THAKUR FININVEST PVT. LTD.
NBFC Regd. with Reserve Bank of India

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CIN No.: U65990MH1997PTC105696

MANAGEMENT DISCUSSION AND ANALYSIS

BACKGROUND:

Thakur Fininvest Private Limited ('TFPL' or 'the Company') is registered with the Reserve Bank of India as a non-deposit taking Non-Banking Financial Company under the category of an Investment and Credit Company (NBFC-ICC). As per the Audited Financial Statements for the year ended March 31, 2025, the Company's classification has changed from NBFC - Base Layer (NBFC-BL) to NBFC - Middle Layer NBFC (NBFC-ML), as outlined in the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

GLOBAL ECONOMIC SCENARIO

Global economy has witnessed multiple shocks during the year. The economy demonstrated notable instability across regions during the financial year 2025. In its April 2025 World Economic Outlook, the IMF downgraded global growth forecasts for 2025 to 2.8%. While global GDP growth is projected to moderate, the extent of the slowdown and its impact vary by region and country.

This sharp downgrade reflects a global economy grappling with trade tensions and policy uncertainty. While advanced economies face slower growth, emerging markets are vulnerable to trade disruptions and constrained financial conditions.

The global economy for 2025 and 2026 remains clouded by multiple challenges with elevated public debt across several economies; protracted geopolitical tensions; heightened trade tensions; financial market volatility; and climate shocks. Inflation remains a concern in some areas, and policy uncertainty continue to pose challenges. Global growth is likely to face significant headwinds going ahead emanating from overlapping factors of trade-related tariff barriers, rapid currency swings and disintegrated capital/investment flows. Geopolitical tensions and trade uncertainties remain significant risks to the global economy.

INDIAN ECONOMIC SCENARIO

During the Financial Year 2024-25, the Indian economy exhibited a consistent trajectory of growth despite enduring three turbulent years marked by a global pandemic, supply chain disruptions, elevated interest rates aimed at curbing high inflation, ongoing conflict between Russia-Ukraine. Amidst the apprehensive global situation, the Indian economy continues to remain hopeful. As per RBI estimates, GDP has grown by 6.5% for FY25.

Driven by accelerated consumer demand, a pick-up in capex, improved trade dynamic strong macroeconomic fundamentals, including services export growth, increased forex reserves, India emerged as the world's fastest-growing major economy. India has also recorded a healthy growth in net GST revenue for FY25, indicating robust domestic economic activity. Furthermore, service exports surged 12.4% and FDI inflows grew by a significant 13.7%, reflecting India's strengthening position in the global market and continued international confidence in India's growth story and its

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attractive investment environment. The Government has made significant policy changes, paying closer attention to new and emerging industries. Bold policy resets, job creation, concerted efforts towards sustainable growth, have been the remarkable developments.

The Indian economy is poised to sustain its position as the fastest growing major economy during 2025-26 as per the estimates of major multilateral agencies. RBI projects a similar Real GDP growth of 6.5% for FY26 also.

INDIAN CAPITAL MARKETS

The year 2024-25 was a volatile year for the Indian stock markets. The capital markets exhibited a mixed performance, characterized by strong domestic buying, particularly in the financial sector and mid-cap stocks, alongside increased investor participation and record market capitalization.

However, volatility persisted, with corrections occurring due to concerns over stretched valuations, subdued corporate earnings, and global uncertainties. Despite this, India's markets generally outperformed peers in emerging markets.

As the year went on, the markets continued their upward trajectory, with minor corrections, including the fall after the national election results. In July, the Sensex touched 80,000, and by September, it had scaled the 85,000 mark. Thereafter, sentiment was shaken and selling pressures intensified. It was a time of big ups and downs, with different parts of the market performing very differently. The second half of the year exhibited sharp correction. There are several global and domestic reasons for the correction. The steep upward climb of the markets had raised investor concerns over stretched valuations. Economic indicators were also pointing towards a slowing growth momentum, especially in the July-September quarter.

