

## THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Outlook

For FY 2025, India's GDP growth is expected to moderate, with projections of 6.2% indicating a marginal slowdown compared to previous periods of stronger domestic demand-driven expansion. Rural recovery is likely to strengthen further, supported by a normal monsoon forecast, while urban consumption is expected to remain steady, backed by improving labour markets and lower interest rates.

Retail inflation is anticipated to stay near the RBI's medium-term target of 4.6%, maintaining a conducive environment for potential incremental policy easing. This could support credit expansion and broader economic activity, particularly in interest rate-sensitive segments.

Fiscal consolidation is expected to progress gradually, balancing growth support with fiscal discipline. Public investment particularly in infrastructure, logistics, and energy will remain a key lever for driving productivity gains. Moreover, the cumulative impact of earlier structural reforms and digitalisation efforts is likely to enhance the efficiency of financial intermediation and formal sector participation.

While India's growth outlook remains robust, global uncertainties ranging from trade disruptions and energy price volatility to geopolitical tensions pose potential risks. However, India's relatively strong macroeconomic fundamentals, large domestic market, and policy flexibility position it favorably to navigate external shocks and sustain medium-term growth.

### NBFC Industry Overview

Non-Banking Financial Companies (NBFCs) play a pivotal role in India's financial ecosystem, catering to a wide spectrum of borrowers including MSMEs and financially underserved populations thereby advancing financial inclusion and generating employment across the country. Leveraging their deep market understanding and widespread geographic reach, NBFCs have efficiently addressed diverse credit needs with agility and responsiveness. In FY 2023-24, the sector continued to anchor credit growth, with assets under management (AUM) reaching approximately 47 trillion and is projected to reach 53.7 trillion as on March 31, 2025. Growth was primarily driven by robust retail lending activity and demand from small businesses, despite increased regulatory scrutiny such as enhanced risk weights on unsecured loans and tighter supervision of riskier segments.

In FY 2025-26, the sector is expected to benefit from supportive macroeconomic measures. Budgetary tax reliefs and sustained repo rate cuts are likely to increase disposable income and enhance loan eligibility, offering a tailwind to credit expansion. Strategic public investments and digital lending innovations are also set to drive operational efficiency and sustained growth across the NBFC landscape.

Looking ahead, NBFC AUM is expected to cross 60 trillion in FY 2025-26. However, credit growth is projected to moderate to 13-15% lower than the 17% average seen over the past two years reflecting a high base, recalibrated risk strategies, and more conservative growth approaches in unsecured lending. Despite this, the sector remains on a strong footing, buoyed by continued retail demand, digital transformation, and its integral role in India's broader financial inclusion journey.

### Outlook

The NBFC sector is poised for stronger growth in FY 2025-26, supported by recent repo rate cuts by the Reserve Bank of India and changes in income tax slabs aimed at boosting consumer spending. According to a CRISIL report, AUM growth is expected to recover to 16-18% in FY 2026-27, following a moderation in FY 2025-26. The report also projects stable overall asset quality for the sector in the current fiscal.

With the RBI partially rolling back the earlier hike in risk weights on bank lending to NBFCs, credit flow to the sector is expected to ease. While such loans grew at a robust 15% annually between FY 2023-24 and FY 2024-25, the growth decelerated to 6.7% by February 2025. However, lending is now projected to return to double-digit growth.

The MSME segment, which accounts for 16% of overall credit grew by ~ 22.22% in FY 2024-25, is also expected to witness steady growth of ~23% in FY 2025-26. This will be supported by targeted government initiatives, greater digitalisation and formalisation, and improved access to data. These developments have enabled lenders to enhance their credit assessment models and more effectively serve the rising demand from this critical sector of the economy.

### INDUSTRY STRUCTURE AND DEVELOPMENT

NBFCs (Non-Banking Financial Companies) play a vital role in –promoting inclusive growth in the country, by catering to the diverse financial needs of bank excluded customers. Further NBFCs often take lead role in providing innovative financial services to Micro, Small and Medium (MSMEs) most suitable to their business requirements.

NBFCs are financial intermediaries engaged in the business of accepting deposits delivering credit and play an active role in channelizing the scarce financial resources to capital formation. They supplement the role of the Banking sector in meeting the increased financial needs of the corporate sector delivering credit to the unorganized sector and to small local borrowers.

The RBI and the Government have taken several measures to enhance system liquidity and strengthen the governance and risk management framework of NBFCs including HFCs:

Removal of 25% Debenture Redemption Reserve (DRR) Requirement.

Relaxation of end use restrictions on external commercial borrowings from recognized lenders

Allowance of Partial Credit Enhancements to banks for bonds tenured three years and above

Relaxation of the minimum holding period of loans with original maturities > 5 years to encourage securitizing assets

Allowing co origination of loans with scheduled commercial banks

Liquidity coverage ratio maintenance of 50% and 30% as per size of AUM

Interest subvention scheme for NBFC-ND-SI for loans provided to MSMEs to the extent of 2% for all GST Registered MSMEs

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One time restricting of existing loans to MSMEs

In addition, the RBI undertook a series of initiatives to strengthen the financial services industry, like accommodative monetary policies, reducing the benchmark rates by 115 basis points.

### INTER GLOBE FINANCE – AN OVERVIEW

Today, IGFL is one of West Bengal's leading & valuable financial management & advisory services company in the eastern region. Through its lending and financing solutions IGFL has enabled its customers to pursue ambitious growth strategies and execute value creating transactions. Our Vision is to become the most respected company in the financial services space in India. Our Business Strategy is to have a steady growth by adapting to the changing environment, without losing the focus on our core domain of financial services.

