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**DAR CREDIT & CAPITAL LIMITED**  
**Corporate Identification Number: U65999WB1994PLC064438**

Our Company was originally incorporated as “Dar Credit & Capital Limited” as a Public Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated August 10, 1994 issued by Registrar of Companies, West Bengal, and Certificate of Commencement of Business dated August 16, 1994 issued by Registrar of Companies, West Bengal. The Corporate Identification Number of our Company is U65999WB1994PLC064438. Further, Debentures of our Company are listed on BSE Limited since February 17, 2021. For further details please refer to the chapter titled “History and Certain Corporate Matters” beginning on Page No. 132 of the Draft Red Herring Prospectus.

**Registered Office:** Business Tower, 206 AJC Bose Road, 6th Floor, Unit No. 6B, Kolkata, West Bengal, India, 700017

**Telephone:** +91 9883847875; **Email:** [Co.secretary@darcredit.com](mailto:Co.secretary@darcredit.com); **Website:** [www.darcredit.com](http://www.darcredit.com);

**Contact Person:** Priya Kumari, Company Secretary and Compliance Officer;

**Corporate Identification Number: U65999WB1994PLC064438**

PROMOTERS OF OUR COMPANY: MR. RAMESH KUMAR VIJAY, MR. RAJKUMAR VIJAY AND MRS RAKSHITA VIJAY		
ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED NOVEMBER 25, 2024; NOTICE TO THE INVESTORS (“THE ADDENDUM”)		
<p>INITIAL PUBLIC OFFER OF UPTO 50,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“EQUITY SHARES”) OF DAR CREDIT &amp; CAPITAL LIMITED (THE “COMPANY” OR “DCCL” OR “ISSUER”) AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS (“PUBLIC ISSUE”) OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.</p> <p>OUR COMPANY, IN CONSULTATION WITH THE BRLM, MAY CONSIDER AN ISSUE OF SPECIFIED SECURITIES, AS MAY BE PERMITTED UNDER APPLICABLE LAW, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC (“PRE-IPO PLACEMENT”). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLM. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, SHALL NOT EXCEED 20% OF THE SIZE OF THE FRESH ISSUE. PRIOR TO THE COMPLETION OF THE ISSUE, OUR COMPANY SHALL APPROPRIATELY INTIMATE THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT, PRIOR TO ALLOTMENT PURSUANT TO THE PRE-IPO PLACEMENT. FURTHER, RELEVANT DISCLOSURES IN RELATION TO SUCH INTIMATION TO THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT (IF UNDERTAKEN) SHALL BE APPROPRIATELY MADE IN THE RELEVANT SECTIONS OF THE RED HERRING PROSPECTUS AND THE PROSPECTUS.</p> <p>THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND BENGALI EDITION OF [●], A KOLKATA REGIONAL NEWSPAPER (BENGALI BEING THE REGIONAL LANGUAGE OF KOLKATA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”) FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”).</p> <p>Potential Bidders may note the following:</p> <p>1. In the sections “Definition and Abbreviations”, “Risk Factors”, “Basis for Issue Price”, “Our Business”, “Our Management”, “Restated Financial Statements”, “Management’s Discussion And Analysis Of Financial Condition And Results Of Operations”, “Government and Other Approvals”, “Other Regulatory and Statutory Disclosures” and “Material Contracts and Documents for Inspection” provided herein below as part of Addendum, modifications have been updated.</p> <p>The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchange. All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.</p>		
Place: Kolkata Date: February 20, 2025		<p align="right"><b>On behalf of Dar Credit &amp; Capital Limited</b></p> <p align="right">Sd/-</p> <p align="right"><b>Ms. Priya Kumari</b></p> <p align="right"><b>Company Secretary &amp; Compliance Officer</b></p>
BOOK RUNNING LEAD MANAGER		REGISTRAR TO THE ISSUE
		
<p><b>GYR CAPITAL ADVISORS PRIVATE LIMITED</b> 428, Gala Empire, Near JB Tower, Drive in Road, Thaltej, Ahmedabad -380 054, Gujarat, India. <b>Telephone:</b> +91 87775 64648 <b>Fax:</b> N.A. <b>E-mail:</b> <a href="mailto:info@gyrcapitaladvisors.com">info@gyrcapitaladvisors.com</a> <b>Website:</b> <a href="http://www.gyrcapitaladvisors.com">www.gyrcapitaladvisors.com</a> <b>Investor grievance:</b> <a href="mailto:investors@gyrcapitaladvisors.com">investors@gyrcapitaladvisors.com</a> <b>Contact Person:</b> Mr. Mohit Baid <b>SEBI Registration Number:</b> INM000012810 <b>CIN:-</b> U67200GJ2017PTC096908</p>		<p><b>KFIN TECHNOLOGIES LIMITED</b> Selenium Tower-B, Plot 31 &amp; 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana <b>Contact Person:</b> M Murali Krishna <b>Tel:</b> +91 40 6716 2222 <b>Fax:</b> +91 40 2343 1551 <b>Email:</b> <a href="mailto:dccl.ipo@kfintech.com">dccl.ipo@kfintech.com</a> <b>Investor grievance e-mail:</b> <a href="mailto:inward.ris@kfintech.com">inward.ris@kfintech.com</a> <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a> <b>SEBI Registration No. :</b> INR000000221</p>
ISSUE PROGRAMME		
ISSUE OPENS ON: [●]	BID/OFFER OPENS ON: [●]*	ISSUE CLOSES ON: [●]**

\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

\*\*Our Company may in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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## DEFINITIONS AND ABBREVIATIONS

- a) Definition to include Business related terms and the same is updated under the table titled “INDUSTRY RELATED TERMS” on page 18 of Draft Red Herring Prospectus.

*Below is the revised text:*

Term	Description
KPI	Key Performance Indicators
MFIs	Microfinance Institutions
EMI	Equated Monthly Instalment
D/E	Debt to Equity Ratio

## RISK FACTORS

**3. The NBFC industry in India faces certain risks due to the category of customers that it services, which are not generally associated with other forms of lending. As a result, we may experience increased levels of nonperforming assets and related provisions and write-offs that may adversely affect our business, financial condition and results of operations.**

As an NBFC operating in India, we recognize that our focus on underserved customer segments such as small businesses, self-employed individuals, and rural borrowers having income generating activity introduces unique challenges that are distinct from traditional forms of lending. These customer groups often lack formal credit histories and may have fluctuating income patterns, limited collateral, or financial instability, making them more vulnerable to default during economic downturns or periods of financial stress. Consequently, we may experience elevated levels of non-performing assets (NPAs), necessitating higher provisions and potential write-offs to manage this risk. These provisions can place pressure on our profitability and may impact our overall financial stability.