Locally, Indian investors (Domestic Institutional Investors or DIIs) bought a lot of stocks, which helped cushion the impact of foreign investors selling their shares, especially when company earnings weren't growing much. The number of IPOs increased by 32.1 per cent to 259 during April to December 2024 from 196 in the corresponding period of the previous year, Qualified Institutional Players (QIPs) emerged as the preferred equity fundraising mechanism for the corporates during FY25, with a 11.4 per cent share in total capital raised.

OPPORTUNITIES AND THREATS IN FINANCIAL SERVICES-NBFC SECTOR:

OPPORTUNITIES

- **Growing Credit Demand:** Increased need for loans in MSME, rural, and semi-urban segments.
- **Digital Transformation:** Advancements in technology allow NBFCs to leverage digital platforms for more efficient operations, enhanced customer experience, and innovative products like digital loans and investment platforms.
- **New Customer Segments:** Opportunity to serve informal workers, gig economy, and first-time borrowers.
- **Partnerships and Collaborations:** Collaborations with fintech companies and other technology providers can help NBFCs expand their product offerings, improve their technological infrastructure, and enhance customer engagement.

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- **Investment Opportunities:** With a diverse range of investment products, including venture capital and private equity, NBFCs can attract investors looking for alternatives to traditional banking investments.

THREATS

- **Regulatory Challenges:** Changes in regulations and compliance requirements can pose significant challenges. Stricter norms and higher capital requirements could impact profitability and operational flexibility.
- **Economic Downturns:** Economic instability or recessions can affect the credit quality of borrowers, leading to higher non-performing assets (NPAS) and financial stress for NBFCs.
- **Intense Competition:** The financial services sector is highly competitive, with traditional banks, fintech companies, and other NBFCs vying for market share. This competition can lead to margin pressures and increased customer acquisition costs.
- **Cybersecurity Issues:** More digital operations mean higher risk of data breaches, which can result in financial losses and damage to reputation.
- **Liquidity Constraints:** NBFCs often face liquidity issues due to their reliance on short-term borrowings. In times of financial stress, they may struggle to meet their funding needs, impacting their ability to lend.
- **Credit Risk:** The risk of default by borrowers is a significant concern. NBFCs must carefully manage credit risk to avoid high levels of NPAs, which can impact their financial health and stability.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE AND SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

BUSINESS OVERVIEW OF THE COMPANY

Thakur Fininvest Private Limited is a RBI-registered Middle Layer NBFC pursuant to the Scale Based Regulations (SBR) put forth by the RBI, engaged in the business of Investments in various kinds of securities and instruments e.g., Equity Instruments, Bonds, NCD, Government Securities, Preference Shares etc. With a clear strategic focus on financial inclusion, the Company provides timely and accessible credit solutions through a combination of physical and digital channels.

FINANCIAL PERFORMANCE

The revenue from operations for the F.Y 2024-25 stood at Rs. 46,57,65,766/- compared to Rs. Rs.35,80,03,253/- in the F.Y 2023-24.

Net Profit/(Loss) after tax of the Company stood at Rs.34,87,15,449 in F.Y 2024-2025 compared to Rs.24,76,69,520 in F.Y 2023-24.

The Total Asset size (net) of the Company as of March 31, 2025, is increased to Rs.929,65,65,029/- from Rs.895,32,74,652 in the previous year.

SEGMENT WISE PERFORMANCE

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The details concerning the segment-wise performance of the Company are mentioned in the notes forming part of the financial statements.

PRODUCT-WISE PERFORMANCE

The Company's investments consist of:

a. Strategic investments in group companies and

As on 31 March 2025, TFPL held strategic stakes of:

- 0.01% as on 31-03-2025

b. Financial investments in capital markets and investment in properties.

As on 31 March 2025, the Company held investments in equity and debt securities and investment in properties to the tune of Rs.571,64,67,482 Crores.

The investment portfolio of the Company is set out as under:

Sr.No	Particulars	Amount
1	- Investment in equity instruments (Subsidiary)	6,50,000
2	- Investment in Bonds	1,60,98,99,035
3	- Investment in Non - Convertible Debentures	3,58,61,70,821
4	- Investment in Government Securities	20,60,44,750
5	- Investment in Other Securities	20,39,86,483
6	- Investment in Preference Shares	1,00,00,000
7	- Investment in quoted equity instruments	8,61,23,595
8	- Investment in unquoted equity instruments	20,000
	Total	**5,70,28,94,685**

OUTLOOK:

Global economy is at a pivotal moment entering an era of heightened uncertainty and unpredictability. The IMF has projected global growth to be around 3.0% for 2026. Several major economies are expected to experience slower growth compared to previous forecasts. This slowdown is attributed to various factors, including heightened trade tensions, policy uncertainty, and geopolitical instability.