IGFL is a knowledge driven organization and has over the years developed and institutionalized knowledge about its businesses at all the levels.

Unlike conventional corporate lenders, we provide easy finance with hassle-free documentation through a speedy and transparent process. IGFL is at the right place, at the right time and with the right skill sets. The Government of India is strongly focusing on steps to stimulate the rural economies and we believe that we have a significant part to play. As we diversify our product portfolio to other forms of secured financing, we will soon have an entire spectrum of financial products under the IGFL umbrella.

### FINANCIAL REVIEW

The Business strategy of increasing Equity investments and reducing on loan activity helped company deliver robust numbers. The summary of our financial performance is as follows:

Our Interest Income stood at Rs. 6.65 Crores during the year.

During the year, the Company booked substantial profits on its equity portfolio.

Your Company booked a profit before tax of Rs. 3.82 crores during the year.

During the current financial year ended 31.03.2025, the Company's total turnover amounted to Rs. 148.43 Crores in comparison to Rs. 230.07 Crores in the previous financial year 2023-24.

Basic Earnings per share (EPS) stood at Rs. 4.14 in current year as compared to 12.37 in previous year.

Diluted Earnings per share (EPS) stood at Rs. 2.47 in current year as compared to 12.37 in previous year.

Your Company is hopeful of the future & has raised Rs. 317827500/- by allotment of 6835000 warrants. Out of the above 2135000 warrants allotted to various Non Promoters have been converted into tradeable Equity Shares & your Company has received Rs. 99277500/- against allotment. On the remaining 4700000 warrants allotted to various Promoters & Non Promoters 25% money has been received & are held as convertible warrants.

### The Key Accounting Ratios for the year under review would provide you a better analysis of your Company –

Current Ratio – 7.83

Debt Equity Ratio – 0.03

Debt Service Coverage Ratio – 1.07

Return on Equity – 2.90%

Inventory Turnover Ratio – 2.28

Trade Receivables Turnover Ratio - NA

Trade Payables Turnover Ratio - NA

Net Capital Turnover Ratio – 1.19

Net Profit Ratio – 2.44%

Return on Capital Employed Ratio – 3.57%

Return on Investment Ratio – 2.90%

There was no change in the ratios by more than 25% as compared to PY 2023-24.

### ROAD AHEAD & FUTURE OUTLOOK

The Company focussed on its core lending business and took requisite steps for the recovery of Non-Performing Assets. Your Company also plans to take advantage of the growing financial market & increase investment in Equity.

1. The Company has taken steps to recover non-performing loans & increase its equity portfolio.
2. Your Company is also evaluating various new activities in financial market including starting of PMS, Insurance Broking, Merchant Banking, etc.

### INTERNAL CONTROL SYSTEMS AND ADEQUACY OF INTERNAL CONTROL

In any industry, the processes and internal control systems play a critical role in the health of the Company. The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these systems in line with the best available practices.

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The Board has an Audit Committee with independent directors in majority to maintain the objectivity.

IGFL has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly, applicable statutes and corporate policies are duly complied with.

The Audit Committee also seeks the views of statutory auditors on the adequacy of the internal control systems in the Company. Moreover, IGFL continuously upgrades these systems in line with the best available practice.

### OPPORTUNITIES & THREATS

#### Opportunities

Non-Banking Financial Companies (NBFCs) are fast emerging as an important segment of Indian financial system. The Company provides long term financing to the Logistics, Share Brokers, Integrated Steel Plants, Real Estate Developer, Infrastructure Conglomerates, Airport Ground Handling Services, Retail Marts, Iron-ore Mine Industries and Power Sector. Thus, the Company has broadened and diversified the range of products and services offered by a financial sector. Gradually, the Company, being recognized as complementary to the banking sector due to its customer-oriented services; flexibility and timeliness in meeting the credit needs of specified sectors; etc.

#### Threats

Being a NBFC, the Company has to face various threats as under mentioned –

High cost of funds;

Slow industrial growth;

Stiff competition with NBFCs as well as with banking sector;

Non-performing assets.

### RISK MANAGEMENT

Being in the lending business, risk management forms a vital part of our business. The Company has a well-defined risk management framework approved by the Board of Directors. It provides the mechanism for identifying assessing and mitigating risks.

### HUMAN RESOURCES & INFRASTRUCTURE DEVELOPMENT

People are our key pillars of strength. This belief was further strengthened as our people showed tremendous resilience and extraordinary commitment during the pandemic times to bring the Company back to its core performance.

Our people are our key assets. In an increasingly competitive market for talent, we focus on attracting and retaining the right talent and fostering a work culture that is always committed to providing the best opportunities to employees to realize their potential.

IGFL is committed to create a vibrant and inclusive workplace for all its employees and actively takes steps to ensure these are well enshrined in our policies and practices. We remain an equal opportunity employer and follow non-discrimination in all our practices.

### CAUTIONARY STATEMENT

The Board of Directors have reviewed the Management Discussion and Analysis prepared by the Management, and the Independent Auditors have noted its contents. Statement in this report of the Company's objective, projections, estimates, exceptions, and predictions are forward looking statements subject to the applicable laws and regulations. The statements may be subjected to certain risks and uncertainties. Company's operations are affected by many external and internal factors which are beyond the control of the management. Thus the actual situation may differ from those expressed or implied. The Company assumes no responsibility in respect of forward looking statements that may be amended or modified in future on the basis of subsequent developments, information events.

#### Registered Office :

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Aloka House

Kolkata - 700 001

Date : August 19, 2025

On behalf of the Board

Sd/-

**Navin Jain**

Chairman & Managing Director

(DIN - 01197626)