Our business primarily focuses on serving “Class Four” (Group D) municipal employees—such as cleaners, sweepers, and peons—as well as small shopkeepers, vendors, and, predominantly women, small retail business units of the small towns. These customers typically have limited income sources, savings, and formal credit histories. In our personal loan segment, we provide loans to municipal employees, with EMI payments deducted directly from their salaries. However, the risk of default may increase if these employees change or leave their jobs, as salary-based deductions would no longer be feasible. Despite having our own robust Due Diligence Procedure, we cannot assure you that we will be able to ensure low delinquency rates. As a result, our customers potentially present a higher risk of loss in case of a credit default compared to that of customers in other asset-backed financing products. To mitigate these risks, we are committed to strengthening our risk management practices, implementing robust credit assessment methods, and closely monitoring portfolio quality to sustain our business, financial health, and operational resilience. However, we hereby confirm that there were no past instances where our business, cash flow, result of operations and financial condition were adversely affected by any such information. The data for NPAs is provided below:

(₹ In Lakhs)

PARTICULARS	FY 21-22	FY 22-23	FY 23-24	As at June 30, 2024
<b>A. MOVEMENT OF GNPA</b>				
Opening Gross NPA	130.26	79.03	137.47	94.54
Add: Additions during the year	111.45	150.66	157.12	50.09
Less: Reduction during the year	162.68	92.22	200.05	3.21
<b>Closing Gross NPAs (a)</b>	<b>79.03</b>	<b>137.47</b>	<b>94.54</b>	<b>141.42</b>
<b>B. MOVEMENT OF NNPA</b>				
Opening NNPA	92.92	50.74	87.32	60.49
Add: Additions during the year	69.55	94.40	102.61	34.64
Less: Reduction during the year	111.73	57.82	129.44	40.73
<b>Closing Net NPAs (b)</b>	<b>50.74</b>	<b>87.32</b>	<b>60.49</b>	<b>54.40</b>
<b>C. MOVEMENT OF PROVISION FOR NPA</b>				
Opening	37.34	28.29	50.15	34.05
Add: Additions during the year	41.90	56.26	54.51	15.45
Less: Reduction during the year	50.95	34.40	70.61	(37.52)
<b>Closing balance (c)</b>	<b>28.29</b>	<b>50.15</b>	<b>34.05</b>	<b>87.02</b>
<b>Gross loan Portfolio [Owned portfolio] (d)</b>	<b>11,330.25</b>	<b>12,635.81</b>	<b>17,145.54</b>	<b>18,079.81</b>
<b>GNPA% (a/d)</b>	<b>0.70%</b>	<b>1.09%</b>	<b>0.55%</b>	<b>0.78%</b>
<b>NNPA % (b/d)</b>	<b>0.45%</b>	<b>0.69%</b>	<b>0.35%</b>	<b>0.30%</b>

**5. Rating given by Care Ratings “CARE BBB-” is considered to have moderate degree of safety, therefore, in future it may give Challenges to the business.**

Securities with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligation. Such security carries moderate credit risk. Further in future we may downgrade with rating if (i) we are unable to raise resources for growth in scale of operations. (ii) Significant decline in liquidity position due to impact on collection efficiency.

(iii) Deterioration in asset quality with Gross NPA (180+ DPD) above 3.00% on sustained basis. (iv) Significant deterioration in its scale of operation with ROTA below 1% on sustained basis. Further, our rating may get upgrade if we sustained growth in scale of operation and improvement in profitability with ROTA above 3.00% on sustained basis. However, as per our past experience we have maintained this rating for our business and as per June 2024 financials our NPA is 54.40 Lakhs and ROTA is 26.73%.

**14. We have had negative cash flows from Operating, investing and financing activities in the past and as a consequent net decrease in cash and cash equivalents in some of the recent years.**

As per our Restated Financial Statements, our cash flows from operating, investing and financing activities were negative in the recent Fiscals and period ended June 30, 2024 as set out below:

(₹ in Lakhs)				
Particulars	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Net Cash Flow from/(used in) Operating Activities	(1,091.67)	(3,285.30)	(1,609.03)	2,001.07
Net cash generated from/(used in) investing activities	299.09	(72.19)	1,084.19	(780.52)
Net Cash Flow from (used in) Financing Activity	(683.84)	4,463.18	1,387.68	(1,294.70)

Such negative cash flows led to a net decrease in cash and cash equivalents for respective years. Any negative cash flow in future could adversely affect our operations and financial conditions and the trading price of our Equity Shares. For further details, see “Financial Information” on page 154.

**18. Any non-compliance or delays in EPF Return Filings may expose us to penalties from the regulators.**

As a Company, we are required to file EPF returns with the respective authorities. However, there are certain inadvertent delays in relation to filling of EPF returns in the past for which the Company have paid the penalties amounting to Rs. 28049, Rs. 183, Rs. 2,39,592, Rs. 9,563, Rs. 9, Rs. 98 for the FY 2023-24, 2023-22, 2021-22, 2020-21, 2019-20 and 2018-19 and taken the steps to improve the internal system for payment of EPF to mitigate the technical difficulties. However, we cannot assure that we will not be subject to any legal proceeding or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in our EPF filling in future, which may adversely affect our reputation and goodwill of the company.

**19. Any non-compliance or delays in GST Return Filings may expose us to penalties from the regulators.**

As a Company, we are required to file GST returns with the respective authorities. However, there are certain inadvertent delays in relation to filling of GST returns in the past for which the Company have paid the penalties amounting to Rs. 900, Rs. 1000, Rs. 5400, Rs. 4100, Rs. 100, Rs. 200 for the FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 respectively and taken the steps to improve the internal system for payment of GST to mitigate the technical difficulties. However, we cannot assure that we will not be subject to any legal proceeding or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in our GST filling in future, which may adversely affect our reputation and goodwill of the company.

**21. As an NBFC, we are also subject to periodic inspections by the Reserve Bank of India, and any noncompliance with observations made by the Reserve Bank of India during these inspections could expose us to penalties and restrictions.**

The RBI as a part of its supervisory processes, conducts periodic inspections pursuant to which it issues observations, directions and monitorable action plans, on issues related to, amongst other things, our operations, risk management systems, internal controls, regulatory compliance and credit monitoring systems. During the course of finalizing inspections, the RBI inspection team shares its findings and recommendations with us and provides us with an opportunity to provide clarifications, additional information and, where necessary, justification for a different position, if any, then that observed by the RBI. The RBI incorporates such findings in its final inspection report and, upon final determination by the RBI of the inspection results, we are required to take actions specified in the inspection report issued by the RBI to its satisfaction, including, without limitation, requiring us to ensure regulatory compliance, make provisions, implement credit rating and scoring models for loans, and tighten controls and compliance measures.

In the event we are unable to resolve such deficiencies and other matters to the RBI's satisfaction, we may be restricted in our ability to conduct our business as we currently do. In the event we are unable to comply with the observations made by the RBI, we could be subject to penalties and restrictions which may be imposed by the RBI. Imposition of any penalty, restriction,

or issue of adverse findings by the RBI during the ongoing or any future inspections may have an adverse effect on our business, results of operations, financial condition and reputation. The last review was conducted in 2006, and no instances of non-compliance were observed by the RBI. As a result, no penalties or restrictions were been imposed on us. While we have not encountered such difficulties in the immediate past, we cannot guarantee that the same will apply in future.

**24. Our success depends, in large part, upon our management team and skilled personnel and on our ability to attract and retain such persons. Additionally, failure to train and motivate our employees may lead to an increase in our employee attrition rates, and our results of operations could be adversely affected as a result of any disputes with our employees.**

We are dependent on our Board, Key Managerial Personnel and Senior Management Personnel and employees for our operations. The RBI mandates NBFCs to have in place supervisory standards to ensure that directors have appropriate qualifications, technical expertise and a credible track record, and these requirements may make it more difficult for us to identify suitable replacement for our directors. In particular, our senior management has significant experience in the financial services industry. We also face a challenge to hire, assimilate, train and retain skilled personnel. Competition for management and other skilled personnel in India is intense, and we may not be able to attract and retain the managerial and other personnel we need in the future.

At present, we have 223 employees in our company. Being a financial institution, we believe that these employees and personnel are key to our success in business operations. In order to conduct our business, which includes providing a variety of loans and financial products to our target customers, we need highly specialised and efficient employees. These professionals are experts in of their area of work. If we experience a decrease in customer base and decrease in revenue, we may not be able to efficiently reallocate our team to other projects to keep their utilisation and productivity levels high.

Our Company's ability to conduct our business operations depends largely on their ability to attract, train, motivate and retain highly skilled employees/personnel. The attrition rates in the industry in which we operate have been high due to a highly competitive skilled labour market in India. We invest in training our employees that we hire to perform the services we provide.

