directors, Key Managerial Personnel or their respective relatives in any way financially or otherwise, connected or interested in the above resolution.

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The Joy of Earning

CHOICE FINSERV PRIVATE LIMITED

CIN: U74999MH2016PTC281908

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Sunil Patodia Tower,
Plot N. 156 - 158, J B Nagar,
Andheri East, Mumbai - 400 099