India's economic outlook for 2025 and 2026 remains one of the brightest among major global economies, as highlighted by the IMF. Despite global uncertainties and downward revisions in growth forecasts for other large economies, India is set to maintain its leadership in global economic growth. Supported by strong fundamentals and strategic government initiatives, the country is well-positioned to navigate the challenges ahead. With reforms in infrastructure,

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innovation, and financial inclusion, India continues to enhance its role as a key driver of global economic activity. The IMF's projections reaffirm India's resilience, further solidifying its importance in shaping the global economic future. Overall, India's economy is well-positioned for growth, but uncertainties in global markets, financial volatility, and trade disruptions remain key risks.

RISKS AND CONCERNS:

Middle management recognizes the following key risks that may affect the NBFC's operational stability and long-term growth:

- **Asset Quality Risk:** Rising delinquencies in MSME and rural segments. ***Mitigation*:** Strengthened credit screening, early warning systems, and portfolio monitoring.
- **Liquidity Risk:** Limited access to low-cost funds. ***Mitigation*:** Improved collections, diversified funding sources, and prudent ALM practices.
- **Talent Attrition:** Loss of skilled staff to fintech and private players. ***Mitigation*:** Enhanced retention policies, career development, and performance-linked incentives.
- **Operational & Cyber Risk:** Increased exposure to digital vulnerabilities. ***Mitigation*:** Cybersecurity protocols, and employee training.
- **Reputational Risk:** Risks from poor customer service or compliance lapses. ***Mitigation*:** Strong grievance redressal, adherence to Fair Practices Code, and customer engagement.
- **Regulatory Risk:** Impact of evolving compliance norms. ***Mitigation*:** Continuous policy tracking, timely process updates, and industry representation.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company maintains appropriate systems of Internal Control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorised use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly.

The Company has established appropriate Internal control framework in its operations and financial accounting and reporting practices to ensure due adherence to the Internal Financial Control over Financial Reporting under section 143(3) of The Companies Act 2013.

The Board of Directors have adopted Whistle Blower /Vigil Mechanism for ensuring efficient conduct of the business of the Company, 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.

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The management ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. The Audit Committee of the Board of Directors reviews the adequacy of Internal Controls. All these measures assist in timely detection of any irregularities and remedial steps that can be taken to avoid any pecuniary loss.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES, INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

Your Company considers Human Resource as key drivers to the growth of the Company. The Company has performance-based appraisal system. As on March 31, 2025 the total number of employees was five (5). We believe that meaning at work is created when people relate to the purpose of the organisation, feel connected to their leaders and have a sense of belonging. Our focus stays strong on providing our people a work environment that welcomes diversity, nurtures positive relationships, provides challenging work assignments and opportunities based on meritocracy for people to grow and build their careers with us in line with their aspirations.

CAUTIONARY STATEMENTS:

Statements made in this Management Discussion and Analysis (MDA) describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the ambit of applicable laws and regulations. Actual results may differ from those expressed or implied owing to successfully implement our strategies, our growth and expansion, global & Indian economy, political stability, changes in government regulations, tax regimes, economic developments and other incidental factors. Except as required by law, the Company does not undertake to update any forward-looking statements to reflect future events or circumstances. The Company makes no representation or warranty, express or implied, as to and does not accept any responsibility or liability with respect to the fairness, accuracy, completeness or correctness of any information or opinions contained herein. Investors are advised to exercise due care and caution while interpreting these statements.

On Behalf of the Board of Directors,

VIRENDRA SHYAMNARAYAN SINGH
Digitally signed by VIRENDRA SHYAMNARAYAN SINGH
Date: 2025.06.30 14:18:02 +05'30'

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Chairman
(DIN: 00174591)

THAKUR FININVEST PVT. LTD. MUMBAI