The performance of our Company will be benefited with the continued service of these persons or replacement of equally competent persons from the markets. We may face difficulty in redeploying and retraining our employees to keep pace with continuing changes in technology, evolving standards.

The table below sets forth the number of our employees and the corresponding attrition rates (defined as the number of employees that have voluntarily resigned, i.e., excluding separation on account of termination, death, superannuation, etc. during the specified year divided by the number of employees at beginning of year plus number of employees joined during the year):

Particulars	For the Period Ended June 2024	As of / For the Financial Year 2024	As of / For the Financial Year 2023	As of / For the Financial Year 2022
Number of Employees	192	198	137	108
Attrition rate (%)	11.90%	20.20%	19.40%	18.80%

## BASIS FOR ISSUE PRICE

### Comparison with Listed Industry Peers

#### a. Comparison with listed industry peers (Three months period ended June 30, 2024)

(₹ in Lakhs)

Key Performance Indicator	For the period ended June 30, 2024					
	Dar Credit & Capital Limited	Spandana Sphoorty Financial Ltd (Standalone)	Muthoot Microfin Ltd	Credit Access Grameen Ltd	Fusion finance Ltd	Satin Creditcare Network Ltd
Revenue from Operations	972.45	66,313.00	63,788.30	1,51,203.00	68,832.00	63,265.92
Growth in Revenue from Operations (%)	-	-	-	-	-	-
Total Income	1,018.79	68,933.00	64,111.00	1,51,258.00	70,668.00	63,435.20
EBITDA	723.26	31,924.00	39,379.10	1,05,940.00	17,505.00	39,771.11
EBITDA Margin (%)	70.99%	46.31%	61.42%	70.04%	24.77%	62.70%
Net Profit for the Year/Period	151.64	5,129.00	11,322.30	39,766.00	-3,562.00	10,528.05
PAT Margin (%)	15.59%	7.73%	17.75%	26.30%	-5.17%	16.64%
Return on Net Worth	2.29%	1.42%	3.87%	5.74%	-1.26%	4.23%
Return on Capital Employed	3.13%	NA	NA	NA	NA	NA
Debt-Equity Ratio	2.40	2.33	2.88	2.93	3.24	3.25

#### b. Comparison with listed industry peers (Financial Year ended March 31, 2024)

(₹ in Lakhs)

Key Performance Indicator	Financial Year ended March 31, 2024					
	Dar Credit & Capital Limited	Spandana Sphoorty Financial Ltd	Muthoot Microfin Ltd	Credit Access Grameen Ltd	Fusion finance Ltd	Satin Creditcare Network Ltd
Revenue from Operations	3,204.88	2,42,371.00	2,27,018.00	5,16,667.00	2,31,673.00	2,23,278.82
Growth in Revenue from Operations (%)	29.27%	73.03%	58.89%	45.74%	33.00%	44.13%
Total Income	3,301.38	2,53,395.00	2,28,549.00	5,17,265.00	2,41,242.00	2,24,052.78
EBITDA	2,157.69	1,61,776.00	1,50,044.10	3,72,277.00	1,46,310.00	1,50,657.07
EBITDA Margin (%)	65.36%	63.84%	65.65%	71.97%	60.65%	67.24%
Net Profit for the Year/Period	368.38	50,072.00	44,958.30	1,44,593.00	50,529.00	43,593.80
PAT Margin (%)	11.49%	20.66%	19.80%	27.99%	21.81%	19.52%
Return on Net Worth	5.64%	13.74%	16.03%	22.01%	17.74%	18.16%
Return on Capital Employed	9.10%	12.20%	13.11%	12.97%	12.68%	14.39%
Debt-Equity Ratio	2.53	2.59	3.04	3.32	3.03	3.30

#### c. Comparison with listed industry peers (Financial Year ended March 31, 2023)

(₹ in Lakhs)

Key Performance Indicator	Financial Year ended March 31, 2023					
	Dar Credit & Capital Limited	Spandana Sphoorty Financial Ltd	Muthoot Microfin Ltd	Credit Access Grameen Ltd	Fusion finance Ltd	Satin Creditcare Network Ltd
Revenue from Operations	2,479.27	1,40,075.00	1,42,876.00	3,54,512.00	1,74,192.00	1,54,915.97
Growth in Revenue from Operations (%)	1.33%	-4.24%	71.62%	29.25%	51.30%	12.50%
Total Income	2,556.97	1,47,703.00	1,44,634.40	3,55,079.00	1,79,997.00	1,55,089.26
EBITDA	1,622.08	48,657.00	78,848.60	2,36,814.00	1,16,217.00	64,036.54
EBITDA Margin (%)	63.44%	32.94%	54.52%	66.69%	64.57%	41.29%
Net Profit for the Year/Period	272.19	1,239.00	16,388.90	82,606.00	38,715.00	481.31
PAT Margin (%)	10.98%	0.88%	11.47%	23.30%	22.23%	0.31%
Return on Net Worth	4.38%	0.40%	10.08%	16.18%	16.67%	0.30%
Return on Capital Employed	8.68%	5.19%	9.38%	10.89%	12.69%	8.25%
Debt-Equity Ratio	1.94	1.96	4.07	3.19	2.92	3.63

**d. Comparison with listed industry peers (Financial Year ended March 31, 2022)**

(₹ in Lakhs)

Key Performance Indicator	Financial Year ended March 31, 2022					
	Dar Credit & Capital Limited*	Spandana Sphoorty Financial Ltd	Muthoot Microfin Ltd	Credit Access Grameen Ltd	Fusion finance Ltd	Satin Creditcare Network Ltd
Revenue from Operations	2,446.83	1,46,279.00	83,250.60	2,74,282.00	1,15,126.50	1,37,704.58
Growth in Revenue from Operations (%)	-	-	-	-	-	-
Total Income	2,466.25	1,48,003.50	84,294.10	2,75,013.00	1,20,134.90	1,38,113.98
EBITDA	1,560.27	64,614.90	42,566.00	1,51,216.00	52,576.10	68,099.14
EBITDA Margin (%)	63.26%	43.66%	50.50%	54.99%	43.76%	49.31%
Net Profit for the Year/Period	223.32	6,982.70	4,739.80	35,307.00	2,175.50	2,069.89
PAT Margin (%)	9.13%	4.77%	5.69%	12.87%	1.89%	1.50%
Return on Net Worth	3.72%	2.26%	3.55%	8.47%	1.63%	1.31%
Return on Capital Employed	9.10%	9.29%	7.72%	8.65%	7.32%	9.08%
Debt-Equity Ratio	1.77	1.22	2.99	3.10	4.32	3.63

\*Figures for FY 2021-22 are considered on a consolidated basis, as the company had a wholly-owned subsidiary, "Dar Credit Microfinance Private Limited," which was subsequently disposed off in FY 2022-23.

Revenue from operations represents the revenue from sale of service & product & other operating revenue of our Company as recognized in the Restated financial information.

1. Total income includes revenue from operations and other income.
2. EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back interest cost, depreciation, and amortization expense.
3. EBITDA margin is calculated as EBITDA as a percentage of total income.
4. Net Profit for the year/period represents the restated profits of the Company after deducting all expenses.
5. PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations.

6. *Return on net worth is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by Net worth at the end of respective period/year. Networth means aggregate value of the paid-up equity share capital and reserves & surplus.*
7. *Return on capital employed calculated as Earnings before interest and taxes divided by capital employed as at the end of respective period/year. (Capital employed calculated as the aggregate value of total equity, total debt and deferred tax liabilities)*
8. *Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long-term and short-term borrowings. Total equity is the sum of share capital and reserves & surplus.*

## OUR BUSINESS

Our Company's Non-Performing Assets (NPA) are as follows:

(₹ In Lakhs)

PARTICULARS	FY 21-22	FY 22-23	FY 23-24	As at June 30, 2024
<b>A. MOVEMENT OF GNPA</b>				
Opening Gross NPA	130.26	79.03	137.47	94.54
Add: Additions during the year	111.45	150.66	157.12	50.09
Less: Reduction during the year	162.68	92.22	200.05	3.21
<b>Closing Gross NPAs (a)</b>	<b>79.03</b>	<b>137.47</b>	<b>94.54</b>	<b>141.42</b>
<b>B. MOVEMENT OF NNPA</b>				
Opening NNPA	92.92	50.74	87.32	60.49
Add: Additions during the year	69.55	94.40	102.61	34.64
Less: Reduction during the year	111.73	57.82	129.44	40.73
<b>Closing Net NPAs (b)</b>	<b>50.74</b>	<b>87.32</b>	<b>60.49</b>	<b>54.40</b>
<b>C. MOVEMENT OF PROVISION FOR NPA</b>				
Opening	37.34	28.29	50.15	34.05
Add: Additions during the year	41.90	56.26	54.51	15.45
Less: Reduction during the year	50.95	34.40	70.61	(37.52)
<b>Closing balance (c)</b>	<b>28.29</b>	<b>50.15</b>	<b>34.05</b>	<b>87.02</b>
<b>Gross loan Portfolio [Owned portfolio] (d)</b>	<b>11,330.25</b>	<b>12,635.81</b>	<b>17,145.54</b>	<b>18,079.81</b>
<b>GNPA% (a/d)</b>	<b>0.70%</b>	<b>1.09%</b>	<b>0.55%</b>	<b>0.78%</b>
<b>NNPA % (b/d)</b>	<b>0.45%</b>	<b>0.69%</b>	<b>0.35%</b>	<b>0.30%</b>

### COLLECTION PROCESS

**Owned fund:** Owned funds represent our Company's equity and debt as recorded in our books, encompassing equity, reserves, and market borrowings. The portfolio created using this fund is referred to as the owned fund portfolio, and it is reflected in our financial statements.

**Managed Fund:** Managed funds consist of capital provided by lenders directly to borrowers, with our Company responsible for sourcing, managing, and collecting the funds. In such cases, the portfolio is reflected in the books of the lenders.

### Loan Portfolio detail:

Particulars	As on March 31, 2024			As on June 30, 2024		
	Loan Amount (Rs. In Cr.)	NPA (Rs. In Cr.)	(%)	Loan Amount (Rs. In Cr.)	NPA (Rs. In Cr.)	(%)
<b>Personal Loans</b>	90.65	0.12	0.13%	87.32	0.21	0.24%
<b>Unsecured MSME Loans</b>	62.94	0.82	1.30%	74.49	1.20	1.61%
<b>Secured LAP MSME Loans</b>	17.86	0.00	0.00	18.98	0.00	0.00%
<b>Total</b>	<b>171.45</b>	<b>0.94</b>	<b>0.55%</b>	<b>180.79</b>	<b>1.41</b>	<b>0.78%</b>

#### Personal Loans

Personal loans are given by our Company to safaikaramcharis (Staffs of Municipalities) who are permanent employees of the municipalities. The EMIs are being deducted from their salaries and therefore company's NPA in this product category is Negligible.

This product constitutes 52.87% and 48.30% of our total loan portfolio amounting to Rs. 90.65 Cr as on March 2024 and Rs. 87.32 Cr as on June 2024, where NPA ratio is merely 0.13% and 0.24% for March 2024 and June 2024 respectively.

#### Secured LAP MSME Loans

This product constitutes 10.41% and 10.50% of our total loan portfolio amounting to Rs. 17.86 Cr. as on March 2024 and Rs. 18.98 Cr. as on June 2024 respectively. Our loan portfolio under this category is 15 months old only as we have started giving loan under this category very recently.

### **Unsecured MSME Loans**

Loan portfolio under this category constitutes 36.71% and 41.20% of our total loan portfolio amounting to Rs 62.94 Cr and Rs 74.49 Cr as on March 2024 and June 2024, where the NPA ratio is 1.30% and 1.61% for March 2024 and June 2024 respectively. Further we have an effective recovery mechanism in place and our Company's portfolio size is small and hence, we are able to monitor portfolio closely and efficiently.

## **RECOVERY PROCESS**

*For Unsecured Loan & Secured Loan;*

1. When a borrower is unable to make loan repayment on the due EMI date, the loan became overdue and the recovery process of such overdue amount starts immediately. After the information of non-payment received from the accounts team the operation team resumes the recovery process.
2. To facilitate this process, field staff visits the borrower's location to collect the EMI amount, either in cash or through online payment. In certain cases, EMI is collected by cheque also. Additionally, if the e-NACH process also activated for direct debit from the borrower's account.
3. Generally, before any EMI became due all field staff members ensure personal meetings or make awareness calls to borrowers. In spite of that if the payment become overdue employees promptly visit the overdue borrower's residence to identify the reasons for the overdue payment. If the reasons are genuine and valid (e.g., medical emergencies), a grace period may be granted. Such decisions are made by branch managers on a case-by-case basis in consultation with the Senior Operations Team.
4. Efforts are made to recover default amounts amicably by involving neighbours, local dignitaries, or business references collected during loan underwriting.
5. Teamwork is fostered among all branch staff to collectively encourage the borrower to pay the overdue amount.
6. Assistance from trusted members of the community is sought, if feasible.
7. Additional employees may be assigned to the recovery process if the default is widespread across multiple collection points. Approval from higher authorities is required for such assignments, and continuous monitoring is undertaken until the overdue amounts are regularized.
8. If the default is due to temporary financial difficulties, borrowers are allowed to make partial payments of the instalment.
9. If overdue amounts increase due to poor field monitoring by staff, corrective actions are taken without delay. These actions may include transferring the staff to another location, appointing more competent personnel for recovery, issuing warnings, or sending show-cause notices, depending on the nature of the error or negligence.
10. DCCL do not employ recovery agents; instead, our team directly communicates with borrowers to recover the EMI.

For *Personal Loan*, EMI is paid by the employer of Municipalities directly to our nominated Bank Account or cheque of EMI amount is collected by our representative from the employer.

### **Grace Period Policy:**

Grace Period allowed to borrower of our Company depends upon the Financial Product, collection method and related Collection frequency. As per the collection policy DCCL has the following Collection Methodology:

- Through bank (ENACH/ECS/POS/Cheque)
- In Cash.

The grace period is as under:

#### **A. Personal Loan:**

Personal Loan is collected on monthly basis and having fixed date of EMI payment and no grace period is allowable.

#### **B. MSME Loan (both secured & unsecured)**

- For the unsecured business loan with the ticket size below INR 50,000/- with bi-weekly collection frequency and collection method is in cash – in such cases - if any holiday falls on the instalment day, then three days grace period is allowed.
- For all other secured and unsecured the collection frequency is Monthly EMI and the collection method is through E-NACH/ECS/ POS/Cheque - No grace period is allowed – i.e. there is no change in the due date of payment as the dates are pre-fixed as per the mandate signed with the borrower.

## OUR STRATEGIES

### *Digital transformation:*

Our Company is in the process of implementing a mobile application for the loan underwriting process by leveraging AI technology. Additionally, the Company has digitally automated online KYC verification for documents such as PAN, Voter ID, and Aadhaar by directly sourcing data from NSDL, the Election Commission website, and UID systems before onboarding customers. Furthermore, we have automated the verification of customers' creditworthiness using Credit Bureau records and generates a snapshot report to support the decision-making process at the branch level.

### *Continue to grow our portfolio by expanding our geographical footprint:*

Our Company has successfully expanded its presence to Bihar and Jharkhand during the first half of 2024-25 and is planning to establish additional branches in these states in the near future. We also intend to further expand its footprint into other states, reinforcing its commitment to growth and broader market reach.

### *Further strengthening our risk and underwriting model.*

Our Company is continuously upgrading its existing underwriting platform based on periodic reviews conducted by the operations team and risk assessment team. AI technology has been introduced into the risk evaluation model for creditworthiness verification. We also ensure continuous enhancement of underwriting policies and their systematic implementation within the software to comply with various regulatory requirements. Additionally, borrower profiling has been incorporated, with AI-enabled analysis aimed at minimizing defaults and reducing NPAs. The underwriting software is further developed based on suggestions from the Board, Advisors, market regulators, and lenders to build greater trust among stakeholders and drive sustainable growth.

### *Innovative Use of Technology*

Our lenders receive comprehensive financial information about the company through our Website i.e. [www.darcredit.com](http://www.darcredit.com) along with details about the management, promoters, and directors. The company also maintains an online presence, offering a platform to showcase its products and services, which helps attract potential lenders. This online visibility not only enhances brand awareness but also contributes to the company's overall business growth.

## EMPLOYEES

As of October 31, 2024, we had 223 full-time employees. The table below provides a breakdown of our employees by their functions as of October 31, 2024:

Department	Number of people
Accounts and Audit	11
HR and Administrative	2
Compliance	2
Credit	8
Finance	3
IT/MIS	1
Management	6
Operations	188
Treasury	2
<b>Total</b>	<b>223</b>

We have a systematic selection process for all levels of employees. The selection criteria and process for hiring employees includes several stages and checks to ensure that qualified personnel are selected. The pre- screening process reviews the applicant's credentials and qualifications, including but not limited to, educational background, employment history, expected remuneration, etc. Candidates will go through personal interviews and the required documents for such interview includes resume, residence proof, address proof, educational history and employment records, among others. Upon the completion of the interview process, we conduct a pre-offer documentation process, which includes KYC proofs and past compensation documents. We conduct periodical reviews of our employees' performance and determine salaries and discretionary bonuses based upon those reviews and general market conditions. We endeavour to maintain good working relationships with our employees and have not experienced any significant employee disputes or strikes. Our employees are not subject to any collective bargaining agreements or represented by labour unions. **Our Company does not employ any contractual staff.**

## OUR PROPERTIES

We carry out our business operations from the following properties

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage	Own/Rented
1.	Conveyance Deed made between Rungta Properties Private Limited and The Right Address Limited and Aban Holdings Private Limited on July 13, 2005. However, after merger order between DAR Credit & Capital LTD and Aban Holdings Private limited on November 27, 2018, all the properties of ABAN Holdings Private Limited has transferred to DAR Credit & Capital Ltd.	Property Situated at 206, AJC Bose Road, Business Tower, Unit 6B, 6 <sup>th</sup> Fl, Kolkata 700017.	Market Value of property at the time of purchase is ₹ 93,56,900/-	-	Commercial – Registered Office	Owned
2.	Conveyance deed made on August 23, 1999 between M/s Ram Laxman Construction Pvt Ltd. And M/s DAR Credit & Capital Ltd.	Property situated at Office No. 212 & 213 G-19, C Scheme, gopal tower, Krishna Marg, C scheme, Jaipur, Rajasthan India	Market Value of property at the time of purchase is ₹ 4,42,500/-	-	Commercial – Regional Office	Owned
3.	Conveyance deed made on March 01, 2019 between M/s Shrinath Financial Services and DAR Credit & Capital Ltd.	Property situated at Office No 210, Second Floor Shri Gopal Tower, Krishna Marg C-Scheme, Jaipur, Rajasthan	Market Value of property at the time of purchase is ₹ 6,00,000/-	-	Commercial – Regional Office	Owned
4.	Conveyance deed made on May 12, 2017 between M/s Ram Laxman Construction Pvt Ltd and DAR Credit & Capital Ltd.	Property situated at Office No 211, Second Floor Shri Gopal Tower, Krishna Marg C-Scheme, Jaipur, Rajasthan	Market Value of property at the time of purchase is ₹ 4,00,000/-	-	Commercial – Regional Office	Owned

#### Rented Properties

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage	Own/Rented
1.	Rent Agreement made on September 11, 2024 between Mr, Arun Kumar Daw and M/s DAR Credit & Capital Ltd.	Property situated at Joykrishnapur CT, P.O. Begampur, P.S. Chanditala, Dist. Hooghly, Pin – 712306, West Bengal	Monthly Rent of ₹ 9,900/-	11 Months	Commercial – Branch Office	Rented
2.	Rent Agreement made on November 01, 2023 between Mr. Lakshman Saha and M/s Dar Credit & Capital Ltd.	Property Situated at Nasipur (Sahapara), P.O. Dainhat, Word No-12, P.S. Katwa, Purba Burddhaman, West Bengal -713502	Monthly Rent of ₹ 7,000/-	1 Year 11 Months	Commercial – Branch Office	Rented
3.	Rent Agreement made on November 01, 2023 between Mr. Subhajit	Property Situated at Ramchandrapur, P.O- Shyamnagar,	Monthly Rent of ₹ 7,150/-	1 Year 11 Months	Commercial – Branch Office	Rented

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage	Own/Rented
	Biswas and M/s Dar Credit & Capital Ltd.	Palashipara, Dist:- Nadia, West Bengal – 741155				
4.	Rent Agreement made on May 01, 2024 between Mr. Jadab Mandal and M/s Dar Credit & Capital Ltd	Property Situated at Hamirpur, Balichak, Debra, Paschim Medinipur, West Bengal – 741124	Monthly Rent of ₹ 8,000/-	1 Year 11 Months	Commercial – Branch Office	Rented
5.	Agreement for Leave and Licence made on September 14, 2023 between Debnath Chattopadhyaya and M/s Dar Credit & Capital Ltd	Property Situated at Noapara Kalibari road, Holding No. 1310 under ward no. 11, Barasat, West Bengal 700124	Monthly Licence of ₹ 10,000/-	11 Months	Commercial – Branch Office	Rented
6.	Rent Agreement made on June 21, 2024 between Mr. Ashok Roy and M/s Dar Credit & Capital Ltd	Property Situated at Word No 08, Saipala, S.N. Majumder Road, Basirhat, Parganas, West Bengal – 743411	Monthly Rent of ₹ 9,000/-	1 Year 11 Months	Commercial – Branch Office	Rented
7.	Rent Agreement made on September 30, 2023 between Mr. Pijush Kanki Rana and Dar Credit & Capital Ltd	Property Situated at Susinda (Subaj Pally), Belda, Paschim Medinipur, West Bengal 721424.	Monthly Rent of ₹ 5,400/-	1 Year 11 Months	Commercial – Branch Office	Rented
8.	Agreement for Leave and Licence at will made on June 01, 2024 between Smt. Mihir Kumar Mondal and Dar Credit & Capital Ltd	Property Situated at Debalay, P.O. Debalay, P.S.- Deganga, District North 24 Parganas, West Bengal- 743424	Monthly Licence fee of ₹ 7,600/-	1 Year 11 Months	Commercial – Branch Office	Rented
9.	Rent Agreement made on August 01, 2023 between Mr. Ahasan Habib Molla and Dar Credit & Capital Ltd	Property Situated at Raynagar Jaltank Para, holding No 950, Diamond Harbour, South 24 Parganas, west Bengal 743331	Monthly Rent of ₹ 13,000/-	2 Year 11 Months	Commercial – Branch Office	Rented
10.	Rent Agreement made on June 01, 2024 between Mr. Subrata Ghosh and Dar Credit & Capital Ltd	Property Situated at Khamarchandi (Chowdharypara), Haripal, Hooghly, West Bengal 712405	Monthly Rent of ₹ 10,000/-	1 Year 11 Months	Commercial – Branch Office	Rented
11.	Rent Agreement made on July 10, 2024 between Mr. Ananda Tarafdar and Dar Credit & Capital Ltd	Property Situated at Baikhola, Baneswarpur, Bagdha, West Bengal 743270	Monthly Rent of ₹ 5,500 /-	1 Year 11 Months	Commercial – Branch Office	Rented
12.	Rent Agreement made on June 01, 2023 between Bappa Ditya Maji and Dar Credit & Capital Ltd	Kakdwip	Monthly Rent of ₹ 2,800 /-	2 years	Commercial – Branch Office	Rented
13.	Rent Agreement made on September 01, 2023 between Mr. Chandan Nandi and Dar Credit &	Property situated at Karimpur College Para (Purba Para), Karimpur, Nadia,	Monthly Rent of ₹ 6,500 /-	1 Year 11 Months	Commercial – Branch Office	Rented

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage	Own/Rented
	Capital Ltd	West Bengal 741152				
14.	Rent Agreement made on December 20, 2022 between Mr. Krishnendu Roy and Dar Credit & Capital Ltd	Property Situated at Ward No 07, Khirpai Shyamalganj (Near Duckbanglo More), Khirpai, Chandrakona, Paschim Medinipur, West Bengal – 721232.	Monthly Rent of ₹ 7,500 /-	11 Month	Commercial – Branch Office	Rented
15.	Rent Agreement made on July 01, 2024 between Shri Biswajit Acharya and M/s Dar Credit & Capital Ltd.	Property Situated at L.R. Dag No. 685, Under L.R. Khatian No. 1296, of Humayunpur Mouza, J.L. No. 52, R.S. No. 56, Touzi No 146, Present P.S. Madhyamgram, A.D.S.R. Barasat North, West Bengal	Monthly Rent of ₹ 8,800 /-	1 Year 11 Months	Commercial – Branch Office	Rented
16.	Rent Agreement made on May 01, 2024 between Mr. Kalisankar Acharya and M/s Dar Credit & Capital Ltd.	Property Situated at Dakshin Moyna, Purba Medinipur, West Bengal 721629	Monthly Rent of ₹ 7,700/-	1 Year 11 Months	Commercial – Branch Office	Rented
17.	Rent Agreement made on May 01, 2024 between Mr. Sandip Panja and M/s Dar Credit & Capital Ltd.	Property Situated at Ward No. 07, Madhusudhan Bar, Panskura R.S., East Medinipur, West Bengal - 721152	Monthly Rent of ₹ 8,200/-	11 Months	Commercial – Branch Office	Rented
18.	Rent Agreement made on July 01, 2022 between Alpana Roy and M/s Dar Credit & Capital Ltd.	Ranaghat	Monthly Rent of ₹ 6,500/-	3 years	Commercial – Branch Office	Rented
19.	Rent Agreement made on June 01, 2024 between Mr. Pronati Sen and M/s Dar Credit & Capital Ltd.	Property Situated at Madhya Srirampur, Nandanghat, Purba Bardhaman, West Bengal – 741316	Monthly Rent of ₹ 7,500/-	11 Months	Commercial – Branch Office	Rented
20.	Rent Agreement made on November 01, 2024 between Mr. Paresh Rudra and M/s Dar Credit & Capital Ltd.	Property situated at Bamanpur Maldanga, Monteswar, Purba Bardhaman, West Bengal 713145	Monthly Rent of ₹ 10,000/-	1 Year 11 Months	Commercial – Branch Office	Rented
21.	Rent Agreement made on 24.06.2000 between Dar Credit & Capital Limited and Waqf Board for a period of 11 months and thereafter continued on montly payment basis including rent	Property situated at 1st Floor, near Darbar Road, Subash Bazar Tonk, Rajasthan - 304001	Monthly rent of 1600/-	11 Months	Commercial – Branch Office	Rented

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage	Own/Rented
22.	Rent Agreement made on February 01, 2024 between Mr. Ashok Kumar and M/s Dar Credit & Capital Ltd.	Property situated at Word No 07, Mahua Singh Ray, Mahua, Vaishali, Bihar 844122	Monthly Rent of ₹ 10,000/-	11 Months	Commercial – Branch Office	Rented
23.	Rent Agreement made on February 05, 2024 between Mr. Bhola Sah and M/s Dar Credit & Capital Ltd.	Property Situated at Godri Road, Tajpur, Samastipur, Bihar 848130	Monthly Rent of ₹ 9,000/-	11 Months	Commercial – Branch Office	Rented
24.	Rent Agreement made on February 01, 2024 between Mr. Kamlesh Jha and M/s Dar Credit & Capital Ltd.	Property situated at Teghra (Kaswa), Bihar - 851133	Montly rent of ₹ 9000/-	1 Year 11 Months	Commercial – Branch Office	Rented
25.	Rent Agreement made on August 14, 2024 between Mr. Sanjay Kumar Vaidya and M/s Dar Credit & Capital Ltd.	Property situated at Argaghat Road, Giridih, Jharkhand 815301	Monthly Rent of ₹ 8,000/-	11 Months	Commercial – Branch Office	Rented
26.	Rent Agreement made on August 01, 2024 between Smt. Sneha Anupam and M/s Dar Credit & Capital Ltd.	Property situated at Simaria, Jasidih, Deoghar, Jharkhand – 814142	Monthly Rent of ₹ 11,000/-	11 Months	Commercial – Branch Office	Rented
27.	Rent Agreement made on August 14, 2024 between Mr. Rajesh Kumar Dubey and M/s Dar Credit & Capital Ltd.	Property situated at Ojha More, Madhupur, Deoghar, Jharkhand 815353	Monthly Rent of ₹ 10,000/-	1 Year and 11 Months	Commercial – Branch Office	Rented

## OUR MANAGEMENT

### Our Key Managerial Personnel and Senior Management

**Priya Kumari**, aged 29 years, is the Company Secretary and Compliance Officer of our Company. She holds Bachelor's Degree in Commerce from University of Calcutta. She also holds Master Degree in Commerce from Indra Gandhi National University. Also, she is qualified Company Secretary and an associate member of Institute of Company Secretaries of India. She has over 2.6 years of experience in the field of Legal, financial and Secretarial department. Further she is an Independent Director in Senrysa Technologies Limited. She has been associated with our company since September, 2023. She oversees the Secretarial, legal and compliance related function in our company. She received an aggregate remuneration of ₹ 4,08,333 in F.Y. 2023-24.

### Changes in Key Managerial Personnel and Senior Management in the Last Three Years

Set forth below, are the changes in our Key Managerial Personnel and Senior Management in the last three years immediately preceding the date of filing of this Draft Red Herring Prospectus:

Name	Designation	Date of Appointment/ change	Reason
Aradhana Nathany	Company Secretary	04.05.2022	Resignation due to personal reasons
Kashish Arora	Company Secretary	16.05.2022	Appointment
Kashish Arora	Company Secretary	17.12.2022	Resignation due to personal reasons
Sakshi Garg	Company Secretary	10.02.2023	Appointment
Rajkumar Vijay	CEO	08.08.2023	Resignation due to personal reasons
Jayanta Banik	CEO	08.08.2023	Appointment
Sakshi Garg	Company Secretary	09.08.2023	Resignation due to personal reasons
Megha Saraf	CFO	01.09.2023	Resignation due to personal reasons
Saket Saraf	CFO	15.09.2023	Appointment
Priya Kumari	Company Secretary	15.09.2023	Appointment

Cash Flow attached as Annexure A

**RESTATED FINANCIAL STATEMENT**

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Cash Flows

(Amount ₹ in lakhs)

Particulars	For the year ended March 31,			
	For period ended June 30, 2024 (Standalone)	2024 (Standalone)	2023 (Standalone)	2022 (Standalone)#
Net Cash from/(used in) Operating Activities	(1,091.67)	(3,285.30)	(1,609.03)	1,998.24
Net Cash from/(used in) Investing Activities	299.09	(72.19)	1,084.19	(780.52)
Net Cash from/(used in) Financing Activities	(683.84)	4,463.18	1,387.68	(1,294.70)

# The company had a wholly-owned subsidiary, "Dar Credit Microfinance Private Limited," which was subsequently disposed off in FY 2022-23, for comparison purposes, figures of FY 2021-22 are considered on a standalone basis, while consolidated figures are presented in a later part of this chapter.

#### Cash Flows from Operating Activities

- For the period ended June 30, 2024 net cash used in operating activities was ₹ 1,091.67 Lakhs. This comprised of the profit before tax of ₹ 201.65 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹ 16.67 Lakhs, Gratuity Provision of ₹ 1.17 Lakhs, Gain on sale of Investments of ₹ 9.29 Lakhs, Gain on sale of Fixed assets of ₹ 32.09 Lakhs and Bad Debts/Provision for Bad and Doubtful Debts of ₹ 0.97 Lakhs. The resultant operating profit before working capital changes was ₹ 179.08 Lakhs, which was primarily adjusted for an increase in loans and advances of ₹ 1085.31 lakhs, increase in other current assets of ₹ 187.95 lakhs, decrease in trade & other payables during the period of ₹ 9.81 Lakhs and increase in other current liabilities & provisions during the year of ₹ 35.00 Lakhs.

Cash used in Operations was ₹ 1,068.99 Lakhs which was reduced by Direct Tax paid of ₹ 22.68 Lakhs resulting into Net cash used in operating activities of ₹ 1,091.67 Lakhs.

- In FY 2024 net cash used in operating activities was ₹ 3,285.30 Lakhs. This comprised of the profit before tax of ₹ 491.73 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹ 60.73 Lakhs, Interest income on debenture of ₹ 56.04 Lakhs, Gratuity Provision of ₹ 4.08 Lakhs, Gain on sale of Investments of ₹ 11.80 Lakhs, Loss on sale of Fixed assets of ₹ 0.14 Lakhs and Bad Debts/Provision for Bad and Doubtful Debts of ₹ 14.50 Lakhs. The resultant operating profit before working capital changes was ₹ 503.34 Lakhs, which was primarily adjusted for increase in loans and advances of ₹ 4,545.34 lakhs, decrease in other current assets of ₹ 885.95 lakhs, increase in trade & other payables during the year of ₹ 0.29 Lakhs and decrease in other current liabilities & provisions during the year of ₹ 11.01 Lakhs.

Cash used in Operations was ₹ 3,166.77 Lakhs which was reduced by Direct Tax paid of ₹ 118.53 Lakhs resulting into Net cash flow used in operating activities of ₹ 3,285.30 Lakhs.

- In FY 2023, net cash used in for operating activities was ₹ 1,609.03 Lakhs. This comprised of the profit before tax of ₹ 367.40 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹ 59.60 Lakhs, Interest income on debentures of ₹ 40.75 Lakhs, Gratuity Provision of ₹ 1.22 Lakhs, Gain on sale of Investments of ₹ 2.36 Lakhs, Gain on sale of Fixed assets of ₹ 24.18 Lakhs and Bad Debts/Provision for Bad and Doubtful Debts of ₹ 10.42 Lakhs. The resultant operating profit before working capital changes was ₹ 371.30 Lakhs, which was primarily adjusted for increase in loans and advances of ₹ 1,365.47 lakhs, increase in other current assets of ₹ 683.26 lakhs, increase in trade & other payables during the year of ₹ 2.52 Lakhs, increase in Other current liabilities & provisions during the year of ₹ 66.77 Lakhs.

Cash used in operations was ₹ 1,608.14 Lakhs which was reduced by Direct Tax paid of ₹ 0.89 Lakhs resulting into Net cash flow used in operating activities of ₹ 1,609.03 Lakhs.

- In FY 2022, net cash flow from operating activities was ₹ 1,998.24 Lakhs. This comprised of the profit before tax of ₹ 302.77 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹ 55.04 Lakhs, Profit on sale of fixed assets of ₹ 3.02, Gratuity Provision of ₹ 2.74 Lakhs, Gain on sale of Investments of ₹ 3.49 Lakhs. The resultant operating profit before working capital changes was ₹ 354.04 Lakhs, which was primarily adjusted for decrease in loans and advances of ₹ 1,340.03 lakhs, decrease in other current assets of ₹ 556.36 lakhs, decrease in trade & other payables during the year of ₹ 74.88 Lakhs, increase in Other current liabilities & provisions during the year of ₹ 143.44 Lakhs.

Cash flow from Operations was ₹ 2,318.99 Lakhs which was reduced by Direct Tax paid of ₹ 320.75 Lakhs resulting into

Net cash flow from operating activities of ₹ 1,998.24 Lakhs.

### ***Cash Flows from Investment Activities***

1. For the period ended June 30, 2024, net cash flow from investing activities was ₹ 299.09 Lakhs, which primarily comprised of Capital expenditure on fixed assets, including capital advances of ₹ 7.20 Lakhs, Proceeds from sale of property, plant & equipment of ₹ 90 Lakhs, Sale of investments of ₹ 600.55 Lakhs and Purchase of investments of ₹ 384.26 Lakhs.
2. In FY 2024, net cash used in investing activities was ₹ 72.19 Lakhs, which primarily comprised of Capital expenditure on fixed assets, including capital advances of ₹ 25.40 Lakhs, Proceeds from sale of property, plant & equipment of ₹ 2.08 Lakhs, Sale of investments of ₹ 1,084.48 Lakhs, Purchase of investments of ₹ 1,189.39 Lakhs and Interest on debentures of ₹ 56.04 Lakhs.
3. In FY 2023, net cash flow from investing activities was ₹ 1,084.19 Lakhs, which primarily comprised of Capital expenditure on fixed assets, including capital advances of ₹ 109.41 Lakhs, Proceeds from sale of property, plant & equipment of ₹ 72.40 Lakhs, Dividend income of ₹ 0.05 Lakhs, Sale of investments of ₹ 2,236.71 Lakhs, Purchase of investments of ₹ 1,156.31 Lakhs and Interest on debentures of ₹ 40.75 Lakhs.
4. In FY 2022, net cash used in investing activities was ₹ 780.52 Lakhs, which primarily comprised of Capital expenditure on fixed assets, including capital advances of ₹ 70.72 Lakhs, Proceeds from sale of property, plant & equipment of ₹ 9.60 Lakhs, Sale of investments of ₹ 1,045.54 Lakhs and Purchase of investments of ₹ 1,764.93 Lakhs.

### ***Cash Flows from Financing Activities***

1. For the period ended June 30, 2024, net cash used in financing activities was ₹ 683.84 Lakhs, which predominantly comprised of repayment of borrowings of ₹ 633.84 Lakhs and Dividend paid of ₹ 50.00 Lakhs.
2. In FY 2024, net cash generated from financing activities was ₹ 4,463.18 Lakhs, which predominantly comprised of increase in borrowings of ₹ 4,513.18 Lakhs and Dividend paid of ₹ 50.00 Lakhs.
3. In FY 2023, net cash generated from financing activities was ₹ 1,387.68 Lakhs, which predominantly comprised of increase in borrowings of ₹ 1,437.68 Lakhs and Dividend paid of ₹ 50.00 Lakhs.
4. In FY 2022, net cash used in financing activities was ₹ 1,294.70 Lakhs, which predominantly comprised of repayment of borrowings of ₹ 1,244.70 Lakhs and Dividend paid of ₹ 50.00 Lakhs.

### **Consolidated Cash flow for the year ended 2022**

(Amount in Lakhs)

Particulars	For the year ended March 31, 2022
Net Cash from/(used in) Operating Activities	2,001.07
Net Cash from/(used in) Investing Activities	(780.52)
Net Cash from/(used in) Financing Activities	(1,294.70)

#### ***1. Cash Flows from Operating Activities***

In FY 2022, net cash flow from operating activities was ₹ 2,001.07 Lakhs. This comprised of the profit before tax of ₹ 302.78 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹ 55.04 Lakhs, Profit on sale of fixed assets of ₹ 3.02, Gratuity Provision of ₹ 2.74 Lakhs, Gain on sale of Investments of ₹ 3.49 Lakhs. The resultant operating profit before working capital changes was ₹ 354.05 Lakhs, which was primarily adjusted for decrease in loans and advances of ₹ 1,444.11 lakhs, decrease in other current assets of ₹ 459.12 lakhs, decrease in trade & other payables during the year of ₹ 74.88 Lakhs, increase in Other current liabilities & provisions during the year of ₹ 140.85 Lakhs.

Cash flow from Operations was ₹ 2,323.25 Lakhs which was reduced by Direct Tax paid for ₹ 322.18 Lakhs resulting into Net cash flow from operating activities of ₹ 2,001.07 Lakhs.

#### ***2. Cash Flows from Investment Activities***

In FY 2022, net cash used in investing activities was ₹ 780.52 Lakhs, which primarily comprised of Capital expenditure on fixed assets, including capital advances of ₹ 70.72 Lakhs, Proceeds from sale of property, plant & equipment of ₹ 9.60 Lakhs, Sale of investments of ₹ 1,045.54 Lakhs and Purchase of investments of ₹ 1,764.93 Lakhs.

#### ***3. Cash Flows from Financing Activities***

In FY 2022, net cash used in financing activities was ₹ 1,294.70 Lakhs, which predominantly comprised of repayment of borrowings of ₹ 1,244.70 Lakhs and Dividend paid of ₹ 50 Lakhs.

**Loan Portfolio detail:**

	<b>As on March 31, 2024</b>			<b>As on June 30, 2024</b>		
<b>Particulars</b>	<b>Loan Amount (Rs. In Cr.)</b>	<b>NPA (Rs. In Cr.)</b>	<b>(%)</b>	<b>Loan Amount (Rs. In Cr.)</b>	<b>NPA (Rs. In Cr.)</b>	<b>(%)</b>
<b>Personal Loans</b>	90.65	0.12	0.13%	87.32	0.21	0.24%
<b>Unsecured MSME Loans</b>	62.94	0.82	1.30%	74.49	1.20	1.61%
<b>Secured LAP MSME Loans</b>	17.86	0.00	0.00	18.98	0.00	0.00%
<b>Total</b>	<b>171.45</b>	<b>0.94</b>	<b>0.55%</b>	<b>180.79</b>	<b>1.41</b>	<b>0.78%</b>

## GOVERNMENT AND OTHER APPROVALS

### IV. Material approvals or renewals for which applications are currently pending before relevant authorities

Sr. No	Address
1	Application for Shops and Establishments- Basirhat, Ward No: 08, Sainpala, S.N.Majumder Road, P.O. + P.S. - Basirhat, Dist.: North 24 Parganas, W.B., Pin- 743411
2	Application for Shops and Establishments- Panskura, Ward No-7, Vill: Madhusudhan Bar, P.O.: Panskura, P.S.: Panskura, Dist: East Medinipur, W.B., Pin – 721 152
3	Application for Shops and Establishments- Kakdwip, Vill: South Gabindapur, P.O.: Kakdwip, P.S.: Kakdwip, Dist.: South 24 Parganas, W.B., Pin – 743 347
4	Application for Shops and Establishments- Madhyamgram, Sreenagar 3 No. Gate, P.O.: Madhyamgram, P.S.: Madhyamgram, Dist.: North 24 Parganas, W.B., Pin – 700 129
5	Application for Shops and Establishments- Berachmpa, Vill: Debalaya, P.O.: Debalaya, P.S.: Deganga, Dist.: North 24 Parganas, W.B., Pin – 743 424
6	Application for Shops and Establishments- Balichak, Vill: Hamirpur, P.O.: Balichak, P.S.: Debra, Dist.: Paschim Medinipur, W.B., Pin – 721 124
7	Application for Shops and Establishments- Ranaghat, Vill: Binpara, Satigacha, P.O.: Anulia, P.S.: Ranaghat, Dist: Nadia, W.B., Pin – 741 201
8	Application for Shops and Establishments- Moyana, Vill: Dakshin Moyna, P.O.: Moyna, P.S.: Moyna, Dist.: Purba Medinipur, W.B., Pin – 721 629
9	Application for Shops and Establishments- Sreerampur, Vill: Madhya Srirampur, P.O.: Srirampur, P.S.: Nadanghat, Dist: Purba Bardwan, W.B., Pin – 741 316
10	Application for Shops and Establishments- Begampur, Vill: Joykrishnapur, P.O.: Begumpur, P.S.: Chanditala, Dist: Hooghly, W.B., Pin – 712 306
11	Application for Shops and Establishments- Karimpur, Vill: Natna, P.O.: Natna, P.S.: Karimpur, Dist: Nadia, W.B., Pin – 741 122
12	Application for Shops and Establishments- Palashipara, Vill: Ramchandrapur, P.O.: Shyamnagar, P.S.: Palashipara, Dist: Nadia, W.B., Pin – 741 155
13	Application for Shops and Establishments-Khirpai, Vill: Khirpai Shyamalganj (near duck banglo more), Ward No- 7, P.O.: Khirpai, P.S.: Chandrakona, Dist: Paschim Medinipur, W.B., Pin – 721 232
14	Application for Shops and Establishments- Dainhat, Vill- Nasipur (sahapara), P.O.: Dainhat, Ward No- 12, P.S.: Katwa, Dist: Purba Barddhaman, W.B., Pin – 713 502
15	Application for Shops and Establishments- Monteswar, Vill: Monteswar, P.O.: Monteswar, P.S.: Monteswar, Dist: Purba Barddhaman, W.B., Pin – 713 145
16	Application for Shops and Establishments- Helencha, Vill - Baikhola, P.O.: Baneswarpur, P.S.: Bagdah, Dist: North 24 Parganas, W.B., Pin – 743 270
17	Application for Shops and Establishments- Haripal, Vill – Khamarchandi, P.O.: Khamarchandi, P.S.: Haripal, Dist: Hooghly, W.B., Pin – 712 405
18	Application for Shops and Establishments- Belda, Vill- Susinda (Sabuj Pally), P.O.: Belda, P.S.: Belda, Dist.: Paschim Medinipur, W.B., Pin – 721 424

## OTHER REGULATORY AND STATUTORY DISCLOSURES

- *The company should have positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application.*

Our Company has positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years details are mentioned as below.

<b>Rs in Lakhs</b>			
<b>Particulars</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Cash flow from operation - Income tax paid	(3,285.30)	(1,609.03)	2,001.07
Purchase of property, plant & equipment (Including CWIP) - Sale of property, plant & equipment (Including CWIP) + Capital Advances	(23.32)	(37.01)	(61.12)
Proceeds/(Repayment) of Borrowings	4,513.18	1,437.68	(1,244.70)
Interest Expenses post tax (1-t)	-	-	-
<b>FCFE</b>	<b>1,204.56</b>	<b>(208.36)</b>	<b>695.25</b>

## **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

### **Material Documents**

(j) Key Performance Indicator Certificate dated November 18, 2024 issued by Statutory Auditor

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government or the regulations, rules or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made there under or guidelines issued, as the case may be. I further certify that all the statements in this Corrigendum cum Addendum to the Draft Red Herring Prospectus are true and correct.

**Signed by the Director**

**Sd/-**

**RAMESH KUMAR VIJAY**

**DIN: 00658473**

**Date: February 20, 2025**

**Place: Kolkata**